Bayer’s General Conditions of Purchase

1 General
1.1 These Conditions shall be an integral part of the purchase contract. Conflicting or deviating conditions of delivery stipulated by the Seller or other reservation made by the Seller shall not be deemed accepted unless the Buyer has expressly accepted them in writing for a specific order.
1.2 Other agreements, amendments or subsidiary agreements shall not be effective unless the Buyer has given his written consent thereto.

2 Offer
2.1 The Seller’s offer shall cover exactly the quantities and qualities specified in the Buyer’s inquiry. Any departure therefrom shall be expressly mentioned.
2.2 The offer shall be submitted cost-free and without any obligation being imposed on the Buyer.

3 Order
3.1 Any orders and amended orders shall be made in writing. Verbal agreement or arrangements discussed over the phone shall only be binding if confirmed in writing.
3.2 Each order or amended order shall be confirmed by the Seller and agreed by the Buyer in writing and shall be treated separately in all correspondence. The acceptance of the order is limited to and conditional upon acceptance by the Seller of these Conditions.
3.3 The following details shall be stated in all correspondence: the product name, the purchasing department, the complete order number and the date of the order and the Buyer’s reference.

4 Period for Delivery
The period for delivery shall either run from the date of the order or shall be as specified in the order. The Seller must comply with the delivery terms specified in the order and time shall be of the essence in the performance by the Seller of the order. If the Seller has reason to assume that he will not be able to meet, or meet in time, all or part of his contractual obligations, he shall inform the Buyer thereof immediately, stating the reasons and the likely duration of the delay. In the event that the Seller fails to provide such information, he shall have no recourse to claim exemption from responsibility for the delay from the Buyer on the grounds of hindrance.

5 Warranty, Liability and Notification of Defects
5.1 The Seller warrants the goods supplied by him to be free from defects which may reduce their value or affect their usability, to be in accordance with the specifications and conditions stipulated in the order or product specification sheet, to have the warranted properties, to be in conformity with the generally accepted technical practice, and to conform to the most recent regulations and to the appropriate safety specifications. Should the delivered goods fail to meet any
or all of these requirements, the Buyer shall be free to request either rescission of
the contract or a reduction in the purchase price or replacement of the defective
item by a non-defective one in accordance with the product specifications agreed
between Seller and Buyer or, if the Seller has the necessary technical equipment,
repair of the defect. This shall not apply to defects or damage caused by
(a) normal wear and tear
(b) inappropriate handling by the Buyer
The Buyer shall notify the Seller of any defects in the delivered goods as soon as
they are discovered in the regular course of business. The above provisions shall
apply mutatis mutandis to services such as assembly, erection, maintenance, etc.

5.2 Unless agreed otherwise, the warranty period shall be at least one (1) year,
starting from the time the goods are put into operation or used for the first time.

5.3 The Seller’s warranty shall also cover any items manufactured by subcontractors.

5.4 If the Seller is notified of a defect, the warranty period shall be extended by the
time which elapses between such notification and the repair of the defect. If the
item supplied by the Seller is replaced in whole by a new one, the warranty period
shall begin anew. If the item is replaced in part, the warranty period shall begin
anew for the new parts. If the Seller fails to replace any rejected or defective
goods within a reasonable time, the Buyer has the right to purchase replacement
goods from another source. Any money paid by the Buyer to the Seller in respect
of the rejected or defective goods together with any additional expenditure over
and above the price reasonably incurred by the Buyer in obtaining replacement
goods shall be paid by the Seller to the Buyer.

5.5 Goods which are subject to complaint under the warranty shall remain at the
Buyer’s disposal until replacements have been supplied, whereupon they shall
become the property of the Seller.

5.6 In urgent cases, or if the Seller defaults or fails in repairing a defect, the Buyer
may repair the defect himself at the Seller’s expense or avail himself of any of
the other warranty rights mentioned in Clause 5.

5.7 Acceptance of the Seller’s supplies and services by the Buyer shall not affect the
Seller’s obligations under the warranty.

6 Tests

6.1 If tests are specified for the goods to be supplied, the Seller shall bear the costs
of such tests, including his own personnel costs, but excluding the Buyer’s
personnel costs.

6.2 The Seller shall inform the Buyer not less than one week in advance of the date
on which the goods will be ready for testing and shall agree with him a date for
the tests. If the goods are not presented for testing on this date, the Buyer’s
personnel costs shall be borne by the Seller.
6.3 If any defects are found in the goods which make it necessary to repeat the tests or conduct further tests, the Seller shall pay all the personnel costs and other costs entailed. The Seller shall also pay all the personnel costs and other costs incurred in connection with testing the materials used by him in executing the order.

7 Insurance
7.1 Unless agreed otherwise the Seller shall insure the goods until they have been delivered to the Buyer.
7.2 The Seller shall take out at his own expense adequate third party liability or other insurance to cover damage resulting from services rendered by or goods delivered by or property belonging to him, his personnel, or third parties commissioned by him.
7.3 The procurement of special assembly/erection insurance in addition to the third party liability insurance mentioned in clause 7.2 shall in each case be subject to agreement between the Buyer and Seller.

8 Shipping Requirements
8.1 On the day on which the goods are dispatched, the Seller shall send the Buyer a detailed dispatch note for each consignment separately from the goods and invoice. The goods shall be accompanied by a delivery note and packing slip. If the goods are sent by ship, the shipping papers and invoice shall state the name of the shipping company and of the ship. The Seller shall choose the mode of transport most favorable and suitable for the Buyer. The Seller shall show in full the order reference number and point of unloading specified by the Buyer in all dispatch notes, delivery notes, packing slips, bill of lading and invoices, on the outer packaging of the goods, and elsewhere if appropriate.
8.2 The Seller shall always pack, mark and ship dangerous goods in compliance with the appropriate national/international regulations. The accompanying documents shall show not only the risk category but also any further particulars required by the appropriate transport regulations.
8.3 The Seller shall be liable for any damage caused by non-compliance with these provisions and shall pay any costs incurred thereby. He shall also be responsible for ensuring that these shipping requirements are complied with by subcontractors.
8.4 Any consignments of which the Buyer is unable to take delivery because of non-compliance with these provisions shall be stored at the Seller’s expense and risk. The Buyer shall have the right to ascertain the contents and condition of such consignments.

9 Prices and Conditions
Should the Seller reduce his prices or grant better conditions between the placing of the order and delivery thereof, the prices and conditions effective at the date of delivery shall apply.

10 Title and Risk
The title and risk in the goods pass to the Buyer upon delivery and acceptance of the goods by the Buyer in accordance with these Conditions and the purchase contract, without prejudice to any right of rejection which may accrue to the Buyer under these Conditions or otherwise.

11 Invoice and Payment
11.1 The Seller’s invoices shall be consistent with the respective orders in their wording, in particular the order of items and prices. Any additional or deleted services or supplies shall be stated separately in the invoice. The complete order number shall be specified in the invoice.
11.2 Periods for payment shall begin on the specified dates or within 90 (ninety) days net after receipt of invoice, whichever is later, but not before the dates on which the goods and invoices are received.
11.3 The parties may deviate from the payment terms as stipulated in Section 11.2 above, provided that such deviation has been explicitly agreed between the parties in writing.
11.3 Where the invoice due date does not fall on a Business Day, the due date shall be on the next Business Day. For the avoidance of doubt, “Business Day” shall mean any day other than a Saturday, Sunday or a day on which banks are closed in Hong Kong Special Administrative Region.
11.4 Payment shall not be deemed to constitute acceptance of delivery.
11.5 The Buyer may deduct from any monies due or becoming due to the Seller any monies due from the Seller to the Buyer.

12 Confidential Information
12.1 All information supplied by the Buyer shall be treated as confidential, and shall remain the Buyer’s property and shall not be disclosed or used for any other purpose, reproduced or made available or sell to third parties by the Seller. The Seller shall, if so requested, surrender them and all copies and duplicates thereof, to the Buyer without delay. The Buyer reserves the property rights to all documents he supplies to the Seller.
12.2 The Seller shall regard the inquiry and the order and all works in connection therewith as confidential. The Seller shall be liable for any loss suffered by the Buyer because he has failed to fulfil any or all of these obligations.
(a) The Seller shall supply to the Buyer in good time at no cost to the Buyer and without being specially requested to do so, all documents needed by the Buyer for the use, erection, installation, processing, storage, operation, servicing, inspection, maintenance or repair of the goods supplied.

(b) Whenever the Buyer specifies standards, the latest version shall apply. The Seller shall request the Buyer to supply him with his works standards, as far as they have not already been supplied.

13 Assembly, Erection, Maintenance, Inspection, Repairs. Etc.

13.1 If assembly, erection, maintenance, inspection, repairs, etc. are carried out in any of the Buyer’s premises, such work shall be subject to the safety and conduct regulations for contractors and their personnel working on the premises of the Buyer or its subsidiaries.

13.2 The Buyer shall not be liable for any property of the Seller or his personnel, which is brought onto the Buyer’s premises.

14 Indemnity

The Seller shall indemnify, defend and hold the Buyer harmless against any and all claims, liabilities, expenses, loss, damages and costs which the Buyer may sustain or incur as a result of:

(a) breach of these Conditions by the Seller;
(b) breach of any contract or order by the Seller;
(c) non-compliance with any applicable laws and regulations;
(d) any infringement of patents, licenses or protective rights of third parties that may result from the supply, use or resale by the Buyer of the goods.

15 Advertising Material

The Seller shall not refer to his business connection with the Buyer in any information or advertising material except with the Buyer’s written consent.

16 Sustainability

16.1 Supplier is obligated to organize its business with Bayer in compliance with Bayer’s human rights-related and environment-related expectations as well as other sustainability topics as outlined in Bayer’s Supplier Code of Conduct (“Bayer SCoC”), Version dated December 31, 2022, which can be accessed through https://www.bayer.com/en/procurement/supplier-code-of-conduct, Version dated December 31st, 2022 . Bayer reserves the right to amend this Sustainability Clause as well as the Bayer SCoC if Bayer’s human rights-related and environment-related expectations change and will inform Supplier thereof as soon as reasonably possible. Supplier shall acknowledge continued compliance to such amended SCOC or clause, as the case may be.
16.2 Supplier will address the substantive provisions of the Bayer SCoC to its suppliers and ensures that the substantive provisions of the Bayer SCoC are adhered to by itself and its suppliers, including access to Bayer’s complaint portal specified in the Bayer SCoC.

16.3 Bayer reserves the right to evaluate, control or audit (onsite or remote audit, online or paper questionnaire, recognized certification systems or audit-systems, etc.) to ensure and verify compliance with the aforementioned. An evaluation, control or audit can be executed directly by Bayer or by a qualified third party.

16.4 Supplier shall, without undue delay, (i) report to Bayer in writing any identified risks for and violations of the principles outlined in Bayer SCoC and (ii) take appropriate remedial actions to prevent, end, or minimize the violation. Bayer reserves the right to (i) apply a concept for ending or minimizing a violation and (ii) ask for Supplier’s cooperation in this respect. If Supplier fails to comply with the requirements of the Bayer SCoC, and after a grace period of three months has lapsed without the violations having been eliminated, Bayer reserves the right to either (i) suspend the agreement until such violations have been remedied, or (ii) give extraordinary notice of termination after the aligned timeline for execution has lapsed unfruitful and at Bayer’s exclusive discretion.

16.5 Supplier acknowledges and supports Bayer’s Supplier Inclusion & Diversity efforts, its commitment to the participation of diverse businesses and the prohibition of discriminatory treatment in the supply chain as outlined in Bayer SCoC. Supplier will use reasonable efforts to employ qualified diverse suppliers and subcontractors where appropriate and feasible, keep record of their use, and be able to produce a report upon Bayer’s request of spend percentages with diverse suppliers.

16.6 Supplier shall indemnify and keep Bayer and its affiliates, including Bayer AG (all Bayer affiliates listed at https://www.bayer.com/sites/default/files/GDIS_Companies_EN.pdf) harmless from any damages, 3rd party claims, fines, or losses arising out of violations of the obligations described either herein or in the SCoC.

17 Force Majeure

17.1 If a party is prevented, hindered or delayed from or in performing any of its obligations under the purchase contract by an event of force majeure being an event which is, or the consequences of which are, beyond the reasonable control of the party such as war, acts of government, serious fire, flood, typhoon or earthquake, the affected party's obligations under the purchase contract are suspended while the force majeure event continues.

17.2 Except where the nature of the force majeure event shall prevent it from doing so, the affected party shall notify the other party in writing forthwith after occurrence of the force majeure event and shall, within fourteen (14) days thereafter, send to the other party a certificate issued by the competent government authorities evidencing the occurrence of the force majeure event.
17.3 During the period of the force majeure event, the Seller shall take all necessary measures to hasten the delivery of the goods. If, as a result of the force majeure event, delivery is delayed by more than one (1) month, the Buyer shall have the right to terminate the purchase contract by written notice to the Seller.

17.4 Notwithstanding any provision to the contrary, if cuts in supply cannot be avoided due to the force majeure event arising from the part of the Seller, the Seller shall make all reasonable efforts to ensure that the supply to the Buyer is allocated on a fair and equitable basis.

18 Governing Law and Dispute Resolution
These Conditions and the purchase contract shall be subject to the laws of Hong Kong Special Administrative Region. The parties agree to submit to the non-exclusive jurisdictions of the courts of the Hong Kong Special Administrative Region.

19 Third Party Rights
The application of the Contracts (Rights of Third Parties) Ordinance Cap. 623 (“Ordinance”) is expressly excluded and no person who is not a party to the purchase contract, wherein these General Conditions forms shall form an integral part thereof, shall be entitled to enforce any right or term of the purchase contract pursuant to the Ordinance.

20 Successors and Assigns
These General Conditions shall be binding upon and inure to the benefit of the parties and their respective successors and transferees. The purchase contract, wherein these General Conditions shall constitute an integral part thereof, may not be assigned, transferred or novated, in full or in part, by either party to any other party without the prior written consent of the other party hereto; provided, however, that Bayer may assign, transfer or novate, in full or in part, its rights and obligations hereunder without the prior written consent of the other party to (a) any affiliated entity, or (b) to a successor or transferee, whether by merger, consolidation, purchase or otherwise, of the business or assets of Bayer, or parts thereof, to which the subject matter of the said purchase contract relates.