



General Conditions of Sale and Delivery of Sanovita Produktions- und Vertriebs GmbH (“SANOVITA”)

§ 1 General

1. The following General Conditions of Sale and Delivery (hereafter referred to as “Conditions”) exclusively apply to all offers, deliveries and services provided to the customer even when not referred to these Conditions explicitly.

2. Possible contradictory conditions of purchase drawn up by the customer 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 purchase put forward by the customer are not recognized by SANOVITA unless explicitly agreed in writing in advance.

3. SANOVITA hereby objects to any conditions of purchase drawn up by the customer which contradict the Conditions defined herein. Any guidelines drawn up by the customer 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 customer’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 SANOVITA delivers to, or carry out services for, the customer without reservation, although SANOVITA is aware of the existence of contradictory conditions drawn up by the customer.

5. All agreements made between SANOVITA and the customer regarding SANOVITA sales 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 (1), of German Civil Code.

7. No order may be regarded as accepted unless SANOVITA has issued written confirmation. The content of such confirmation forms 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 waiving the requirement of the written form.

8. SANOVITA makes quotations within the framework of offers or pre-contractual correspondence; SANOVITA only guarantees the conditions mentioned in such quotations and correspondence if they have been explicitly confirmed, in writing.

§ 2 Deliveries

1. If no agreements have been made to the contrary, the agreed prices apply to deliveries made ex works in line with the current version of the Incoterms.

2. Delivery periods and deadlines are always to be treated as approximate guidelines unless a fixed period or a fixed deadline has been explicitly agreed upon. If a customer provides SANOVITA with raw materials or components required by us during processing, the agreed delivery period or deadline only becomes binding once all the materials have been received by the SANOVITA factory. This also applies to information and documentation which has to be supplied by the customer.

3. SANOVITA is released from the general obligation to adhere to the agreed delivery periods and deadlines when the customer breaches its contractual duties in a way which makes it no longer acceptable for SANOVITA to continue the work as required to fulfill the contract.

4. Partial deliveries and performance in successive installments are permitted.

5. In case of manufactured products or products made to order, deliveries whose quantities exceed or fall below the required amount are permitted to the extent justifiable during normal trading activities. In the case of blanket orders, SANOVITA is authorized to procure the material for the whole order and to produce the products required to fulfill the whole order immediately. Any alterations requested by the customer cannot be considered once the order has been placed, unless an explicit agreement to the contrary has been made in advance. This paragraph also applies when goods are procured from third parties.

6. In cases of “force majeure” or other interruptions for which SANOVITA is not responsible, whose continued existence cannot be altered by SANOVITA without unreasonable expenditure and whose continued existence considerably impedes SANOVITA’s ability to fulfill its contractual requirements in whole or in part, i.e. plant interruption, government decrees, delay in the delivery of important raw materials or goods through the normal channels, disruptions in the electrical supply, strikes, as well as the delay in delivery of goods or services from SANOVITA’s suppliers or subcontractors, the delivery periods and deadlines set by the customer for the goods and services to be provided by SANOVITA will be extended appropriately. SANOVITA will inform the customer immediately of any situation in which such circumstances arise and provide information on the expected duration of the interruption and the expected effect that such an interruption will have. If the circumstances lead to a situation in which delivery of SANOVITA’s goods or services is delayed by more than 3 (three) months, or it can be assumed that the interruption will definitely last for more than 3 (three) months, both contract parties have the right to withdraw from the contract without any compensation payments to the other party. The customer’s contractual or legal rights to withdraw from the contract are not affected in any way by this regulation.

7. In all cases of delayed delivery, the customer is obligated to provide SANOVITA with a replacement delivery period of at least 2 (two) weeks.

§ 3 Rights of Third Parties

1. The customer carries full responsibility for all violations of a third party’s intellectual property rights, copyrights, or competition rights caused by SANOVITA as a result of the use of formulas or procedures provided to SANOVITA by the customer, or through the use of materials procured by the customers from one of its suppliers, unless full or partial liability can be attributed to SANOVITA as the result of negligence or intent. In such cases, the customer is obliged to release SANOVITA from all demands and claims made against SANOVITA by third parties as the result of any violation of the aforementioned right caused by such activities.

2. If SANOVITA fails to procure certain products from suppliers named by the customer within the framework of an order, or if SANOVITA fails to manufacture a contractual product in line with the specifications or formulas provided by the customer, and, as a result, carries full responsibility for the violation mentioned in § 3 No. 1, the following rules apply: If claims are made against SANOVITA’s customer or, in turn, its customer, as the result of any violation of copyrights, trademarks, patents or similar rights and SANOVITA is responsible for such violation, SANOVITA has to be notified immediately. All further actions have to be discussed with SANOVITA in advance. The initiation of any legal proceedings is to be left to SANOVITA upon its request. SANOVITA’s customer, or his customer, is obliged to provide SANOVITA with as much support as possible during SANOVITA’s defense. Claims for



compensation arising from such circumstances are limited to the purchasing price of the respective goods.

3. The aforementioned regulations only apply for deliveries made within Germany. It is the customer's responsibility to check whether any deliveries destined for foreign countries do not violate the intellectual property rights of third parties.

§ 4 Transferral of Risk

1. Any risk connected to the deterioration and/or destruction of the goods (performance risk) will be passed on to the customer in line with the provisions agreed in the Incoterms. In cases where delivery is delayed or made impossible for reasons beyond SANOVITA's control, the performance risk will pass to the customer when SANOVITA declares its readiness to commence delivery. Furthermore, SANOVITA is not liable for any deterioration and/or destruction of goods if the delay in transportation is caused by reasons for which SANOVITA is not responsible. In such cases, and in situations where storage periods expire, SANOVITA reserves the right to charge the customer a storage fee, the level of which will be discussed with the customer in advance. The same applies when the delivery is postponed by the customer. Furthermore, SANOVITA reserves the right to use the goods in storage for other purposes upon expiry of a suitable extension of the storage period and to demand compensation from the customer for failure to fulfill contractual obligations.

2. The cost of any deliveries of goods, labels, packaging etc. made by the customer have to be borne by the customers themselves, as does any risk relating to such deliveries. Insurance against damage during transportation will only be taken out when written request to this effect is received from the customer. The costs of this insurance will be billed separately. If goods are not accepted by the customer punctually for reasons not attributable to SANOVITA, SANOVITA reserves the right to store and insure the goods at the customer's expense.

§ 5 Guarantee and Liability

1. Any claims for compensation made by the customer, for whatever legal reason, are not permitted, unless the damage caused can be traced back to intent or gross negligence on SANOVITA's part, or the damage incurred represents a violation of major contractual duties. If SANOVITA is responsible for the damage incurred as a result of a slight error made on SANOVITA's part, the level of compensation is limited to levels typical for such contracts. Any claims which exceed this level are not permissible. In situations in which SANOVITA's staff or assistants who have not been assigned specific tasks can be said to have caused damage as a result of gross negligence, whereby the damage cannot be said to represent a violation of any major contractual duties, SANOVITA's liability is limited to levels typical for such contracts. The limitations of damage mentioned here do not apply to compensation claims made due to the absence of product or service features which SANOVITA explicitly agreed to provide, nor do they apply to any liability resulting from product liability law.

2. The customer is responsible for ensuring that the valid and well-known safety provisions have been adhered to and that appropriate safety precautions have been taken, regardless of whether he plans to make personal use of the product delivered by SANOVITA or to sell it on to another customer. If any ambiguities arise in this respect, or the impression is given that the information provided by SANOVITA regarding safety precautions was inaccurate or incomplete, the customer is obligated to inform SANOVITA of this fact in writing immediately and, if the possibility of damage or danger occurring exists, is bound to await SANOVITA's further instructions.

3. SANOVITA carries no responsibility for technical information provided during the exchange of business correspondence or for free advice provided in any other capacity.

4. When no immediate danger exists, all recall actions have to be cleared with SANOVITA in advance. Furthermore, any deficiencies

have to be reported to SANOVITA even when the customer is not faced with claims for compensation or does not intend to make claims against SANOVITA. If the customer fails to inform SANOVITA of the existence of any deficiency, he loses the right to refer to this deficiency within the framework of later contracts and their fulfillment.

5. The customer is obliged to carefully check all goods delivered by us immediately following their receipt. Goods will be deemed to have been accepted when no notification of deficiency is made within 10 (ten) working days following the receipt of the goods or, if the deficiency was not apparent despite immediate and careful examination of the goods, within 10 (ten) working days following discovery of the deficiency. In all cases, written notification of any deficiencies has to be made to us within 6 (six) months following delivery. This period (in which examination of the goods has to take place and any deficiencies have to be reported) also applies when delivery of the goods is postponed at the customer's request. In all cases, the period in which examination of the goods has to take place and any deficiencies have to be reported commences with SANOVITA's declaration of readiness to deliver the goods.

6. SANOVITA carries no responsibility for any deficiencies in any products which were procured from specific suppliers in line with SANOVITA's customer's instructions, or for any subsequent damages which arise from such deficiencies. In such cases, SANOVITA will transfer the customer's right to complain and SANOVITA's right to receive compensation from the supplier to SANOVITA's customer.

7. When the delivered goods are deficient or do not possess the agreed features, SANOVITA can, at its discretion, either request that the deficient product be sent to SANOVITA for repair or be returned to SANOVITA at SANOVITA's expense, in which case it will be exchanged and sent back to the customer. Alternatively SANOVITA can request that the customer holds the deficient product for SANOVITA so that repair or exchange can take place on the customer's premises either by SANOVITA or by a person designated by SANOVITA. The customer has the right to request the latter option when the process of returning the deficient product to SANOVITA would require unreasonable expenditure.

8. The customer only has the right to claim for compensation in line with the provisions set out in § 5. SANOVITA is not responsible for any complaints and damage which arise from any deficiencies in goods or packaging provided by its customers.

9. Variations in filling quantities of up to -3,0 % (minus three percent) are acceptable. Such variations are to be deemed contractually acceptable and may not justify any complaints.

10. The transferral of any rights to claim damages or any guarantee rights to third parties requires SANOVITA's explicit written authorization in advance. Any transferral which takes place without SANOVITA's consent is invalid and will not be recognized by SANOVITA.

§ 6 Payments

1. All payments are to be made in accordance with the agreements made and without deduction. The customer only has the right to offset payments against other invoices or to withhold payment when the counterclaims made by him are not challenged or have been legally affirmed. If the customer defaults on any payment, SANOVITA reserves the right to charge interest on arrears to the sum of 8.0 % (eight percentage points) above the respective base interest rate per annum (§§ 247, 288 paragraph 2, German Civil Code). SANOVITA also reserve the right to claim further compensation.

2. SANOVITA also reserves the right to offset customer payments against his old debts, even in situations where the customer has drawn up regulations to the contrary. If costs and interest have already been incurred, SANOVITA has the right to add the payment first to the costs, then to the interest, and finally to the principal supply.



§ 7 Retention of Ownership Rights

1. Until all outstanding debt claims have been settled, including all current and future requests to balance payment, SANOVITA will be guaranteed the following securities. These will be released to SANOVITA as required when their value exceeds 20% of the value of the debts outstanding for a sustained period of time: a) The goods remain SANOVITA's property until all the aforementioned debt claims have been settled. The customer is authorized to process the delivery item within the framework of normal business and to sell it, as long as he has fulfilled all his contractual duties to SANOVITA. The pledging of goods or transferral of goods as security is not permitted. The customer hereby transfers any debt claim which arises from the further sale or for any other legal reason (insurance, illegal actions) to SANOVITA in its entirety. If the customer does not fulfill his payment obligations, or fails to fulfill them on time, he is then obliged, upon SANOVITA's request, to disclose any transferral and to make available all the information and documents SANOVITA will need to make and pursue its claims. b) If the delivery item is connected to or mixed with other objects, the customer has to transfer ownership of the newly-manufactured object to SANOVITA - unless SANOVITA is not already the legal or partial owner of the new object as a result of SANOVITA's ownership of a component part of it - and will store this object for SANOVITA with the diligence and care of a prudent businessman. SANOVITA's ownership of such objects only extends to the value of the delivery item. c) In situations where SANOVITA processes goods ordered by its customer, it is hereby agreed that SANOVITA will also be granted partial ownership of the end product even when the value of the processing work carried out is low in relation to the value of the end product. In such situations, SANOVITA obtains a level of ownership which corresponds to the value of the processing work carried out on the materials provided by SANOVITA's customer. d) If the customer breaches the contract in any way, especially in cases of delayed payment, SANOVITA has the right to retrieve the delivery item at the customer's expense or to demand transferral of the customer's right to deliver to third parties. SANOVITA's retrieval or impounding of the delivery item does not constitute withdrawal from the contract.

2. If the contractual object has to be protected in accordance with applicable laws (i.e. Patent Law, Copyright Law, the Law on Utility Models, or the Registered Designs Act), regardless of whether it is an individual product, forms a majority part of a product, or a complete system solution, SANOVITA will transfer the contractually-limited rights connected to this product to the customer, allowing him to use or sell the product in the usual and proper manner. Any further rights have to be documented (in writing) in individual contracts in order to be valid.

§ 8 Miscellaneous

1. The contract is based on German law. The provisions contained in the UN Law on the International Sale of Goods are excluded.

2. The place of performance for all customers' obligations, including 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.

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

8. 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.

9. 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.

10. 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.

11. 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 declares that personal data on customers 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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