1 Ranking order of contractual agreements

To the exclusion of the general terms and conditions of the Contractor ("Contractor"), the parts of the contract shall apply as set forth in the order of priority below:

- The Client’s ("Client") order
- The appendices mentioned in the Client’s order and in particular these General Terms and Conditions of Purchase for Delivery Services.

2 Services of the Contractor

2.1 Completeness, functionality

Insofar as the description of goods/services provides general specifications, the relevant deliveries and services to be provided by the Contractor shall include all individual deliveries and services required for the creation of a complete and functional target.

2.2 General provisions for contractual performance

2.2.1 Generally recognized engineering practices, laws and technical standards

As a minimum standard, the Contractor must comply with generally recognized engineering practices. The Contractor shall comply with all relevant laws and other legal standards and the generally accepted current technical standards and guidelines. Where applicable, machinery and technical work equipment must be supplied with assembly and operating instructions, an EC Declaration of Conformity and a CE marking, in accordance with the Product Safety Law (PrdSG) and the Machinery Ordinance.

2.2.2 Duty of review and notification, duty to inform

The Contractor shall inform the Client without delay in writing if it notices errors or incompleteness in the information and/or documents provided.

2.2.3 Reporting concerns

If the Contractor has objective technical concerns, it must notify the Client immediately in writing with a detailed explanation.

2.2.4 Monitoring rights of the Client

The Client shall have the right to obtain information about the delivery and service of the Contractor and related quality assurance measures at any time. The Contractor shall ensure that the Client is provided at all times with all necessary information and data to enable the Client to assess the Contractor’s deliveries and services. The Client is entitled to visit all sites where work is being performed to conduct its own tests and preserve evidence. The Client shall have the right to demand tests and inspections, in particular the performance of a factory acceptance test (FAT) and a preliminary acceptance test at the site of use (SAT). All test reports shall be handed over to the Client immediately upon request. The warranty provisions remain unaffected.

2.2.5 Approvals by the Client

The Client is entitled at all times to request that the Contractor submit the plans, drawings, concepts, other records and/or documents (hereinafter referred to as "Documents" in this clause) relating to service performance for approval and/or information.

At the Client’s request, the Contractor shall immediately submit documents and be available to provide explanations. The Contractor must provide Documents—including any explanations—to the Client in good time so that the Client has sufficient time to review the documents and decide on their approval.

2.2.6 Coordination, interfaces

The Contractor shall handle all coordination services and activities for the deliveries and services it must provide and for the coordination of subcontractors it has hired.

As part of the coordination services, the Contractor shall in particular also plan for the Client’s cooperation in terms of content and schedule. The Contractor will request any necessary collaboration from the Client with appropriate advance notice.

2.2.7 Language, documents

Contract execution and oral/written communications shall be conducted in German, upon agreement with the Client also in English. Required documents shall be prepared in German, upon agreement with the Client also in English. The Contractor shall provide the Client with two copies of all documents required for review and approval procedures, installation and assembly, maintenance and repair, operation, servicing and inspection.

2.3 Shipping, packaging

The Contractor shall bear the shipping and packaging costs. Delivery shall be made DDP (Incoterms 2010) to the site of use indicated by the Client. The Contractor is responsible for transport and proper packaging and must comply with all national and international regulations (e.g., import and export laws and implementing regulations) relating to transport, packaging and labeling. The Contractor shall dispose of packaging materials and other waste. The storage of delivery items on the Client’s premises is only permitted in allocated storage locations.

The Client must be informed in good time of the readiness for dispatch as well as the time of dispatch and arrival at the site of use for each individual consignment on the day of dispatch. Bills of lading and packing lists must be included with each shipment. For shipments by ship, the name of the shipping company and the vessel must be indicated in the shipping documents and the invoice.

3 Scope changes of deliveries and services

Where amended or additional scope of deliveries or services are expedient or even required the Contractor shall offer such respectively amended or additional services to the Client.

The contracting parties agree to conclude as promptly as possible supplementary agreements that conclusively govern the increased or decreased costs and any effects on deadlines resulting from amended and additional services. The Contractor may only perform amended or additional services after conclusion of a supplementary agreement.

4 Participation of the Client

The Contractor is responsible itself for planning the dates and content of all cooperation and approvals of the Client. The Contractor shall independently obtain the required data, information and/or documents from the Client. If needed, the Contractor will involve the Client with sufficient advance notice.

5 Deadlines and dates

The Contractor shall perform the deliveries and services in accordance with the general schedule and the latest detailed schedule. The timeliness of the delivery shall depend on the receipt at the site of use specified by the Client.

The Contractor shall immediately notify the Client in writing if there are indications that deadlines will be exceeded, including the reasons and the expected duration. The rights of the Client arising from delay shall remain unaffected by this duty to inform.

Early or partial deliveries require the consent of the Client.

In the event of the Contractor in default with the delivery date specified in the order, the Client shall be entitled to demand a contractual penalty of 0.2 percent of the respective net order value of the delivery item per working day of delay, up to a maximum of 5 percent of the total net order value of the delivery item, unless otherwise agreed. The contractual penalty may be claimed until the final payment is due without the need to reserve the right to do so on delivery pursuant to § 341 para. 3 of the German Civil Code. Further legal claims of the Client, in particular claims for damages, shall remain unaffected; any contractual penalty shall, however, be added to such claims for damages.
6 Hindrances

If the Contractor becomes aware that a hindrance will have effects on the deliveries and services, the Contractor must immediately notify the Client in writing of the hindrance and its effects, including the beginning and expected end of the period of hindrance, the potential consequences of the hindrance (with regards to deadlines and/or costs) and a detailed explanation of the reasons.

The Contractor shall immediately resume the deliveries and services affected by the hindrance after the hindrance has ceased to exist and shall immediately inform the Client thereof in writing.

7 Transfer of ownership and risk

The risk of accidental loss and accidental deterioration of the delivery item shall pass to the Client upon delivery to the site of use (DDP, Incoterm 2010). If acceptance has been agreed, the risk shall pass to the Client upon acceptance.

The transfer of ownership shall also take place upon delivery of the delivery item to the site of use. The Contractor is obliged to redeem any retention of title of its suppliers beforehand.

8 Warranty claims

Unless otherwise specified below, the nature and scope of warranty claims against the Contractor shall be governed by the statutory provisions.

The Contractor undertakes to carry out a final inspection of the goods. As far as the Client has an obligation to inspect the delivery item according to § 377 of the German Commercial Code (HGB), this obligation shall be limited to a minimum inspection of defects that are obvious or easily recognizable during normal use. As far as a defect can only be detected during use or commissioning, the scope of the obligation to inspect is initially limited to recognizable external defects.

A complaint by the Client is in any case timely if it is made within 14 calendar days, calculated from delivery of the delivery item or, in the case of hidden defects, from discovery of the defect. The timely dispatch of the notice of defects shall suffice to comply with the deadline.

If the delivery item is defective, the Client shall be entitled to the statutory warranty claims without restriction.

The warranty period shall be three years from delivery of the delivery item, unless a longer limitation period is stipulated by law. If acceptance has been agreed, the warranty period shall commence upon acceptance. If a defect is intentionally concealed, the statutory provisions apply, but at a minimum the period indicated here.

9 Title to documents, rights of use, IP rights

9.1 Title to documents

All documents provided by the Client, i.e. data, information, calculations, software, drawings, manuals, models and other documents of a technical nature, whether in paper or other form and on data carriers (hereinafter referred to in this clause as "Documents") remain the property of the Client. These Documents must be returned by the Contractor at any time upon the Client's request. The exercise of a right of retention is not permitted in this respect.

The Documents created by the Contractor or its subcontractors for the performance of the contract and provided to the Client shall become the property of the Client.

9.2 Utilization of documents of the Client by the Contractor

The Contractor shall use the Documents of the Client that are provided to the Contractor only to perform contractually owed deliveries and services and may not otherwise use them for itself or third parties; in particular, it may not commercialize them for itself or third parties.

Documents of the Client may not be duplicated, provided to third parties or otherwise used without the prior express written consent of the Client. The Contractor is permitted to subcontract work if the Client has agreed to the hiring of the subcontractor and the subcontractor has undertaken vis-à-vis the Client and the Contractor to comply with the provisions of this Clause 9.

9.3 Rights of use, usage

The Client will be granted a geographically and temporally unrestricted, transferable and irrevocable right of use free of charge to all Documents that are protected under copyright or related IP rights and to other deliverables of the Contractor that are subject to these rights. The right of use particularly includes the right to process the deliverables, to further develop, duplicate, and manipulate them and to make them publicly accessible.

The Contractor shall require its subcontractors to grant the Client rights of use to the same extent. Exceptions therefrom require the consent of the Client.

9.4 Remuneration

Remuneration owed under this contract represents full and final settlement of all transfers, grants of rights and use. The parties agree that in defining the remuneration (Clause 12) they have already accounted for the fact that the Contractor may create protectable deliverables that will be used by the company. Thus, part of the remuneration represents full and final settlement—subject to Sections 31a Para. 4, 32 Para. 3, 32a Para. 3 and 32c Para. 3 Copyright Act—
for the transfer, license and use of protected deliverables, including after completion of the project.

10 Liability and indemnity

The Contractor shall be liable under the provisions of the law. It shall be liable for any culpability of its legal representatives and vicarious agents, especially subcontractors and vendors, to the same extent as it would for its own culpability.

If a third party files a claim against the Client due to breach of a legal or contractual provision within the Contractor's responsibility, the Contractor shall hold the Client harmless against all claims.

11 Insurance policies

The Contractor is obliged to provide evidence of an appropriate level of business liability, product liability, extended product liability (if necessary including the so-called machine clause), environmental liability and environmental damage insurance for personal injury, property damage and pecuniary loss as well as for claims based on the Environmental Damage Act, and to maintain such insurance at least until expiry of the warranty period. The Contractor grants the Client the right to contact the insurance company directly to clarify specific questions.

The Contractor must provide the Client with proof of purchase of the aforementioned insurance by sending it the insurance certificates immediately upon request.

12 Remuneration and terms of payment

Each agreed remuneration is a fixed price. Changes to remuneration shall be made only under the conditions set forth in this contract. The price applies to the entire term of the contract. Price adjustments for wages or materials are not an integral part of this contract. All prices are net and do not include the statutory sales tax.

All invoices become due within 30 calendar days after receipt of an auditable invoice and, unless otherwise agreed, after complete delivery and service. All necessary invoice documents must be enclosed with the invoice. If the scope of performance includes documentation or test certificates, the period shall not commence until these have been handed over. All payments shall be cashless. Payment does not constitute acknowledgment of delivery and service.

If a payment schedule has been agreed, an instalment invoice will be due only if the status of deliveries and services provided for in the payment schedule has been achieved.

Invoices must be sent to the address indicated in the order, stating the order date, the order number and the tax number. The invoice items must correspond to the purchase order items.
13 Confidentiality, advertising

The Contractor undertakes to treat all internal company information of the Client it becomes aware of as confidential and not to pass such information on to third parties.

The Contractor’s obligation to retain significant contractual documents expires after 10 years with respect to the Client’s claims against the Contractor. If the Contractor wishes to destroy original documents, it must first offer them to the Client.

The Contractor shall refer to the existing business relationship with the Client in advertising or other media only with the prior written consent of the Client. The use of the Client’s trademarks (in particular the “BAYER Cross”) by the Contractor is not permitted in any case, unless the Client expressly consents to this in writing.

14 Compliance with employment, tax and social insurance requirements

The Contractor represents and warrants that it will meet its obligations as an employer to all employees assigned within the scope of this contract. The Contractor undertakes to hire the employees it employs for the performance of this contract in compliance with the applicable laws, in particular the valid employment and social insurance regulations. The Contractor further undertakes to comply with all applicable laws and official regulations, especially regarding tax laws, employment laws (including AEntG (Posted Workers’ Act)), AÜG (Temporary Employment Act)) social insurance laws, occupational health and safety laws, accident prevention laws and employer’s liability accident prevention regulations.

15 Compliance with the Minimum Wage Act

The Contractor represents and warrants that in the performance of orders from the Client it will comply with the law governing the general minimum wage (MiLoG – Minimum Wage Act). The Contractor further warrants that it will impose the same obligation on its subcontractors and the parties providing it with temporary workers.

The Contractor shall indemnify the Client against all third-party claims that result from the execution of the Client’s orders by the Contractor, in particular claims in connection with the regulations of the Minimum Wage Act by Contractor’s own employees, subcontractors and by employees of the subcontractor or a supplier of temporary labor hired by the Contractor or by a subcontractor.

The obligation to indemnify also applies with respect to claims by social insurance carriers, tax authorities and in particular also with respect to claims by the Federal Employment Agency in the event of payment of insolvency money.

16 Withholding of legally required social insurance contributions and taxes

The Contractor warrants that it will pay the statutory social security contributions and taxes in respect of all employees employed within the scope of this contract and that no additional claims will arise.

17 Final provisions

17.1 Transfer of the contract, assignment

The Contractor may not transfer the contract in whole or in part to third parties without the consent of the Client. The above requirement also applies to individual rights and obligations under this contract.

The Client is entitled to transfer its rights and obligations under this contract within the Bayer Group (i.e. to an affiliated company of Bayer AG as defined by Sections 15 et seq. of the Stock Corporation Act (AktG)) without the Contractor’s consent. The Client reserves the right to assign rights in whole or in part.

17.2 Applicable law

The law of the Federal Republic of Germany shall apply exclusively to all legal relationships arising for the contracting parties and their legal successors from this contract, to the exclusion of the CISG.

17.3 Legal venue

The exclusive venue for all disputes arising from or in connection with this contract shall be Cologne.

17.4 Written form, amendments to the contract

Amendments, additions or the mutual termination of this contract, including its annexes, must be in writing and signed by both parties on one and the same document in order to be valid, unless they are based on an express, individual contractual agreement.

Notices of termination and any other declarations needed in order for the parties to substantiate, defend or exercise their rights must also be in writing in order to be valid, but require only the declaring party’s signature.

The written form requirement may be waived only by a declaration signed by both contracting parties, unless the waiver is based on an express, individual contractual agreement.

The acceptance or acknowledgment of orders, shipping documents, job confirmations or any other kind of document (including general terms and conditions of business) containing provisions that differ from those agreed to in this contract shall not result in an amendment and/or addition to this contract unless the written form requirement under the above paragraphs is complied with.

17.5 Setoff

The Contractor may not set off any amounts unless the underlying claim is undisputed or has been legally established by a court of law.

The Client may set off and/or withhold amounts as permitted by law.

17.6 On-site services

If the Contractor is to provide services on the Client’s premises, e.g. assembly or commissioning services, it shall comply with the safety and regulatory regulations as well as the applicable QM instructions for companies processing orders on BAYER’s premises and/or with the corresponding regulations of BAYER’s affiliated companies. The relevant safety and regulatory provisions (Sicherungs- und Ordnungsvorschriften; SOV) are available on the Internet at www.procurement.bayer.com.