

General Terms and Conditions of Delivery of Klocke Verpackungs-Service GmbH

courtesy translation

1 Application Our products, services and offers are provided subject exclusively to our terms and conditions of delivery. They form part of all contracts that we conclude regarding products or services that we offer. These terms and conditions apply even if not specifically referenced.

If the customer or third parties have contradictory terms and conditions of business, they shall not apply, even if we do not object to them separately. They do not become part of the contract even if the order is accepted and / or filled.

2 Formation of contract All offers are nonbinding and subject to change unless expressly declared otherwise.

Illustrations or information regarding the subject-matter of the product or service (weights, dimensions, values in use, loads, tolerances, drawings, technical data, etc.) are approximate by nature, unless exact conformity is necessary for the subject-matter to be used for the contracted purpose. Offers are based on the customer's specifications, without knowledge of the customer's local conditions. We only uphold contractual guarantees that we have explicitly extended and identified as such.

We are not bound or liable to the customer for any obvious mistakes or printing, arithmetical, spelling or costing errors.

The contract is not formed until a written confirmation is provided or the goods are shipped. If the order confirmation or the delivery note includes modifications, the customer's consent is deemed as given if the customer unconditionally accepts the goods and does not reject the changes in writing within a reasonable period.

3 Prices / payment Prices are ex works / ex shipping point, plus packaging, loading, carriage, insurance, customs duties, other taxes and incidental charges, and value-added tax.

Unless otherwise stipulated, invoiced amounts shall become due and payable without discounts after a verifiable invoice is sent and received. Barring any agreement to the contrary, our invoices are immediately due and payable within 14 days of invoicing without discounts. Payment is deemed to be made when our account is credited.

A default in payment automatically voids all rebates, prompt payment discounts and other incentives granted to the customer.

We can demand advance payment and/or exercise a right of retention over further performance in cases of default and reasonable doubt as to the customer's solvency.

The customer may only exercise a right of retention or set-off if its claims against us are upheld by final and absolute judgment, undisputed or acknowledged.

4 Delivery and passage of risk The goods shall be delivered and the documents prepared in accordance with the stipulated International Commercial Terms (Incoterms).

Unless otherwise agreed, delivery shall be ex works or ex shipping point. Risk of accidental loss and deterioration shall pass to the customer on or before the delivery of possession to the person carrying out the shipment. If the shipment is delayed due to circumstances beyond our control, risk shall pass to the customer upon issuing the ready-to-ship notice. We will take out transport insurance on behalf and for the account of the customer if the customer so requests.

The customer shall bear the storage costs after the risk passes. If we store the goods, storage costs shall be 0.5 % of the unpaid invoiced amount for each whole or partial month, beginning one month after the ready-to-ship notice is issued. The right to claim and prove that storage costs are higher, lower or non-existent remains reserved.

Agreed-upon delivery times begin upon receipt of the order confirmation, or once all technical and commercial questions have been resolved, whichever comes last. Delivery times are always approximate, unless we have expressly given a firm delivery time. If the customer fails to discharge its own cooperation obligations on time, including, but not limited to, procuring documents and making agreed-upon advance payments, the delivery times shall be extended accordingly. Delivery times shall also be extended accordingly if delivery is delayed due to force majeure events or other unforeseeable circumstances for which we are not at fault (e.g. natural disasters, strikes, lockouts, energy or materials shortages, civil commotions, embargos, travel advisories from the German Foreign Ministry, or the failure of our suppliers to deliver to us on time, correctly or at all). If these events make the delivery impracticable or impossible for other than a temporary period of time, we may withdraw from the contract in whole or in part. This then absolves the customer from its obligation to render counter-performance. The customer may withdraw from the contract if it can thus no longer be reasonably expected to accept the delivery. We are not liable for impossibility or delays in delivery due to such events. We will notify the customer if such events occur.

Delivery times refer to the time that possession is delivered to the person

carrying out the shipment, or the time that the ready-to-ship notice is issued, as the case may be. Partial and early deliveries are allowed as long as they are reasonable. All deliveries may deviate from the ordered volume by up to 10 %; such deviations must be taken into account in billing.

The customer is responsible for procuring all necessary permits and approvals, and complying with any special regulations that apply to the customer's business or imports and exports. The customer is still obligated to accept deliveries, even if such permits and approvals are not granted.

6 Release orders Unless otherwise agreed and confirmed by us in writing, release orders have a maximum term of 12 months from the order confirmation date. If we have already performed work and/or procured raw materials for volumes which the customer has not yet accepted as of the end of the maximum term, the customer must reimburse us for these costs at the end of the maximum term.

6 Customer's cooperation and materials If the customer is required to supply raw and other materials (e.g. bulk goods, semi-finished and finished goods, raw materials and supplies, packaging materials), these must be inspected, released and delivered carriage paid to our factory on clean Euro pallets based on a pre-defined schedule or following our release order. The stacking height may not exceed 1.20m (excluding the pallet). If the customer delivers more or higher than agreed upon, we are entitled to charge storage costs for additional pallets.

We store raw and other materials supplied by the customer at our premises at the customer's risk and expense. We shall only insure them at the customer's express written request. The customer shall bear the costs.

The customer expressly acknowledges that, due to their technical characteristics, raw materials may experience shrinkage which is beyond our control, and we are only liable for quality changes in the manufactured product if we are at fault; the customer bears the burden of proving our fault.

If we manufacture products based on the customer's formulation on a contract-work basis, the customer shall be responsible for ensuring the feasibility of production and shall assume all liability with respect to harmful, therapeutic, pharmacological and other characteristics relating to the product's effectiveness, including the product's bioavailability and stability.

We are only obligated to test the formulations given to us for production for harmful, therapeutic, pharmacological and other properties, and/or for bioavailability and stability, if this is separately agreed upon in writing.

The customer must notify us in writing and in a timely fashion of any risks or hazards that might be incurred in storing, handling or processing the products, and instruct us as to what safety precautions to take. The customer is required to provide clear and complete manufacturing and testing procedures. The customer assumes complete responsibility for any damages and consequential damages incurred due to the customer providing inadequate information. The customer is solely liable for the legality of producing and selling the products that we manufacture under statutory requirements, including, without limitation, the provisions of the German Medical Preparations Act [AMG].

The customer is liable for the quality and processability of any raw materials and other materials it provides (e.g. bulk goods, semi-finished and finished goods, raw materials and supplies, packaging materials), and for their suitability for manufacturing the ordered product. The customer guarantees that these raw and other materials comply with legal requirements and customary industry quality standards. The customer is responsible for obtaining authorization for "placement on the market"; exceptions may only be made by written agreement. The customer is deemed to be the pharmaceutical business within the meaning of AMG § 4 (18) in all events. If the customer fails to fulfill its obligations as set forth hereinabove, it must hold us harmless from any and all third-party claims. The customer is always solely responsible for providing necessary consumer information.

7 Retention of title All innovations, samples, models, plans, data, drawings, information of a tangible and intangible nature, et cetera – in electronic form or otherwise – which we may provide to the customer in the course of initiating or implementing the contract shall remain our property; we reserve all rights, including, but not limited to, copyrights. They may not be copied or made available to third parties.

We retain title to the delivered object until all payments owed under the business relationship with the customer have been received. The pallets are our property. The customer shall hold our (co-owned) property in safe custody for us free of charge.

If we are entitled to withdraw from the contract due to the customer's breach – including, without limitation, default of payment – (enforcement event), we are entitled to demand that the customer restore the delivered object to us or, if applicable, assign the rights of restoration against third parties. We may demand the immediate restoration of the goods in case of default of payment. The customer shall have no right of retention in this case. Unless we expressly

state otherwise, we do not automatically withdraw from the contract when we retake our goods and/or assert our retention of title.

If the goods are processed or modified, we shall be deemed to be the manufacturer; however, we shall incur no obligation thereby. If the goods are processed or inseparably mixed with another party's goods, we shall acquire co-ownership in the new thing proportionate to the value of our goods. The following applies while we retain title:

- The customer shall keep the delivered object in good condition. The customer shall insure the delivered object for our benefit at its expense against theft, breakage, fire, water and other risks. The customer shall furnish proof of such insurance at our request. This only applies to the extent the customer can be reasonably expected to do so.

- The customer is entitled to sell and process the delivered object in the ordinary course of business as long as it is not in default. The delivered object may not be pledged or assigned as security. The customer now hereby assigns to us as security all claims arising from the resale, in lieu, or otherwise in respect, of the delivered object (e.g. insurance, tort).

- The customer is revocably authorized to collect claims assigned to us in its own name and for our account. Our authority to collect the claims ourselves remains unaffected thereby. An enforcement event is deemed to have occurred, inter alia, if the customer is in default of payment or a petition to institute bankruptcy proceedings has been filed.

- If third parties attempt to attach the delivered object by means of, inter alia, seizure or other enforcement measures, the customer shall inform the third parties of our ownership interest and notify us forthwith. The customer shall reimburse us for the costs of our intervention if we cannot recover the costs from a third party.

If the customer pays its share of the costs for tools, materials, plates, printing rollers, embossing rollers, et cetera, it does not thereby acquire any right to the tools themselves, which shall in all events remain our property.

8 Defects The customer must carefully inspect the delivered object without unreasonable delay upon receipt. We must be notified of any defects without unreasonable delay ("notice of defects"). Damages sustained in transit must be documented with respect to the carrier. If no notice is given, the delivered object is deemed to be approved, unless the defect was not evident during the inspection. Notice of such defects must be given immediately after discovering them. This does not apply if the defect was concealed with an intent to deceive. Using or further processing allegedly defective goods without our written consent is deemed approval of the goods.

When negotiating about notices of defects, we do not waive the defense that the notice was late, factually unsubstantiated or otherwise insufficient. Damage reduction measures do not constitute an acknowledgement of defects.

We extend no guarantee of compliance with any special regulations of any kind that may apply to the customer's business.

We are entitled to deviate from the stipulated quality or quantity standards due to irregularities in materials, or to change our performance – due to technical progress – in terms of construction, design, dimensions, and color within the customary industry tolerances, provided (a) this does not restrict the usability of our goods or services for the contracted purpose, (b) no contractual guarantee exists, and (c) the customer can be reasonably expected to accept the change(s) and/or deviation(s).

If our performance is defective, the customer has the following remedies:

- We are required to cure the defect by, at our option, repairing the defective thing or replacing it with a non-defective thing. We can refuse a type of cure or the entire cure if it is impracticable for us.

- The customer must give us the necessary time and opportunity to cure the defect.

- We must pay all the costs necessary to cure the defect to the extent that they are not higher because the goods were transported to a location other than the place of performance, unless this transportation is consistent with proper use.

- Claims for defects shall be excluded for used delivered objects, unless the defect was concealed with an intent to deceive or relates to a contractual guarantee as to certain characteristics.

If we fail to cure the defect or refuse to perform either type of cure, the customer may withdraw from the contract, reduce the compensation or claim damages.

If using the goods infringes on domestic industrial property rights or copyrights, we shall, at our expense and option, either procure a license for the customer, modify the goods to be non-infringing, or replace the goods. If this is impracticable for us, the customer may assert its statutory right to withdraw or reduce payment without prejudice to any claims for damages.

These obligations only exist if the customer notifies us of the infringement claims without undue delay, refuses to acknowledge the infringement and we reserve all defensive measures and settlement negotiations. If the customer stops using the delivery to reduce damages or for other good reasons, the customer must advise the third party that this suspension of use does not constitute an acknowledgement of infringement.

The customer may not assert claims for infringements which are its responsibility or which are caused by the customer's requirements, by a use which we could not foresee, or by the customer changing the delivered object

or using it with goods which we did not supply.

The customer may only recover from us as set forth in German Civil Code § 478 [BGB] to the extent the customer's agreements with its own customer do not go beyond the statutory claims for defects.

Claims for defects shall become time-barred within one year of the shipment date, unless the defect was concealed with an intent to deceive or relates to a contractual guarantee as to certain characteristics.

The limitations on liability in this paragraph only apply to the extent they are consistent with the liability provisions set forth hereinafter.

9 Liability If we, our agent, servant or delegatee commits a willful or negligent breach of duty, we are liable for damages due to injury to life, limb or health as per the statutory provisions.

The following applies to all other damages:

- If we, our agent, servant or delegatee commits a willful or grossly negligent breach of duty, we are liable for damages as per the statutory provisions.

- If we, our agent, servant or delegatee commits a slightly negligent breach of an immaterial duty, we are not liable for damages.

- If we, our agent, servant or delegatee commits a slightly negligent breach of a material contractual duty, we are only liable for the foreseeable damages which are typical for the contract.

- If we, our agent, servant or delegatee commits a grossly negligent breach of an immaterial duty, we are only liable for the foreseeable damages which are typical for the contract.

- Material obligations are obligations (a) whose satisfaction is essential to the proper performance of the contract and (b) upon whose satisfaction the customer may reasonably rely.

Liability disclaimers and limitations do not apply to claims under the German Product Liability Act [Produkthaftungsgesetz] if we have concealed a defect with the intent to deceive or extended a contractual guarantee as to certain characteristics and further damages are covered under our commercial general liability insurance.

The liability disclaimer and limitation does not affect the customer's statutory rights to withdraw from the contract. The above provisions shall not cause the burden of proof to change to the detriment of the customer.

The customer shall maintain insurance in the scope customary for the customer's industry and structure (e.g. business interruption insurance). The goods/services may only be used in the country for which they have been ordered.

10 Nondisclosure The customer agrees to keep the entire content of the contract strictly confidential, including, but not limited to, prices, discounts, know-how and other business secrets, and to refrain from disclosing or otherwise making available to third parties any information, documentation, drawings or other documents without our express consent. The foregoing does not apply to content which is publicly known without violating the nondisclosure obligation. The customer's employees must be equally bound by the nondisclosure obligation.

We may use the customer as a reference.

11 Final provisions The customer is not entitled to assign rights granted hereunder to third parties without our prior consent. The foregoing does not apply to assignments of money claims.

These provisions also apply to companies affiliated with the customer within the meaning of German Stock Corporation Act § 15 [AktG]. The customer shall bind its affiliated companies to observe these provisions.

Our relevant terms and conditions of assembly and after-sales service govern any work, repairs or assembly work we perform at the customer's request in connection with the contracted goods/services. Placing an order constitutes acknowledgement of such terms and conditions.

These terms and conditions are governed by the laws of Germany, exclusive of the provisions of the UN CISG.

The place of our registered offices is the place of performance and exclusive place of jurisdiction for all disputes arising from the business relationship.

Should individual provisions of these terms and conditions be or become invalid, the validity of the remaining terms and conditions will be unaffected thereby.

September 2008