

## **General Purchasing Terms and Conditions of Sidroga Gesellschaft für Gesundheitsprodukte mbH (hereinafter "Sidroga")**

### **I. Scope of application**

- (1) These General Purchasing Terms and Conditions ("Purchasing Terms") govern all business relationships with business partners and suppliers ("Supplier") of Sidroga with respect to the delivery of movable items ("goods" or "products(s)") and/or services, irrespective of whether the Supplier renders performance directly or procures from upstream suppliers. These Purchasing Terms only apply if the Supplier is a business (Section 14 German Civil Code "BGB"), a legal entity under public law or a special fund under public law.
- (2) The current version of these Purchasing Terms also applies as a framework agreement for future contracts on the purchase and/or delivery of movable items and/or services with the same Supplier without Sidroga being required to make reference to them each individual case;
- (3) These Purchasing Terms apply exclusively. Different, conflicting or supplementary general terms and conditions of the Suppliers shall only become a part of the contract if and to the extent Sidroga has expressly consented to their application in writing. This consent requirement applies categorically, e.g. including in cases where Sidroga grants unconditional acceptance of the Supplier's deliveries in knowledge of the Supplier's general terms and conditions.
- (4) Unless provided for differently in these Purchasing Terms, any statements made in the individual contract about the deliveries or performances as well as any changes, declarations concerning its termination and other statements and comments shall require the written form.

### **II. Inception of a contract**

- (1) An order placed by Sidroga shall only become legally binding upon being issued or confirmed in writing. Deliveries that are not based on written orders will not be accepted.
- (2) The Supplier shall confirm the order together with the order and item number within a period of one (1) week from the order date, or perform the order unconditionally and without undue delay.
- (3) The Supplier's offers, drafts, samples and specimens shall be free of charge for Sidroga. Upon request by Sidroga, the Supplier shall accept their return delivery without undue delay and at its own cost.

### **III. Delivery time and delayed delivery**

The delivery time stated in the order placed by Sidroga is binding. If it becomes apparent that agreed delivery times cannot be met, the Supplier shall promptly inform Sidroga of the delay, the reasons and expected duration. Partial deliveries or early deliveries are only permitted with the prior written approval of Sidroga.

### **IV. Delivery, transfer of risk, default of acceptance, packaging**

- (1) Unless agreed differently in the individual case, deliveries shall be made DPP (INCOTERMS 2010) to the delivery location stated in the order. If no delivery location is specified and nothing else has been agreed, delivery shall be made to the head office of Sidroga in Germany at Arzbacher Str. 78 in 56130 Bad Ems, Germany. The respective delivery location shall also be the place of performance.
- (2)–The goods ordered by Sidroga shall be packaged neatly and in a suitable manner - as specified on our order. Packing materials and pallets with chemical raw materials must conform with the GMP requirements applicable on the order date.
- (3) If the Supplier or its vicarious agent culpably infringes against the requirements resulting from the Sidroga Supplier Policy, Sidroga may demand payment of a lump-sum processing fee in the amount of EUR 100 for each delivery. The Supplier in this respect waives the plea of a continuation of offense. Sidroga shall further be authorized to invoice the Supplier for the costs incurred for reworking and other expenses demonstrably incurred by Sidroga as a result of the non-compliance with the Supplier Policy; this is without prejudice to claims for further damages.
- (4) A default of acceptance on the part of Sidroga shall be governed by the statutory provisions. The Supplier shall also be required to explicitly offer delivery of its performance if a certain or determinable number of calendar days has been agreed for an action or collaborative obligation on the part of Sidroga. If Sidroga is in default of acceptance, the Supplier may demand compensation of its additional expenses in accordance with the statutory provisions.

### **V. Acceptance of work performances**

- (1) Sidroga shall formally accept work performances by signing of the acceptance report after the works have been completed. In the case of performances that cannot be inspected and examined at a later point in time due to their continued progress, the Supplier shall submit a written request to inspect the performances to Sidroga in due time. Fictional acceptance based on a failure to respond to a request for acceptance from the Supplier, on payment or on the commencement of actual use is excluded.
- (2) Unless expressly excluded from the agreed scope of performances, any acceptance required by a public authority, particularly including acceptances by accredited experts, shall be arranged by the Supplier at its own cost prior to acceptance of the work performances. Sidroga must be provided with any official confirmations on defect-free condition and acceptances by public authorities in due time prior to acceptance of the work performance.

## **V. Information duties, subcontractors**

(1) The Supplier shall give Sidroga written advance notice of any changes to the production processes, materials or third-party components for products or services, relocations of production facilities, modification of processes or facilities for the testing of products and materials, as well as other quality assurance measures. Sidroga shall be authorized to carry out the necessary investigations to ascertain whether the changes may entail detrimental effects for the product. If requested, the Supplier shall make the documents required for these investigations available and facilitate audits in the necessary scope.

(2) Sidroga must be given prior written notice of any involvement of subcontractors, freelance personnel, upstream suppliers and other third parties (collectively "agents"), who are not employees of the Supplier, in connection with the performances owed to Sidroga. In its relationship with the agent, the Supplier must enter into contractual arrangements that assure all performances are rendered completely and properly, that the properly rendered performances can be verified on the basis of suitable documentation and regular audits carried out by Sidroga, and that the obligations resulting from the contractual relationship with Sidroga also extend to the Supplier's relationship with the agent.

(3) An agent shall be deemed to act as the Supplier's vicarious agent. Interruptions, delays, malfunctions, defective performances or other shortcomings in the agent's deliveries and performances, irrespective of their reasons, shall not release the Supplier from its performance obligation stemming from the contract concluded with Sidroga.

## **VI. Prices, invoices, payment terms, offsetting and withholding**

(1) The price stated in the order is binding. All prices are in EUR and exclusive of statutory value-added tax at the current rate, including if VAT is not stated separately. The same applies for any ancillary performances to be rendered by the Supplier.

(2) Unless agreed differently in the individual case, the price shall include all performances and ancillary performance of the Supplier, as well as all incidental costs (e.g. proper packaging, customs, import duties, transport costs including transport and public liability insurance, if applicable, as well as loading and unloading costs).

(3) Invoices shall be submitted to Sidroga as single original copies and include the invoice number, order number, quantity, price and other identification characteristics (particularly the Sidroga item number). Invoices shall be submitted separately from the delivery of goods. A copy of the invoice or a pro-forma invoice must be attached to deliveries of goods coming from outside of the European Union customs territory.

(4) Payments shall be made in accordance with the individually agreed payment terms. Unless agreed differently in writing, invoices shall be payable in the net amount of the purchase price less 3 percent discount if paid within 14 days from delivery and receipt of the invoice, or in the net amount with payment due after 30 days. Payments by bank transfer are made in due time if Sidroga submits the transfer order to its bank prior to expiry of the payment period; Sidroga shall not be held liable for delays attributable to the banks involved in the payment process. Payments are conditional on invoice verification.

(5) Sidroga shall not be charged any interest within the agreed payment terms. Default interest shall be charged at a rate of five (5) percentage points above the base interest rate. Sidroga shall come into payment default in accordance with the statutory provisions. The Supplier shall in all cases be required to submit a written payment demand (dunning letter).

(6) Sidroga shall be entitled to offsetting, withholding of property and the plea of non-performance of a contract to the extent provided for under the statutory provisions. Sidroga shall in particular be authorized to withhold due payments for as long as it holds claims stemming from incomplete or defective performances against the Supplier.

(7) The Supplier shall only be entitled offsetting or withholding of property on the grounds of counterclaims that are either undisputed or that have been established with final legal effect.

## **VII. Reservation of title and provisioned items**

(1) Title in the goods shall pass unconditionally upon Sidroga taking possession of the goods and irrespective of payment of the price. If Sidroga in the individual case accepts the Supplier's offer to transfer of title under the condition precedent of payment of the purchase price, the Supplier's reservation of title shall in any case lapse upon payment of the purchase price for the delivered goods. Any extended or expanded reservation of title by the Supplier is excluded.

(2) Any processing, combination or amalgamation of items provisioned to the Supplier by Sidroga shall be deemed to take place on behalf of Sidroga. The Parties mutually agree for Sidroga to acquire joint title in the products created with the help of the provisioned items in the proportion between the value of the provisioned item and the value of the overall product. The Parties further agree that any such products shall be stored by the Supplier on behalf of Sidroga before Sidroga takes possession of them.

## **VIII. Confidentiality, documents and reference**

(1) All business-related or technical information made accessible by Sidroga must, for as long as they are not demonstrably part of the public domain, not be disclosed to third parties and must only be made available to persons in the Supplier's own business operations who must necessarily be consulted with respect to the information's use for the purpose of the delivery to Sidroga, and who are also bound by confidentiality.

(2) Sidroga reserves the property rights and copyrights to all documents and resources, particularly including drawings, figures, drafts, calculation, descriptions, plans, models, samples, technical specifications, data carriers, other written records, tools, parts and materials, made available to the Supplier for the purpose of performing an order placed by Sidroga. Any such documents and resources must only be used for the purpose of rendering the contractually agreed performance. They must be returned to Sidroga (including any copies or records produced) after the contract has been completed. The Supplier must not use any products made on the basis of documents and resources of Sidroga and is prohibited from offering or delivering them to third parties.

(3) Technical documents, documents, drawings, diagrams, schematas, figures, photographs, layout templates and other documentation on data carriers, in printed form or as materials for print preparation or printing, as well as all samples, tools, materials and other operational equipment shall become the property of Sidroga at the time they are provisioned.

To the extent permitted under law, Sidroga shall further be granted all property rights, rights of use and exploitation rights to all of the works eligible for copyright protection. Sidroga shall not owe any separate compensation for being granted the aforementioned rights; the full scope of these rights shall be included in the prices stated in the orders.

(5) The Supplier is prohibited from mentioning Sidroga or the business relationship between the Supplier and Sidroga in any form as a reference without the express written prior approval from Sidroga.

#### **IX. Defective delivery**

(1) Unless provided for differently in the following provisions, the rights of Sidroga pertaining to material defects and defective title in the goods and other breaches of duty by the Supplier shall be governed by the statutory provisions.

(2) Pursuant to the statutory provisions, the Supplier shall in particular bear liability for the goods' conformity with the agreed properties at the time risk passes to Sidroga. Product descriptions that - in particular by being specified or referred to in the order placed by Sidroga - are part of the respective contract, or that became part of the contract in the same manner as these Purchasing Terms, shall be deemed agreed properties. The question whether the product description originates from Sidroga or the Supplier shall not bear relevance in this context.

(3) The statutory provisions (Section 377, 381 German Commercial Code "HGB") shall govern the duty to inspect deliveries and claim defects under the following conditions: Sidroga's duty to inspect deliveries shall be limited to defects that are openly identifiable for an incoming goods inspection by Sidroga carrying out a visual inspection including the delivery papers, as well as those defects that are openly identifiable for the quality control measures carried out by Sidroga on the basis of random sampling (e.g. transport damage, delivery of the wrong item or quantity).

This shall be without prejudice to the duty to claim concealed defects. Sidroga shall be deemed to have lodged a claim for defects in due time and without undue delay if the Supplier is notified of the claim within 10 calendar days.

(4) If the goods are defective, Sidroga may - at its sole discretion - request rectification of the defect or substitute delivery of defect-free goods. The cost incurred for rectification of defects or substitute delivery, including all incidental costs, shall be borne by the Supplier. If subsequent performance is not rendered within a reasonable grace period set by Sidroga, or if the setting of such a grace period cannot reasonably be expected from Sidroga (e.g. due to a particular urgency, risk to work safety or impending disproportionate damages),

Sidroga shall be authorized to demand a reduction of the purchase price or rescind the contract in accordance with the statutory provisions. Sidroga shall also be entitled to compensation of damages and expenses in accordance with the statutory provisions.

(5) In the event Sidroga identifies a defect in a product delivered by the Supplier, or if a defect is identified later on the basis of a legitimate customer complaint, and the defect causes Sidroga to recall and/or suspend sales of the product, the Supplier shall pay Sidroga a lump-sum processing fee in the amount of EUR 100. The lump-sum processing fee shall not be offset against any potential claims for damages. Sidroga is permitted to collect defective items - especially mass-produced items - and ship them to the Supplier in larger quantities. The Supplier shall be required to pay a lump-sum processing fee of EUR 100 for each return shipment of defective products. The Supplier in this respect waives the plea of a continuation of offense. The Supplier shall in this case further be required to compensate Sidroga for the costs incurred for any necessary reworking and other expenses.

(6) In as far as Sidroga returns products carrying the Sidroga brand for legitimate reasons or acceptance is refused by Sidroga, the Supplier shall destroy any such products and be prohibited from selling them to third-parties. A contractual penalty in an amount corresponding to 200% of the value of the goods, and in any case not less than EUR 15,000, shall be payable in each instance of an infringement and under exclusion of the plea of continuation of offense.

#### **XI. Product liability and mandatory insurance**

(1) If Sidroga is held liable for claims under product liability, the Supplier shall indemnify Sidroga against these types of claims to the extent the damage was caused by a defect in the goods delivered by the Supplier. In cases of liability regardless of fault, this shall only apply if the Supplier is at fault. To the extent the cause of the damage is attributable to the Supplier's area of responsibility, the Supplier shall carry the burden of proof to demonstrate that it is not at fault.

(2) The Supplier's indemnification obligation shall extend to all costs and expenses resulting from or incurred in connection with third-party claims against and recall measures carried out by Sidroga. Before carrying out any recall measures, Sidroga shall notify the Supplier and give the supplier adequate opportunity to cooperate and discuss an efficient implementation; this is not required in as far as the notification or cooperation of the Supplier is infeasible due to a particular urgency.

(3) The Supplier shall otherwise also bear liability for damages incurred by Sidroga as a result of adequate precautionary measures aimed at affording protection against claims from extra-contractual liability that are to a significant degree attributable to the Supplier (e.g. public advertising measures).

(4) Further claims remain without prejudice.

(5) The Supplier must maintain an adequate product liability insurance cover at its own cost throughout the contractual relationship with Sidroga. The Supplier shall evidence the inception and continuation of the product liability insurance cover to Sidroga upon request.

#### **XII. Limitation periods**

(1) Unless stipulated differently in the following provisions of this clause, claims shall become time-barred in accordance with the statutory provisions.

(2) In departure from subclause (1), the limitation period for claims for defects is 3 years from receipt of the goods and/or acceptance (if acceptance is required under contract or law), unless a longer limitation period applies by virtue of law.

(3) In the case of subsequent performance, the limitation period shall be extended by the duration for which the delivered item cannot be used as contractually agreed. If the Supplier renders subsequent performance by making substitute delivery, the limitation period for the substitute goods shall recommence upon their delivery, unless the Supplier has made subsequent performance expressly and legitimately on the condition that substitute delivery is only made for reasons of goodwill, to avoid disputes or in the interest of a continued supply relationship.

(4) The Supplier shall indemnify Sidroga against any potential third-party claims for defective title, unless the defective title is not the Supplier's responsibility. The Supplier shall indemnify Sidroga against third-party claims if and to the extent the damage was caused by a defect in the item delivered by the Supplier. The indemnification obligation applies in the same extent the Supplier would have to bear direct liability. In the case of liability regardless of fault, the indemnification obligation shall only apply if the Supplier is at fault.

### **XIII. Export controls and customs**

(1) The Supplier shall be required to inform Sidroga in writing and with as much advance notice as possible about any potentially applicable approval requirements for its goods under relevant German, European (EU) or US-American export, customs and foreign trade law, as well as under the export, customs and foreign trade law of the origin country of its goods. The Supplier shall for this purpose provide the following information and data: the export list number pursuant to Annex AL to the German Foreign Trade Ordinance or similar list positions on relevant export lists; the "Export Control Classification Number" on the "US Commerce Control List" (ECCN) if the goods are subject to "US Export Administration Regulations" (EAR); the statistical product number (HS/KN code); the origin country (trade/non-preferential origin), origin key: D = third country, E = EU, F = EFTA; long-term supplier declarations on the preferential origin (for EU suppliers), or certificates for preferences (for non-EU suppliers); all other information and data Sidroga requires for the importation and exportation, as well as those required for re-exportation if the goods are resold. The Supplier shall be required to notify Sidroga in writing and without undue delay about all changes in the aforementioned information and data.

(2) If the Supplier breaches its duties pursuant to subclause (1), the Supplier shall be liable for all expenses and damages as well as other detrimental effects (e.g. claims for payment of additional foreign import levies, penalties) incurred by Sidroga. This shall not apply if the Supplier is not at fault for the breach of duty.

### **XIV. Compliance**

(1) The Supplier shall be required to comply with the generally recognised rules of technology (and in particular the DIN standards, VDE requirements, VDI guidelines, DVGW Rules, the statutory requirements pertaining to product safety, in particular the Product Safety Act, the EU/cGMP Directives, the internationally applicable minimum work standards, in particular all conventions of the International Labor Organization ("ILO")) with respect to employee rights, working time and safe work, as well as all relevant applicable statutory requirements and requirements imposed by public authorities.

(2) The Supplier shall neither actively or passively, nor directly or indirectly participate in any form of bribery or corruption, violations of human rights or discrimination of its employees, forced labor or child labor. The Supplier in this respect undertakes to not employ any personnel that has not reached a minimum age of 15 years. In countries that fall under the exemption of the ILO Convention 138 for developing countries, the minimum age may be reduced to 14 years.

(3) The Supplier must assure that all its agents who are in any form involved in the production of the products delivered to Sidroga comply with the obligations stipulated in the above subclauses (1) and (2).

(4) The Supplier shall further warrant that the products delivered by it conform with the requirements resulting from Regulation (EU) No. 1907/2006 for the registration, evaluation, authorization and restriction of chemical substances ("REACH Regulation"). Unless the substance is exempt from registration, the substances contained in the Supplier's products must, in as far as required under the REACH provisions, be pre-registered or registered after expiry of the transitional periods.

(5) Suppliers with registered office in a country outside of the EU undertake to appoint an Only Representative ("OR") in accordance with Article 8 REACH Regulation, whose name and address shall be provided to Sidroga. The OR assumes all of the Supplier's registration and other obligations under the REACH Regulation. The OR must notify Sidroga together with the registration number of any pre-registration or registration carried out by the OR. The Supplier shall notify Sidroga without undue delay of any change in the person appointed OR, or cessation of the OR's activities.

(6) The Supplier guarantees that the products delivered by it do not contain any of the substances listed on the so-called candidate list pursuant to Article 59 (1) and (10) of the REACH Regulation. The Supplier undertakes to notify Sidroga in writing and without undue delay if - irrespective of the reason - products delivered by it contain any of the substances on the candidate list; this particularly applies in the case of an extension/update of the candidate list. The Supplier shall specify the individual substances by their precise name and provide the best available percentage share of such substance in the total mass.

(7) If hazardous substances in the meaning of the German Ordinance on Hazardous Substances or products that may potentially emit any such substances are delivered, the Supplier shall make the data required for preparing the safety data sheet available to Sidroga or a service provider appointed by Sidroga without solicitation.

(8) The Supplier further undertakes to assure that the products delivered by it satisfy all requirements resulting from Regulation (EC) No. 1272/2008 ("CLP Regulation"). Non-EU suppliers shall in particular be liable for their OR having completed the registration of such supplier's delivered products in the classification and labeling inventory pursuant to Article 39-42 CLP Regulation.

(9) If the products delivered by the Supplier to Sidroga are construction products in the meaning of Regulation (EU) No. 305/2011 ("Construction Products Regulation"), the Supplier shall be required to make all information required for the preparation of the declaration of performance and/or the declarations of performance prepared by the Supplier available to Sidroga without undue delay and in a suitable permanent form, and to affix the CE mark in accordance with the applicable legal requirements, particularly including the CLP Regulation and Article 30 of Regulation (EC) No. 765/2008 on these products, or to arrange for them to be affixed. By affixing the CE mark, the Supplier guarantees the construction products' conformity with the declaration of performance issued by the Supplier, as well as compliance with all applicable legal requirements pertaining to the CE mark.

(10) In the event the Supplier infringes against any of the obligations stipulated in the preceding provisions, the Supplier shall indemnify Sidroga, companies affiliated with Sidroga and their customers against all costs, third-party claims (particularly including for direct or indirect damages) as well as other detrimental effects (e.g. financial penalties) resulting from a breach of the preceding provision. This shall not apply if the Supplier is not at fault for the breach of duty. Sidroga is further authorized to at any time cancel the respective order and to refuse acceptance of the

corresponding delivery without incurring any additional costs. This is without prejudice to claims for damages. A cancellation or refusal of acceptance does not constitute a waiver of any potentially existing claims for damages.

#### **XV. General provisions**

(1) These Purchasing Terms and all legal relationships between Sidroga and the Supplier shall be governed by the law of the Federal Republic of Germany under exclusion of the international uniform law in general, and the UN Sales Law in particular.

(2) Jurisdiction for all disputes resulting from or in connection with the contractual relationship shall lie with the courts in Koblenz, Germany. Sidroga is however authorized to bring legal action against the Supplier at any other competent court of law.

(3) In the event a provision stipulated in these Purchasing Terms is or becomes legally ineffective, the legal effectiveness of the remaining provisions shall remain without prejudice.