

General Terms and Conditions

Goerlich Pharma International GmbH, D-83533 Edling

§ 1 General, Territory

1. Our Terms and Conditions shall be effective exclusively; adverse or conflicting terms and conditions of the Buyer are not accepted unless approved of by us in writing. Our Terms and Conditions shall also apply in case delivery is effected by us to the Buyer without reservation despite knowledge of adverse or conflicting general terms and conditions.
2. All agreements made between us and the Buyer for the purpose of execution of this contract shall be stipulated in this contract in writing.
3. Our General Terms and Conditions shall only apply to companies, not to consumers. They shall also apply to all future business.

§ 2 Quotation, Order, Quotation Documents

1. Our quotations are non-binding. All quotations are subject to change regarding price, quantity, duration of storage and delivery dates. Orders and delivery contracts shall only become binding upon written acknowledgement of the order including detailed description of the subject-matter by us or upon execution of delivery. All agreements shall be made in writing. This shall also apply to collateral agreements and representations as well as subsequent amendments to the contract.
2. In case an order is to be qualified as a quotation to conclude a sales contract, an acceptance shall be submitted within a period of two weeks.
3. We reserve property and intellectual property rights relative to any illustrations, drawings, calculations, and other documents. This shall also apply to such written documents that are labelled "confidential". The Buyer undertakes to obtain our explicit written consent prior to disclosure to a third party.

§ 3 Prices, Terms of Payment

1. Unless otherwise stipulated in the acknowledgement, our prices shall be stipulated "ex works". Packaging shall be excluded and charged separately.
2. The value added tax is not included in our prices; its statutory amount shall be reported separately in the invoice upon the invoice date.
3. Cash discounts are subject to a separate written agreement.
4. Unless otherwise stipulated in the acknowledgement of order, the purchase price shall be due for payment net (without deductions) within 30 days from the invoice date. The legal provisions shall apply in case of arrears and consequences thereof. Interest on arrears shall amount to 8 percentage points above the respective European Central Bank base rate per year.
5. The Buyer is only entitled to set-off counterclaims that are legally ascertained, undisputed, and recognized by us. Moreover the Buyer is entitled to exercise his right of retention inasmuch as his counterclaim is based on the same contractual relationship.

§ 4 Delivery Dates, Customer Participation, and Proper Care

1. Start of the delivery period is subject to all technical issues being solved. The delivery date stipulated by us shall be considered preliminary and non-binding unless otherwise agreed upon in writing.
2. Moreover, meeting our delivery obligation is subject to the timely and proper fulfilment of the Buyer's obligations. Objections relative to non-performance of the contract shall be reserved.
3. Relative to the Buyer's obligations to participate and duty of care and their distinction from our duties, the following is agreed irrespective of any other agreements as may be concluded in addition in individual cases:
 - (a) Review of production and packaging recommendations as submitted by us relative to galenic formulation, shape, dimensions, packaging materials, all text elements, and labels shall rest with the Buyer. The Buyer undertakes to observe all legal provisions and regulations, especially the Law on the Manufacture and Prescription of Drugs, food laws, laws on daily necessities, animal feed laws, and all relevant EC Directives. The Buyer shall warrant and be liable without fault

- (b) for the correctness and completeness of his instructions for production purposes.
 - (b) All substances supplied to us by the Buyer shall meet legal and unofficial quality requirements and provisions.
 - (c) Inasmuch as the Buyer provides initial substances, primary and secondary packaging material, such material shall exclusively be insured against fire, theft, and vandalism upon the Buyer's request and expense. We shall only be liable for storage of such initial material, primary and secondary packaging material, or other material up to the degree of care that we usually apply in our own case. In case of contract encapsulation we shall claim the yield loss allowance stipulated in the respective quotation.
4. In case the Buyer fails to accept the goods or otherwise breaches his participation obligations, we are entitled to claim damages for the loss incurred to us including contingent additional expenses. Additional claims and rights shall be reserved.
 5. Provided the prerequisites in Sec. (3) are fulfilled, the risk of accidental loss and fortuitous deterioration of the subject-matter shall be transferred to the Buyer at the time when the Buyer fails to accept or gets in default.
 6. We shall be liable pursuant to the legal provisions, provided the underlying sales agreement is a transaction for delivery on a fixed date. We shall also be liable subject to the legal provisions in cases where the Buyer - due to a delay in delivery within our control - is entitled to claim frustration of his interest in executing the contract.
 7. Moreover, we shall be liable pursuant to the legal provisions in cases where the delay in delivery is due to an infringement based on intent or gross negligence caused by us; failure of one of our representatives or vicarious agents shall be considered our fault. In case such a delay in delivery is due to gross negligence within our control, damages shall be limited to the foreseeable, commonly applicable damage.
 8. We shall also be liable pursuant to the legal provisions in cases where the delay in delivery that we are liable for, is based on a culpable infringement of a major contractual obligation. In this case, however, damages shall be limited to the foreseeable, commonly applicable damage.
 9. Additional legal claims and rights of the Buyer shall be reserved.

§ 5 Transfer of Risk, Packaging Cost

1. Unless otherwise stipulated in the acknowledgement of order, delivery shall be executed "ex works".
2. Special provisions shall apply to the return of packaging.
3. Upon the Buyer's request we shall provide transport insurance coverage for the shipment, the cost of which shall be borne by the Buyer.

§ 6 Warranty for Defects

1. Warranty claims shall be subject to the Buyer duly fulfilling his obligations relative to inspection and complaints.
2. In case of a defect relative to the subject-matter, the Buyer shall be entitled to receive remedy or replacement by a new defect-free subject-matter as he may choose. In case of remedy or replacement we shall bear all related cost, especially transport, travel, labour and materials cost unless these are increased by relocating the subject-matter to a place other than the place of performance.
3. In case remedy / replacement fails, the Buyer - as he may choose - is entitled to withdraw from the contract or require reduction of the purchase price.
4. We shall be liable pursuant to legal provisions in case the Buyer claims damages due to intent or gross negligence, including intent or gross negligence on the part of our representatives or vicarious agents. In cases where we may not be charged with intentional infringement, damages shall be limited to the foreseeable, commonly applicable loss or damage.
5. We shall be liable pursuant to legal provisions in cases of culpable infringement of a contractual obligation; in this case, too, damages shall be limited to the foreseeable commonly

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applicable loss or damage. A major contractual obligation shall exist if a breach of such obligation qualifies for objection relative to contractual non-performance or if such breach relates to an obligation the Buyer has relied on and was entitled to rely on beyond the mere interest in contractual performance.

6. In cases where the Buyer is entitled to damages instead of performance, our liability shall be limited pursuant to Sec. (3) to the compensation for the foreseeable, commonly applicable loss or damage.
7. Liability for non-accidental injury to life, body, or health shall remain unaffected. This shall also apply to mandatory liability subject to product liability laws.
8. Unless otherwise stipulated above, liability shall be excluded.
9. The limitation period in case of defects shall be 12 month as of transfer of risk.
10. The limitation period in case of compensation for delivery shall remain unaffected. It shall be five years as of the shipment date of the defective goods.

§ 7 Joint Liability

1. Any other liability for damages beyond § 6 subsection shall be excluded irrespective of the legal nature of the claim. This shall in particular hold true for damages resulting from negligence upon conclusion of the contract, in case of any other breach of obligation or in case of tortious claims for damages.
2. The limitation pursuant to Sec. (1) shall also apply in cases where the Buyer requests compensation for useless expenses instead of claim for damages.
3. In cases where our liability is excluded or limited, this shall also apply to personal liability of our agents, employees, staff members, representatives, and vicarious agents.

§ 8 Reservation of Title

1. We shall retain the title in the subject-matter until all accounts receivable relative to the sales contract have been paid. In case of violation of contract on the part of the Buyer, especially in case of delayed payment, we are entitled to claim return of the subject-matter. Claiming return of the subject-matter shall constitute a withdrawal from the contract by us. Upon return of the subject-matter back, we shall be entitled to dispose of such subject-matter; the proceeds from such disposal shall be offset against the Buyer's liabilities reduced by suitable realization cost.
2. The Buyer undertakes to treat the subject-matter with care; in particular the Buyer undertakes to insure the subject-matter at his own expense against fire, water damage, and theft at a suitable replacement value. In case maintenance and inspection is necessary, the Buyer shall carry out such work in due time and at his own expense.
3. In case of attachment or other interventions by a third party, the Buyer undertakes to inform us in writing without delay, so that we may file a lawsuit against such third party. Inasmuch as such third party is not able to reimburse the legal and extrajudicial cost of such a lawsuit, the Buyer shall be liable for any loss or damage thus incurred.
4. The Buyer is entitled to resell the subject-matter by way of due business transaction. He already at present assigns to us all accounts receivable up to the amount of our invoice (including sales tax), which may arise from the resale to a Buyer or a third party, irrespective whether the subject-matter was sold without or after processing. The Buyer shall be authorised to collect such receivables even after assignment. Our right to collect such receivables by ourselves shall remain unaffected thereof. We undertake, however, not to collect such receivables as long as the Buyer meets his payment obligations as result from the collected proceeds, is not in payment arrears, and does not file an application for composition or insolvency proceedings being opened or suspension of payments exists. If this, however, is the case, we are entitled to request the Buyer's notifying us on any receivables assigned and the pertaining debtors stipulating any information necessary for collection, submitting all relevant

documents and inform the debtors (third parties) on the assignment.

5. Processing and transformation of the subject-matter by the Buyer shall at all times occur on our behalf. In case processing occurs with objects not owned by us, we shall obtain co-ownership in the new subject-matter based on the ratio of the value of the subject-matter (invoice sum total, including sales tax) and the other processed goods at the time of processing. Moreover, the same provisions shall apply to the goods thus produced as apply to the subject-matter delivered subject to reservation.
6. In case the subject-matter is inseparably mixed with other objects not belonging to us, we shall acquire co-ownership in the new subject-matter based on the ratio of the value of the subject-matter (invoice sum total, including sales tax) relative to the other mixed goods at the time of mixing. In case mixing occurs in such a way that the Buyer's subject-matter is considered the main subject-matter, it is agreed that the Buyer shall transfer co-ownership to us on a pro rata basis. The Buyer – on behalf of us – shall keep in his custody the property or co-property thus generated.
7. The Buyer shall also assign to us any receivables to secure our receivables against him, which may arise against a third party by linking the subject-matter to real estate.
8. We undertake to release the collaterals we are entitled to upon the Buyer's request to the extent that the disposable value of our collateral exceeds the receivables to be secured subject-matter by more than 10%; the right of selecting the collaterals to be released shall rest with us.

§ 9 Legal Venue, Place of Performance

1. In case the Buyer is a merchant, the legal venue shall be our principal place of business in 83533 Edling/Germany. We are, however, entitled to file action against the Buyer with a court at the Buyer's place of residence.
2. The law of the Federal Republic of Germany shall apply; the UN Convention on Contracts for the International Sale of Goods shall be excluded.
3. Unless otherwise stipulated in the acknowledgement of order, the place of performance shall be our principal place of business.

§10 Miscellaneous

1. The provisions of agreements that may be concluded with the Buyer to delimit rights and obligations and their annexes, shall apply and have priority over the present General Terms and Conditions in case of conflicting terms.
2. In case a provision in these General Terms and Conditions or a provision in other agreements becomes partly or fully ineffective or unenforceable or in case it loses its legal effectiveness or enforceability at a later time, this shall not affect the effectiveness of the other provisions or stipulations. Such provision shall be replaced by a suitable provision that is as close as possible to the ineffective one.
3. In case of any discrepancies between this English translation and the original German version of the present General Terms and Conditions the German text shall prevail.