



General Conditions of Purchase of Sanovita Produktions- und Vertriebs GmbH ("SANOVITA")

§ 1 General

1. The following General Conditions of Purchase (hereafter referred to as "Conditions") exclusively apply to all current and future purchasing contracts even when not referred to these Conditions explicitly.

2. Possible contradictory conditions of sale and delivery drawn up by the supplier are not accepted unless explicitly agreed by SANOVITA in writing in advance. This also applies when such conditions are not explicitly challenged. Any conditions of sale and delivery put forward by the supplier are not recognized by SANOVITA unless explicitly agreed in writing in advance.

3. SANOVITA hereby objects to any conditions of sale and delivery drawn up by the supplier which contradict the Conditions defined herein. Any guidelines drawn up by the supplier which define the form which such an objection has to take do not affect the validity of the objection hereby made by us. If the supplier's conditions of purchase contain a clause which generally rules out such an objection, such conditions will be replaced by the applicable provisions laid down by law.

4. SANOVITA Conditions also apply when accepting deliveries from the supplier without reservation, although SANOVITA is aware of the existence of contradictory conditions drawn up by the supplier.

5. All agreements made between SANOVITA and the supplier regarding deliveries and services have to be documented in writing, in the respective contract and any additions to it.

6. These Conditions only apply to companies, legal persons under public law and public institutions as defined by § 310, paragraph 1, of German Civil Code.

7. Offers and quotations made by the supplier are binding and have to be fulfilled.

8. All orders have to be accompanied by SANOVITA's written confirmation. The content of such confirmation represents the explicit basis of the order. Any alterations or additions made to agreements have to be explicitly defined as such and have to be documented in writing in order to be valid. Verbal agreements will not be accepted. This also applies to alterations or additions made to the clause regarding the requirement of the written form itself, as well as to any verbal agreement made regarding the waiving of the requirement of the written form. Verbal agreements only take effect once they have been documented in writing.

9. The use of subcontractors requires SANOVITA's written authorization in advance. The supplier has to impose all of his contractual obligations onto all subcontractors and has to guarantee that these obligations will be upheld. The supplier carries full responsibility for any violations of these contractual obligations caused by the subcontractor.

§ 2 Orders

1. Orders are only binding when they are made in accordance with the signed purchasing contract(s) and these Conditions. § 1 № 8 applies.

2. In accordance with § 1 № 7, the supplier is bound by his offer for a period of 6 (six) weeks unless otherwise agreements have been made. Delivery of the order by post or shipment suffices for the punctual acceptance within the agreed period. The offer also has to include any terms and conditions and any necessary drawings, diagrams, measurements, weights and/or other performance/delivery times.

3. SANOVITA orders are to be treated with the utmost confidentiality as far as third parties are concerned. Significant breaches of this or any of the following obligations gives SANOVITA the right to cancel all orders, to demand compensation for failure to fulfill contractual duties and to take all the legal measures necessary to protect SANOVITA interests. The supplier is also responsible for ensuring that the regulations laid down in this paragraph are upheld when he, with SANOVITA's approval, passes on the order to third parties (subcontractors).

§ 3 Confirmation of Orders

1. The supplier is obliged to confirm SANOVITA orders in writing within 10 (ten) days from the day on which the order was placed to date on which SANOVITA receives the confirmation. This confirmation has to contain the binding delivery and performance times.

2. If the supplier's offer varies from the requirements laid out in SANOVITA's enquiry, or the order confirmation differs from SANOVITA's order, the supplier is obliged to point-out such differences. For acceptance, such differences require SANOVITA's written confirmation.

3. If SANOVITA does not receive written confirmation of the whole order volume within 10 (ten) days, SANOVITA is no longer bound by its order.

§ 4 Deliveries/Delivery Times

1. The supplier is obliged to deliver the goods or services to the agreed place in accordance with the laws and customs of the respective region and with the due diligence and care expected of a prudent businessman. The supplier will make all deliveries to the agreed place at the agreed time and waives any right to withhold or exclude partial deliveries, unless this has been authorized by SANOVITA in writing, in advance.

2. The supplier is obliged to inform SANOVITA immediately, and in writing, of any possible delay in delivery or performance, providing SANOVITA with information regarding the forecasted duration of the delay and the extent of the disruptive effects this delay may have. SANOVITA's statutory rights are not affected by this notification. In all cases, the supplier has to wait for SANOVITA's decision before taking any further action.

3. If the supplier does not deliver on time, SANOVITA reserves all legal rights for claims.

§ 5 Obligation to take Delivery

1. Acceptance of the goods or services is subject to the applicable legal regulations. When deliveries are accepted by SANOVITA, SANOVITA reserves the right to check the amount, weight and composition at a later time and to inform the supplier of any potential discrepancies.

2. Any disruptions in operations caused by "force majeure" (unrest, fire, war, strike or lockout) releases SANOVITA from the obligation to take delivery for the duration of the disruption. Once the disruption is over, SANOVITA will inform the supplier when and in what sequence the deliveries can be restarted.

3. SANOVITA has the right to withdraw from the contract when a disruption in operation lasts for more than one month, without SANOVITA being responsible for such event. The supplier is not allowed to use this as a basis to make claims for compensation.



§ 6 Transferral of Risk

The risk for any deterioration or destruction of the goods does not pass to SANOVITA until the goods have been successfully unloaded by the supplier or the transport company and SANOVITA has taken delivery of the goods at its company or at a place designated by SANOVITA. This also applies when SANOVITA's personnel or other persons designated by SANOVITA help in the unloading process.

§ 7 Delivery/Packaging

1. SANOVITA's transportation instructions have to be adhered to at all times, as do any general, legal, and industry-specific delivery guidelines. The supplier is responsible for any damage caused through the lack of adherence to these instructions and guidelines.
2. Each delivery is to be accompanied by a delivery note which clearly lists the SANOVITA order number, the usual descriptions, and the type and composition of the goods.
3. Packaging materials must meet current environmental regulations and have to be collected or disposed in accordance with the applicable laws. If SANOVITA does not intend to send any returns, the costs of collection of the said packaging must be borne by the supplier.
4. Additional costs for packaging will only be refunded or disposed by SANOVITA if this has been explicitly agreed in writing in advance. The SANOVITA bank account has to be credited with the full incurred costs of any packaging returned. The supplier bears full responsibility for all risks which arise during transportation up to the point when SANOVITA receives and accepts the goods at its delivery address or designated delivery point.
5. Unless otherwise agreed, the supplier bears the full transport risk up until the point of delivery. The costs of transport insurance will only be borne by SANOVITA in exceptional cases in which SANOVITA agreed to bear such risk in writing, in advance.

§ 8 Prices

1. Unless otherwise agreed, the arranged prices refer to goods delivered to a specified destination with the duty paid in line with the current version of the Incoterms. The agreed prices are fixed prices and apply to delivery to the place designated by SANOVITA. Individual written agreements and the Conditions contained herein take precedence over the current version of the Incoterms.
2. Price increases on continuous orders with fixed delivery times and/or prices are not permitted.

§ 9 Invoicing and Payment

1. Invoices always have to be issued in duplicate, listing the order number, the order confirmation number, the date of delivery and the delivery note number, the customary description of the goods, the SANOVITA identification number, a breakdown according to amount, unit price, total price, possible discount and any additional costs, as well as a clear indication of the VAT rate and total VAT amount. If possible, invoices are to be grouped together to form a unit bill.
2. SANOVITA's offsetting and retention rights remain fully intact.
3. Unless otherwise agreed in writing, payment will be made non-cash either within 14 (fourteen) days with 3,0 % (three percent) discount or within 30 (thirty) days net following delivery/performance and receipt of the invoice in line with contractual requirements.
4. The supplier requires SANOVITA's explicit authorization in writing before transferring any claims against SANOVITA arising from delivery contracts to third parties. Otherwise, transferrals are not valid and will not be recognized by SANOVITA. Any third party

who is not part of the contractual relationship is not authorized to demand payment. The supplier's obligation to receive payment continues to exist even after he has received SANOVITA's explicit written permission to transfer the claims arising from the contract to third parties. If a number of individual persons has been designated by the supplier as contract parties, SANOVITA has the right to make payment to any one of these individual persons and such payment will be recognized by all contract parties as having been settled.

5. Any offsetting against SANOVITA claims is only permitted in cases where the supplier's claim has been recognized and accepted by SANOVITA or is legally justified.

§ 10 Obligation to make Complaints/Objections

1. All goods SANOVITA receives will be checked for visible discrepancies within 8 (eight) working days.
2. Whenever ordering is based on prior samples, the delivered goods must correspond to the sample approved by SANOVITA and meet the agreed quality standards. If this is not the case, SANOVITA reserves the right to dispose of the goods and to demand a replacement delivery or compensation.
3. SANOVITA's obligation to check the goods for any visible deficiencies does not begin until SANOVITA attempts to use or process the goods. However, this obligation has to be fulfilled within a 6 (six) month period following delivery. In the case of successive or partial deliveries, it is sufficient when an individual delivery is checked. In cases of transfer orders or cases in which the goods are sold on, SANOVITA's obligation to check the goods is cancelled. In such a case, SANOVITA will inform the supplier immediately about any complaints made by SANOVITA customers. In such case, the periods in which examination and complaint have to be made are to be extended appropriately, especially when longer transportation times are taken into consideration.
4. If SANOVITA's random tests uncover deficient goods, SANOVITA reserves the right to file a guarantee claim for the whole delivery.
5. In case of visible deficiencies, complaints are to be reported within 14 (fourteen) days following receipt of goods at the point of delivery. In case of hidden deficiencies, complaints are to be reported immediately after they are discovered. The latter may be reported at any time until the guarantee period expires.
6. If the supplier checks to see whether a deficiency is present, or undertakes to remove any deficiency with SANOVITA approval, the limitation period is suspended for the duration of this activity.

§ 11 Guarantee

1. The guarantee period begins when delivery is made and goods have been properly received. This period lasts for 24 months. The statutory limitation period for SANOVITA guarantee claims begins when the guarantee period expires.
2. A guarantee claim can be made when goods are faulty (as defined by law or by these Conditions) at the time when the supplier is informed in accordance with § 10, unless the supplier can prove that the defect or deficiency was caused within the SANOVITA's responsibility.
3. If a deficiency in the goods is discovered, SANOVITA has the right to undertake any of the following measures at its discretion, irrespective of whether SANOVITA intends to utilize or market the product or not: a) to return the faulty goods at the supplier's risk and expense and to demand suitable replacement, or to recall payment of the invoice and to refuse to accept any replacement goods, or b) to repair the fault by itself or to have it re-paired by third parties at the supplier's expense – but after having given the supplier sufficient time to carry out such repairs by himself.



4. When making guarantee or compensation claims SANOVITA is not required to prove that the damaged goods have been rendered useless.

5. In cases in which faults are hidden, SANOVITA has the right to demand reimbursement for the wage and material costs expended in producing the faulty finished goods, and to do so independently of any fault on the supplier's part.

6. All costs incurred as a result of faulty products are to be borne by the supplier. Moreover, SANOVITA reserves the right to make any legal claims at its discretion, especially claims for compensation.

7. The supplier is responsible for ensuring that the goods ordered can be used or sold without violating any intellectual property rights (patents, registered designs, trademarks, licenses etc.). The supplier is obliged to free SANOVITA from any claims which might arise from the violation of any such intellectual property rights. Furthermore, SANOVITA reserves the right to withdraw from the contract in all such cases.

8. If legal proceedings are initiated due to a violation of intellectual property rights, the supplier is obliged to provide security covering the full amount of any potential damages which may be incurred. Moreover, the supplier must bear full responsibility for all court and incidental costs resulting from legal proceedings brought about due to a violation of intellectual property rights when such costs are not disproportionate or have been deemed unnecessary.

9. If claims are made against SANOVITA due to the violation of official safety regulations, domestic or foreign product liability regulations or laws, or because of a fault in SANOVITA's product caused by goods provided by the supplier, SANOVITA reserves the right to demand compensation from the supplier for the damage without the supplier being able to call on the plea of the statute of limitations. Such damage also includes the costs of a precautionary recall action.

10. The supplier is obliged to carry out quality control measures with the highest standard of technology available and to ensure that these quality controls are suitable for the type and amount of good being tested. Proof that such quality controls have been carried out has to be provided to SANOVITA on request.

11. The supplier has to insure himself adequately against all risks connected with product liability, including those of a recall action. Proof of such insurance has to be provided upon request.

§ 12 Miscellaneous

1. The contract is based on German law. The provisions contained in the UN Law on the International Sale of Goods which refer to the obligation to check goods, make complaints, and all regulations regarding the place of performance, are excluded. The provisions set out in §§ 61 to 65 are also excluded. These are replaced by the corresponding provisions of German Civil Code and the German Commercial Code.

2. The place of performance for all payment obligations is the legal domicile of SANOVITA, unless otherwise specified in these Conditions or in any other written agreement. This also applies to cheques and bills payable.

3. The contract parties will endeavor to resolve all disputes which arise from the application or interpretation of the regulations set out herein and/or any disputes connected to them in any way, amicably.

4. If the dispute cannot be resolved to the satisfaction of both parties, the selected arbitration tribunal (IHK) is Stuttgart. The pursuance of normal legal channels is not excluded. In particular, a court of law may, upon the request of one of the contract parties, order a temporary or securing measure regarding the disputed object, either before or during the tribunal's proceedings.

5. The jurisdiction for all disputes which arise directly or indirectly from the business relationship and cannot be resolved by the arbitration tribunal is Stuttgart. SANOVITA also reserves the right to initiate legal proceedings in other courts of law in accordance with the Code of Civil Procedure (ZPO) or to take legal action against the customer at his place of jurisdiction (legal domicile).

6. With regard to contract partners whose legal domicile is located in foreign countries, it is hereby agreed that SANOVITA has the right, without prejudice to point §12 № 3, to either call on the court responsible for the legal domicile of SANOVITA's contract partner or to call on the court responsible for SANOVITA's legal domicile, or, if proceedings in a court of law are not allowed, to request that proceedings be initiated in a tribunal at the International Chamber of Commerce in Paris in order to deal with all claims arising from the business relationship. The location of any such proceedings is the legal domicile of SANOVITA. The provisions set out in German procedural law have to be applied along with the rules of procedure adopted by the International Chamber of Commerce in Paris.

5. Without waiving further legal rights, SANOVITA hereby reserves the right to withdraw from the contract without substitution when the supplier applies for insolvency or when the supplier does not fulfill his obligations to SANOVITA or to third parties and does not provide a justifiable explanation.

6. SANOVITA is authorized to transfer the rights and duties arising from this business relationship to affiliated companies as defined by §§ 15 ff. of German Company Law, in which SANOVITA holds at least a 50 % share. The term "affiliated company" also includes those companies which belong to companies in which SANOVITA holds a majority holding, whether directly or indirectly - i.e. daughter, sister or parent companies.

7. If any of the individual provisions set out in these Conditions, are or become incomplete, invalid or inapplicable, either wholly or in part, the validity of the other provisions remains intact.

8. The contract parties are obliged to replace any incomplete, invalid or inapplicable provisions contained in these Conditions with provisions that come as close to the intended economic purpose and original meaning as possible. The replacement provisions have to take the form which would have been agreed upon by the contract parties in the beginning had they been aware of the incompleteness, invalidity or inapplicability of the said Conditions or other agreements.

9. If complete, valid, and applicable provisions are not (or cannot be) agreed upon, the legal regulations apply.

Note on § 33 of the German Federal Data Protection Act (BDSG): SANOVITA hereby declare that personal data on suppliers and business partnerships will be held and processed electronically. Both, federal and state laws regarding data protection will be adhered to.

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