

**General Terms and Conditions**

**I. Area of application**

- a) The following General Terms and Conditions shall apply exclusively to all present and future business relations. Contradictory general terms and conditions of our business partners or third parties shall only be valid, provided we expressly gave our consent.
- b) In case of disagreement, our contractual partner shall immediately notify us in writing to this effect. In this case, we reserve the right to withdraw our offer to the customer without the possibility to assert any claims against us. The acceptance of deliveries/services does not represent any acknowledgement of the contractor's terms and conditions. Our terms and conditions shall also apply if the contract with the contractual partner is being unconditionally performed having knowledge of contradictory, supplementary conditions or conditions deviating from our terms and conditions. We herewith expressly object to the form-type note to own terms and conditions.
- c) Business partners in the sense of the present general terms and conditions are both customer and contractor. Both the customer and the contractor are exclusively entrepreneurs, viz natural or legal entities or partnerships having legal capacity which act in performance of a commercial or self-employed professional activity. Customers in the sense of the present general terms and conditions are contractual partners who are supplied by us and to which we render other services. Contractors in the sense of the present general terms and conditions are contractual partners who receive orders by us and who are entrusted with their processing.

**II. Purchase conditions**

**1. Offer**

- a) The contractor shall be obliged to accept his/her order within a time-limit of two weeks. After expiry of the time-limit we will no longer be bound by our order. Orders shall only be effective if made in writing or confirmed by us in writing.
- b) Offers shall be made without obligation and free of any costs to us. The contractor's offer shall keep to the request or to the tender with regard to quantity, composition, and design and shall expressly point out any deviations. Ancillary costs shall only be included in the price offer if expressly pointed out separately, stating the relevant amount. The contractor shall be bound to his/her offer for three months. The order must be in writing to be effective.

**2. Offer and performance documentation**

- a) The documentation provided to the contractor may not be disclosed to third parties and may not be used for other purposes than the agreed purpose without our consent. We reserve our property rights and copyrights in the figures, drawings, calculations, and other documentation provided to the contractor. They are exclusively to be used for the production based on our order and shall be immediately returned to us upon completion of the order.
- b) We shall be entitled to retain the documentation provided to us by the contractor. We shall be entitled to copy and to use documentation for training courses, repairs and other purposes.

### **3. Prices, terms of payment**

- a) The agreed prices are free the receiving centre stated by us, including freight, packaging and ancillary costs. In the event of freight collect delivery, we will only assume the most favourable freight charges, provided no special type of shipment is prescribed. Delivery notes and invoices shall be provided in two-fold copy, stating our order number. The contractor shall be liable for all consequences resulting from a non-observance of this obligation.
- b) The claim shall only be due after complete receipt of the goods and the receipt of a properly issued invoice in our company. Unless otherwise agreed or in the event of more favourable arrangements in the delivery conditions or invoices of the contractor, the payment term shall be 2 weeks with 2% cash discount or 30 days net. For the timely payment by us, the handing over of the bank transfer order to the bank / credit institution or the day of sending the cheque is decisive. The application of §286(3) German Civil Code is waived.
- c) We shall be entitled to offsetting or retention rights in the statutory scope. The contractor may only dispose of his/her claims against us by assignment, pledging or otherwise only if the contractor priorly obtained our written consent.

### **4. Delivery period**

- a) The delivery period shall start on the day of receipt of the order letter by the contractor. Agreed upon delivery times and periods shall be absolutely kept. The contractor shall be obliged to immediately notify us if circumstances occur or become evident which show that the delivery period stated cannot be met. The reasons as well as the presumed duration shall also be notified in writing. In other respects, we shall be entitled to the statutory rights.
- b) Deliveries shall only be permissible provided a prior written consent was given.

### **5. Ownerships**

- a) We acquire the unlimited ownership in the subject matter of the delivery or service after its handing over including acceptance. By handing over, the contractor declares that he/she is fully entitled to dispose of and that rights of third parties do not exist.
- b) Orders of any kind shall remain our property and shall be stored, marked and administrated separately at no cost. They may only be used for the purposes of the relevant contract.

### **6. Report of reservations**

The contractor shall immediately notify us in writing if he/she has reservations with regard to the type and manner of the performance of the delivery/service desired by us or if he/she deems him/herself hindered by third parties or us in the performance of his/her delivery/service.

### **7. Property rights**

- a) The contractor represents that he/she does not infringe any third party rights in connection with his/her delivery. If claims are made on us by third parties because of alleged infringements of property rights, the contractor shall on our first written request indemnify us from this third party claims. This obligation to indemnify shall include all and any expenses incurred to us in connection with the claims made by third parties.
- b) The exclusive rights of use as well as the property rights for images, drawings, product descriptions, and data sheets shall already now be assigned to us, provided they were created or produced by our order. We shall be alone and exclusively be entitled to use or exploit these results. We shall be entitled to publish the work results created or prepared for us. Publications by the contractor shall require our written consent.

### **8. Warranty**

- a) According to statutory provisions, the contractor shall be liable for defects of title and defects of quality. The contractor warrants that the contract will be performed thoroughly and properly. The contractor shall continue to be liable for his/her delivery/service and its provision free of defects even if we signed, approved, stamped or ratified the plans, drawings, calculations, and other performance documentation provided to us by the contractor.
- b) Notifications of defects shall be deemed made in time, provided they were sent to the contractor within a time-limit of two weeks from delivery of the goods. In the event of hidden defects, the notification period of two weeks shall only commence with getting knowledge of the defect.
- c) If the goods are defective, we shall be entitled to supplementary performance, cancellation, abatement, and damages according to statutory provisions. If the contractor does not perform or only unsatisfactorily performs the rectification or subsequent delivery after corresponding request within a reasonable respite, we shall be entitled to remedy the defect or have the defect remedied by third parties at the contractor's expense or to make covering purchases. In the event of special urgencies and/or imminent danger, we shall be entitled to remedy the defect ourselves and to request compensation of the required expenses if the determination of a time-limit for post-performance is unreasonable for us.
- d) The warranty period shall be two years from acceptance or receipt against notice of receipt, provided no longer period is agreed in individual cases. For delivery parts which could no longer be operated because of material defects, the current period of limitation shall be prolonged by the period of interruption. The limitation of the claims shall be suspended if the contractor him/herself verifies the presence of a defect. The suspension of the limitation shall only end if the contractor notifies us in writing that the negotiation has been ended or if the result of the examination is sent to us and the contractor in writing refuses to continue to remedy the defect. Re-opening of the negotiation, examination, or defect evaluation again leads to a suspension of the limitation.

## **9. Product liability / indemnification, insurance cover**

- a) To the extent the contractor is liable for product damage, he shall be obliged to indemnify us in this respect from claims for damages of third parties on first request, provided the contractor is liable in external terms.
- b) In this respect, the contractor shall be obliged to compensate us for expenses which result from or in connection with a recall campaign. The contractor shall be informed about the contents and the scope of the recall measures to be taken. The contractor shall effect a relevant insurance (product liability and recall insurance) and to furnish proof to us on request.

## **III. Conditions of sale and delivery**

### **1. Offer, acceptance of offer, modification of offer**

- a) Our offers are subject to confirmation. Data on product properties contained in the offers and enclosed documentation shall only become integral part of the contract if listed in the order confirmation. Technical changes as well as changes in form, colour, and/or weight shall remain reserved within the scope of the reasonable.
- b) When ordering goods, the customer bindingly declares to intend to purchase the ordered goods. We shall be entitled to accept the contract offer contained in the order within two weeks from receipt. The acceptance may be declared either in writing or by delivering the goods to the customer.
- c) The conclusion of the contract shall be under the proviso of the correct and timely self-delivery by our suppliers. This shall only apply in the event the non-delivery is beyond our control, in particular when concluding a congruent covering transaction with our supplier. The

customer shall be immediately informed about the non-availability of the service. The consideration shall be repaid immediately.

- d) Subsequent modifications of offers may only be done if the order status still permits this; costs already incurred shall be debited to the customer. The rights of the customer shall not be assignable.
- e) All binding agreements, deviations, and supplements, including the representation of properties, shall be made in writing to be effective; oral or telephone agreements shall require our written confirmation.
- f) Data contained in brochures or similar documentation and data contained in an offer such as figures, drawings, descriptions, dimensions, weights, output and consumption data are only approximate and standard, if not expressly marked as binding.
- g) Minor deviations of the supplied goods or the rendered service from the description of the offer shall be deemed approved and do not effect the performance of the contract, provided the deviation is reasonable for the customer. This shall in particular apply in the event of modifications and improvements which serve the technical progress.
- h) We reserve the property rights and copyrights in all and any cost estimates, drawings, or other documentation which are made accessible to the customer within the scope of the business relationships. A disclosure of this documentation to third parties is not permitted if we did not give our prior written consent. If a contract does not materialise, any documentation sent together with an offer shall be immediately returned to us. The customer shall not be entitled to produce any photocopies.

## **2. Call orders and partial performance**

- a) If not otherwise agreed and expressly confirmed by us in writing, call orders have a maximum duration of 12 months from the day of order confirmation. To the extent we already procured already rendered services and raw materials for not yet purchased quantities, the customer shall remunerate their costs at the end of the maximum period against their delivery.
- b) We shall be entitled to render partial deliveries and partial services.
- c) For all deliveries, deviations of up to 10% from the ordered quantities shall be permissible and to be taken into account during invoicing.

## **3. Periods of delivery and consequences of default**

- a) Delivery dates and periods are approximate and non-binding, provided they are not expressly warranted as binding in writing. Binding delivery dates may be postponed in the short term due to technical production reasons. Agreed delivery dates require the timely receipt of all and any production documentation and information as well as of the customer orders at our company.
- b) In the event of force majeure, strikes, lock-outs, non-availability of material supplies, transport problems or malfunctions in our own operations or in operations of our suppliers, the binding delivery periods and dates shall be prolonged correspondingly.
- c) In case of binding periods and dates, a default only occurs after written fixing of a period of grace of two weeks, in case of non-binding periods and dates after fixing of such a period of at least four weeks. The decisive factor for meeting delivery periods and dates is the date of notification of readiness for shipment by us.
- d) In case of delay on our part, the customer shall only be entitled to cancel if cancellation was threatened with fixing of the grace period. Partial delay shall entitle to cancellation only with regard to the component of the order with which we are in delay, provided the partial performance of the contract is not of interest for the customer.

#### **4. Risk-bearing, shipment, insurances**

- a) Materials supplied by the customer or ordered on the customer's order as well as semi-finished and finished products shall be stored in our company on the account and risk of the customer. The risk of accidental loss and of accidental deterioration of the goods shall pass on to the customer upon delivery, in case of shipment upon delivery of the goods to the forwarder, the carrier or another person or facility entrusted with the performance of the shipment. The delivery is equal to the customer being in delay of receipt.
- b) Shipment shall always be at the expense and risk of the customer. If the customer did not provide us with any special instructions, we shall be entitled to choose the type of shipment and packaging. The customer shall take care that the foreign customs and import regulations are observed. An insurance of the objects mentioned in the above paragraph as well as a transport insurance shall only be effected by us at the expense of the customer on express written request of the customer.

#### **5. Prices and payments**

- a) The agreed prices are exclusive of the shipment packaging selected by us and exclusive of insurance, ex our works. For permanent and subsequent orders, the prices valid at the time of delivery shall apply.
- b) If not otherwise noted in the order confirmation, the payments shall be made within 14 days from invoice date net without any deduction. During delay, the customer shall pay interest in the amount of 8% above the relevant basic interest rate on the debt. We reserve the right to furnish proof of and assert a higher damage caused by delay. We shall accept drafts only after prior agreement and only as payment. The accruing draft and discount expenses shall be payable immediately - after passing on to the customer.
- c) The customer shall have a right of retention against our claims only if it is based on one and the same contractual relationship. A right to offset shall only exist if counter-claims have been determined by court or have been acknowledged by us. Still pending credit notes shall not entitle the customer to retain payments.

#### **6. Cost estimate**

If the customer initially asked us to prepare a cost estimate, this estimate shall not be remunerated only if an order is placed based on the cost estimate. If this is not the case, we shall be entitled to invoice the preparation of the cost estimate to the customer. §632(3) German Civil Code shall not apply.

#### **7. Responsibility and duties of the customer**

- a) Raw materials to be delivered by the customer shall be delivered by the customer, inspected and released, carriage prepaid on Euro pallets to our works according to a predetermined schedule or by call on our part. The loading height of 1.20m excluding pallet may not be exceeded. If the customer delivers more or higher than agreed, we shall be entitled to invoice storage fees for the additionally stored pallets.
- b) The customer expressly acknowledges that for technical reasons raw materials are subject to loss which is beyond our control, and that we will only be liable for qualitative changes in the product to be produced to the extent this is our fault, a fact which is to be proven by the customer.
- c) For products produced by order according to the customer's formulations, the customer shall be responsible for the feasibility of the product as well as for any liability with regard to damaging, therapeutic, pharmacologic and other efficiency-related properties, including bio-availability and stability of the products.
- d) We shall only be obliged to examine the formulations provided to us for the order production for damaging, therapeutic, pharmacologic, and other properties, for stability and bio-availability, to the extent this has especially been agreed in writing.

- e) The customer shall be obliged to inform us in time and in writing about possible special storage and processing risks, risks which are created when handling the product and about the protective measures to be taken. The customer agrees to provide clear and complete production and test instructions. The customer shall be fully liable for all incurring damages and consequential damages because of insufficient information by the customer. The customer alone shall be liable according to the relevant statutory provisions, in particular the provisions of the German Medicines Act with regard to the reliability of the production and the marketing of the products produced by us by order.
- f) The customer shall be liable for the quality and the processibility of the raw materials, aids, and packaging means provided by the customer and for the fact that these meet the statutory provisions and quality features and are suitable for the production of the ordered product. The release for "marketing" shall be the responsibility of the customer; exceptions shall require a special agreement. In any case, the pharmaceutical entrepreneur shall be the sole customer pursuant to §14(18) German Medicines Act.
- g) If the customer does not meet his/her obligations according to the above paragraphs, the customer shall indemnify us from any claims by third parties. The customer him/herself shall take care of the required consumer information.

## **8. Warranty**

- a) To the extent the contract is a sales contract, we shall provide warranty for defects of the goods initially in our discretion by remedy or substitute delivery. If the post-performance fails, the customer may in principle in his/her discretion request a reduction of the compensation or cancellation of the contract. In the event of only a minor lack of conformity with the contract, in particular in the event of only minor defects, the customer, however, shall not be entitled to cancel. Obvious defects must be reported to us in writing within a time-limit of two weeks from receipt of the goods; otherwise the assertion of the warranty claim shall be excluded. For the observance of the time-limit, the timely sending suffices. The customer shall bear the full burden of proof for all and any claim prerequisites, in particular for the defect itself, for the time of determination of the defect, and for the timeliness of the notice of defect.
- b) If the customer chooses to cancel the contract because of defects of title or defects of quality after failed post-performance, the customer shall not be entitled to claims for damages because of the defect. If the customer chooses damages after failed post-performance, the goods shall remain with the customer, if this is reasonable for him. The damages shall be limited to the difference between the purchase price and the value of the defective goods. This shall not apply if the infringement of the contract was fraudulently caused by us. In other respects, the liability shall be excluded.
- c) The warranty period shall be one year from delivery of the goods. In principle it shall only be the manufacturer's product description which shall be deemed agreed as quality of the goods. Public statements, promotion, or advertisements of the manufacturer shall not be deemed a quality description of the goods according to contract. If the customer receives defective installation instructions, we shall only be liable to provide faultless installation instructions, and only if the defect of the installation instructions interferes with a proper installation. The customer shall not receive any warranties in the legal sense by us. Manufacturer warranties shall remain unaffected by this.
- d) If the contract is a contract for work and services or a contract for work and material, the customer may only demand post-performance from us in case of a defect. If the post-performance fails or if we refuse any post-performance, the customer may withdraw from the contract or reduce the compensation based on the work. Claims of the customer for warranty shall be excluded in case of obvious defects if they are not notified within 2 weeks from receipt or collection of the goods or rendering of the service. The warranty period shall be one year from acceptance. A guarantee is not granted.
- e) It shall apply both for the sales contract and the contract for work and services that any modification in the delivered object or in the work or any attempt to repair on the part of the

customer or a third party shall exclude any liability for resulting consequences. Any warranty claim shall expire because of this.

#### **9. Limitations on liability**

- a) In the event of minor negligent breach of duty, our liability shall be limited to the contract-typical, direct average damage foreseeable according to the type of the goods. This shall also apply in case of minor negligent breach of duty by our company representatives or vicarious agents. In the event of minor negligent infringements of immaterial contractual obligations, we shall not be liable to our customers.
- b) The above limitations on liability shall not apply to the customer's claims from product liability. The limitations on liability shall furthermore not apply to any damages to body or health or in case of loss of life of the customer attributable to us.
- c) Claims for damages of the customer because of defects shall be subject to a limitation period of one year from delivery of the goods. This shall not apply if fraudulent intent can be alleged against us.

#### **10. Reservation of title and security interests**

- a) We shall reserve the property in the goods delivered by us until the full payment of the invoice amount as well as of all and any claims from the business relationship, including all claims from other contracts incurred in the future. This shall also apply to our remainders or co-ownership shares in the goods processed by us.
- b) During the duration of our security interests, the customer shall keep the goods thoroughly and free of any costs; the customer shall also not acquire any ownership or co-ownership through processing, connection or mixing; assignment of security or pledging by the customer shall not be permitted. The customer, however, may resell the goods in the proper day-to-day business, provided the customer is not in delay. The customer already now assigns to us as security all and any claims created by the resale of the goods. The customer shall be authorised to collect the assigned claim fiducially until revoked; however, the customer shall pass on to us collected amounts as adjustment of our claims within the scope of proper management. The customer shall notify to us the assigned claims on request and shall grant us inspection of the relevant documents and shall notify his/her customer of the assignment.
- c) The customer shall immediately notify us of any pledgings as well as other access of third parties to the reserved goods, providing the relevant proofs. We will release reserved goods in our discretion on request to the extent their value exceeds all guaranteed claims by more than 10%.

#### **11. Tools**

The customer shall not acquire any entitlement to the tools themselves - which will remain our property in any case - by remuneration of cost shares in tools, material components, printing plates, printing and embossing rollers, etc.

#### **IV. Final clauses**

- a) Applicable law shall be the law of the Federal Republic of Germany. The provisions of the UN Convention on the International Sale of Goods shall not apply.
- b) If the contractual partner is a merchant, a legal person under public law or public law special assets, the exclusive place of jurisdiction for all and any disputes arising out of the present contract shall be our headquarters. The same shall apply if the contractual partner has no general place of jurisdiction in Germany or the residence or the usual residence are unknown at the time of filing an action.

- c) If individual provisions of the present contract with the contractual partner, including the present general terms and conditions, are or become void in whole or in part, the validity of the remaining provisions shall not be affected. The provision void in whole or in part shall be replaced by a provision whose economic success comes as close as possible to the purpose of the void provision.
- d) Oral or telephone agreements shall require a written confirmation to be effective.

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