

General Terms and Conditions

Goerlich Pharma GmbH, 83533 Edling / Germany

§ 1 General, Scope of Validity

1. Our Terms and Conditions of Sale shall apply exclusively; adverse or conflicting sales terms of the customer shall not be acknowledged, unless expressly approved by us in writing. Our Sales Terms and Conditions shall also apply in case delivery is effected by us without reservation despite knowledge of adverse or conflicting sales terms of the customer.

2. All agreements made between us and the customer for the purpose of execution of this contract are laid down in this contract in writing.

3. Our Terms and Conditions of Sale shall only apply to business companies and not to consumers. They shall also apply to future business.

§ 2 Quotation, Order, Quotation Documents

1. Our quotations are offers without engagement. All quotations are subject to change regarding price, quantity, duration of storage, and delivery dates. Orders and all delivery contracts only become binding upon written confirmation of the order by us including detailed description of the object of purchase or upon execution of delivery.

2. An order shall be deemed as binding offer which we are entitled to accept within two weeks.

3. We reserve copyrights, and other rights pertaining to the protection of intellectual property, to all illustrations, drawings, calculations, formulations, compositions, and other documentation. This also applies to those written documents labeled "confidential". The customer undertakes to obtain our explicit written consent prior to their disclosure to third parties.

§ 3 Prices, Terms of Payment

1. Unless otherwise stipulated in the order confirmation our prices shall be effective "ex works" excluding costs for packaging, which will be invoiced separately.

2. The statutory sales tax is not included in our prices, its statutory amount shall be shown separately in the invoice prevailing on the day of invoice issue.

3. Deduction of cash discounts requires a special written agreement.

4. Unless otherwise stipulated in the order confirmation, the purchase price is due for payment net (without deductions) within 30 days from the invoice date. Consequences of default in payment shall be governed by statutory regulations. The annual default interest rate is 8 percentage points on top of the respective prime rate of the European Central Bank.

5. The customer is only entitled to set off cross claims that are legally ascertained, undisputed or acknowledged by us. Moreover, the customer shall only be entitled to exercise a right of retention inasmuch as his cross claim is based on the same contractual relationship.

Exclusion of the right of retention, in case of a contract clause requiring prior performance, is only possible if there is good and sufficient cause.

§ 4 Delivery Terms, Customer Obligation for Cooperation and Proper Care

1. The beginning of the delivery period specified by us assumes that all technical questions have been clarified. The stated delivery date shall be considered preliminary and non-binding, unless otherwise agreed in writing.

2. Observance of our delivery commitments further requires the timely and due fulfillment of obligations by the customer. The right to submit a plea of non-performance is reserved.

3. Regarding the customer's obligations for cooperation and proper care, and their definition and extent with respect to our obligations, and without prejudice to other obligations, the following individual agreements shall apply:

a. Review of production and packaging recommendations submitted by us, pertaining to galenic formulation, shape, dimensions, packaging materials, all text elements and labels, rests with the customer. The customer undertakes to observe all legal provisions and regulations, especially the German Pharmaceutical Act and the German Food, Commodities and Feed Regulations (LFGB), as well as all relevant EC Directives. The customer accepts guarantee, regardless of blame, for accuracy and completeness of data provided by the customer for production by us.

b. All substances supplied by the customer shall meet the requirements of the respective statutory or otherwise generally accepted quality standards.

c. Inasmuch as the customer provides initial substances, primary and secondary packaging material, or other materials, they shall only be insured against fire, theft, and vandalism at the expense and request of the customer. Regarding storage of the initial substances, primary and secondary packaging material we shall only be liable for such care executed with the same diligence we use for our own affairs. In case of outsourced encapsulation we shall claim yield loss permission as stipulated in the respective quotation. This limitation of liability shall not apply to damage resulting from injury of life, body or health, in cases of grossly negligent violation by us or willful or grossly negligent violation of obligations by a legal representative or vicarious agent. Further this limitation of liability shall not apply to other damage, resulting from grossly negligent violation of an obligation by us, or willful or grossly negligent violation of an obligation by a legal representative or vicarious agent.

d. Part deliveries -unless explicitly excluded - are permissible. Quantities ordered may be exceeded or short of 10 % for production reasons.

4. In case the customer is in default of acceptance or negligently violates other cooperation obligations, we shall be entitled to claim damages amounting to the incurred loss including any contingent additional expenses. Further rights and the right to any further claims shall be reserved.

5. If the conditions of Sect. 3 above are applicable, the risk of accidental loss or fortuitous deterioration of the object of purchase is transferred to the customer at the time the customer falls behind in acceptance or payments.

6. If the underlying sales agreement is a commercial fixed-date transaction we shall be liable subject to the statutory provisions. We shall also be liable subject to the statutory provisions in cases where the customer is entitled to claim discontinuance of his interest in performance of the contract due to a delay for which we are responsible.

7. Further we shall be liable subject to the statutory provisions if the delay is the result of a willful or grossly negligent violation of the contractual obligations for which we are responsible. Culpability of our representatives or vicarious agents shall be attributed to us. In the event that we are responsible for the delay due to grossly negligent violation of the contract, our liability shall be limited to the foreseeable, typically occurring damage.

8. We are also liable in accordance with the statutory provisions if the delay, for which we are responsible, is based on culpable violation of an important contractual obligation, in which case, however, our liability to compensation shall be limited to the foreseeable, typically occurring damage.

9. Further statutory claims and rights on part of the customer shall be reserved.

§ 5 Delivery "ex works", Return of Packaging, Transport Insurance

1. Unless otherwise stipulated in the order confirmation, delivery is executed "ex works".

2. Return of packaging is subject to separate agreements.

3. Upon request of the customer delivery can be covered by transport insurance. The customer shall bear the respective costs.

§ 6 Liability for Defects

1. Claims for defects by the customer are conditional upon the customer duly fulfilling his obligation in terms of examination and complaint.

2. In case of a defect on the object of purchase the customer shall be entitled to choose between proper performance by remedy of the defect or delivery of a new object of purchase free of defects. In case of remedy or replacement we undertake to bear all costs related to the subsequent performance, especially transport, care, labor, and material costs, unless these are increased by the relocation of the object of purchase to a place other than the place of performance.

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3. In case the remedy fails the customer is entitled to choose between withdrawal from the contract or request of a price reduction. Insofar as the customer is entitled to compensation instead of performance our liability shall be limited to compensation for the foreseeable, typically occurring damage. Further legal rights remain unaffected.

4. In cases, where the Customer claims damage due intention or gross negligence, including intention or gross negligence of our representatives or vicarious agents, we shall be liable subject to the statutory provisions. Insofar as we are not charged with willful violation of the contract liability shall be limited to the foreseeable, typically occurring damage.

5. We shall be liable subject to statutory provisions in cases, where we culpably violated a substantial contractual obligation, in this case, again, liability shall be limited to the foreseeable, typically occurring damage.

6. A substantial contractual obligation exists insofar as the violation of this obligation entitles to a plea of non-performance, or the violation refers to an obligation, on the fulfillment of which the customer was relying with more than mere interest and this reliance was justified.

7. The limitations of liability mentioned in Sect. 1 to 7 shall not apply to damage resulting from injury of life, body or health, in cases of grossly negligent violation of obligations by us or willful or grossly negligent violation of obligations by our legal representatives or vicarious agents. The compulsory liability in compliance with the Product Liability Act shall remain unaffected.

8. Unless otherwise provided above, liability is excluded.

9. The period of limitation for defect claims shall be 12 months, starting with the beginning of the statutory period of limitation.

10. In the event of a delivery recourse the period of limitation shall remain unaffected. It runs for five years starting with the handover of the defective goods.

§ 7 Joint and Several Liability

1. Any further liability for damages exceeding those in § 6 shall be excluded, irrespective of the legal nature of the claim brought forward. In particular this shall apply to claims for compensation of damages arising from culpability upon contract conclusion, other violations of obligations, or tortious claims for compensation of damage to property. This limitation of liability shall not apply to damage resulting from injury of life, body or health, in cases of grossly negligent violation of an obligation by us, or willful or grossly negligent violation of an obligation of our legal representatives or vicarious agents. Further this limitation of liability shall not apply to other damage, resulting from grossly negligent violation of an obligation by us, or willful or grossly negligent violation of an obligation by our legal representatives or vicarious agents.

2. Limitation according to Sect. 1 shall also apply in case the customer requests compensation for futile expenditures instead of claiming compensation for damages.

3. In cases where the liability to compensation towards us is excluded or limited, this shall also apply to the personal liability to compensation of our employees, staff members, associates, representatives and vicarious agents.

§ 8 Right of Cancellation, Reservation of Title

1. We retain the title in the objects of purchase until all accounts receivable relative to the delivery contract have been paid in full.

2. We shall be entitled to demand return of the object of purchase in case the customer behaves in violation of the contract, especially in case of delayed payment. Taking back the object of purchase means also withdrawal from the contract. After return of the object of purchase we are entitled to resell, and the proceeds shall be set against the liabilities of the customer, less the appropriate realization costs.

3. The customer undertakes to treat the goods with care, and in particular, the customer undertakes to adequately insure them for their new value, at his own cost, covering fire, water, and theft. In case maintenance and service work is required the customer must arrange for this in good time and at his own cost.

4. In the event of seizure or third party interventions the customer shall inform us in writing and without delay that we can take legal actions against such third parties. If a third party is not in a position

to reimburse us for court and out-of-court expenses of such legal action, the customer shall be liable for costs incurred.

5. The customer shall be entitled to resell the object of purchase in an orderly business transaction, however, in this case the customer shall assign the resulting claims, which accrue from the reselling to a buyer or third party, to us, up to the invoice amount (including statutory sales tax) of our claim, irrespective of whether the object of purchase was sold with or without further processing. Even after such assignment the customer shall be entitled to collect the outstanding accounts. Our entitlement to directly collect the outstanding accounts shall remain unaffected by this. However, we undertake not to collect the outstanding amount as long as the customer complies with his payment obligations deriving from the monies received and is not in default, and in particular, as long as no application for the institution of insolvency or composition proceedings have been filed or payments have been suspended. In the event that any of the above cases occur we shall be entitled to demand that the customer discloses the assigned claims and the respective debtors, as well as all details required for collection, hands over all the associated documentation, and informs the debtors (third parties) of the assignment.

6. Processing or alterations of the object of purchase by the customer shall always be carried out for us. In case the object of purchase is processed together with other objects not belonging to us, we shall acquire joint ownership in the new object in the ratio of the value of the object of purchase (final invoice amount, including statutory sales tax) and the other objects processed at the time of processing. Apart from this, the same shall apply for the object resulting from the processing as applies for the object sold and delivered conditionally.

7. In case the object of purchase is mixed in an inseparable way with objects not belonging to us, we shall acquire joint ownership in the new object in the ratio of the value of the object of purchase (final invoice amount, including statutory sales tax) and the other objects mixed at the time the mixing took place. In the event that mixing has been carried out in such a way that the customer's object must be considered as main product, then it is hereby agreed that the customer assigns proportional part ownership to us. The customer shall look after the resulting, solely or partly owned product on our behalf.

8. The customer shall also assign to us such claims acquired against third parties as a result of the connection of the object of purchase to a property, as security for our claims against third parties. The requirements for the authorization of collection result from Sect. 5. Upon request of the customer we undertake to release securities assigned to us to the extent that the realizable value of our securities exceeds the claims to be secured by more than 10 %. The choice of securities to be released shall be at our discretion.

§ 9 Legal Venue, Place of Performance

1. If the customer is a merchant, the court of venue is our business in 83533 Edling. However, we shall be entitled to sue the customer at his local court.

2. The law of the Federal Republic of Germany shall apply. Application of the United Nations Convention on Contracts for the International Sale of Goods is excluded.

3. Unless otherwise stipulated in the order confirmation the legal venue and place of performance shall be our business location.

§ 10 Miscellaneous

1. The provisions of Technical Agreements and their annexes, which may have to be concluded with the customer, shall apply and precede over the present General Terms and Conditions in case of conflicting terms.

2. In case one provision in these General Terms and Conditions or a provision in other agreements becomes partly or fully ineffective, or not practicable, or in case it loses its legal effectiveness or practicability 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.