

Terms and Conditions

1. General and scope

- 1.1 Notwithstanding any differing written agreements in individual cases, all contracts, tenders, deliveries and services shall be legally valid solely if based on the following Terms and Conditions. We do not acknowledge any contradicting or differing Terms and Conditions of the Customer, except if we have specifically approved their validity in writing. Our Terms and Conditions shall apply also if we deliver goods or services without reservation in full knowledge that the Customer has contradicting or differing Terms and Conditions. With the acceptance of our deliveries or services, the Customer acknowledges our Terms and Conditions.
- 1.2 The Terms and Conditions shall also apply to all future business dealings with the Customer.
- 1.3 Covenants, subsidiary agreements and any modifications and/or additions to these Terms and Conditions must be in written form. This shall apply also to a modification to the written form requirement.
- 1.4 Subject to differing written agreements in individual cases, the Standards of Delivery and Packaging and the Terms and Conditions of Purchasing and Sale of Goods shall also apply as amended from time to time.

2. Tenders and prices

- 2.1 Electronic, written or oral tenders shall not be considered binding tenders in the legal sense, but understood as an invitation to the Customer to place an order.
- 2.2 A contract shall be deemed concluded only upon written confirmation of an order or upon our initiating its execution, at the latest, however, upon acknowledgement of the delivery by the Customer. To take effect, agreements on the nature and quality of the goods, the assumption of warranties and any subsidiary agreements and modifications must be in written form.
- 2.3 Our tenders and/or order confirmations are in principle issued on the condition of a positive assessment of the Customer's creditworthiness.
- 2.4 Unless otherwise agreed, all prices shall be net ex works exclusive of packaging, loading, freight, cartage, customs and transport insurance. Our prices are subject to adjustments if before delivery, our costs rise due to tariff increases or changes in raw

material or other materials prices. We shall also be entitled to such price adjustments within the framework of continuous obligations or long-term agreements.

- 2.5 We shall be entitled to make appropriate amendments to the prices quoted in the tender and/or order confirmation if the execution of an order requires unexpected additional expenses either in technical or other terms.

3. Rescission

- 3.1 All orders placed by the Customer are irrevocable. Once we have posted the written order confirmation, the order in question cannot be withdrawn.
- 3.2 Any breach of this clause makes the Customer liable to payment of a contract penalty amounting to 20% of the contract value.
- 3.3 We reserve the right to assert demonstrably higher damages.
- 3.4 Items 5.1, 5.2 and 5.3 shall also apply if the amount contracted for is curtailed by the Customer; in that case, the contract penalty shall be calculated on the basis of the amount curtailed.
- 3.5 We shall be entitled to rescission in the event
- 3.5.1 that the Customer's requests cannot be put into practice despite previous sampling of the trial run;
- 3.5.2 that the Customer fails to comply with his contractual obligations pursuant to item 7;
- 3.5.3 that we learn in the course of the contractual relationship that the Customer is not sufficiently solvent and the Customer does not pay in advance the full amounts due for our deliveries.
- 3.6 In the event of such our rescission pursuant to item 5.5.2, we shall be entitled to assert the claims deriving from items 5.2 and 5.3.

4. Delivery dates and terms

- 4.1 Subject to explicit written agreement, delivery dates shall not be binding. Any delivery date stated in the order confirmation shall not be deemed an agreement in the aforementioned sense.
- 4.2 The onset of any delivery term requires the timely clarification of any and all issues relevant for the execution of the order, the receipt of any documents, authorisations,

approvals, bulking agents and other materials to be provided by the Customer and, if agreed, the settlement of a down payment.

- 4.3 Delivery terms shall be deemed complied with upon dispatch of the item(s) to be delivered or, should such dispatch be impossible due to circumstances for which we are not to be held liable, with the notification of our readiness to dispatch such item(s).
- 4.4 Delivery terms shall be extended by at least the period during which the Customer fails to meet his commitments originating from the same or another order.
- 4.5 We shall be entitled to dispatch partial deliveries.
- 4.6 In the event that we culpably fail to meet binding delivery commitments in time or at all, the Customer shall, by registered letter, grant us a period of grace of at least 6 weeks. Should this period of grace lapse fruitlessly due to gross negligence on our part, the Customer shall be entitled to rescind the contract.

5. Customer's obligations

- 5.1 The Customer is obliged to provide us with the opportunity, prior to any order acceptance or confirmation, to perform a trial run using test materials to assess the processability of the bulking agents and the suitability of the packaging materials. The bulking agents needed for such trial orders must be supplied free of charge in sufficient quantities. It shall be our decision whether to charge the costs incurred for the trial order separately for each process step or at a blanket price. We disclaim liability for the results of exposure tests on bulk material and/or packaging materials performed by our upstream suppliers.
- 5.2 According to a previously established schedule or upon our request, the Customer shall supply bulk and packaging materials on euro-pallets carriage paid to our Göttingen works or another manufacturing plant indicated by us.
- 5.3 In the event that the Customer delivers more material or earlier than agreed, we shall be entitled to charge storage costs for the additionally received pallets. In the event that production downtimes, output deficits or losses at our premises should be caused by belated or faulty delivery on behalf of the Customer or his upstream suppliers, we shall be entitled to claim compensation of our costs occasioned by such output loss. Remaining quantities of bulk and/or packaging material shall be returned carriage

collect to the Customer after fulfilment of the order. In the event that such materials are admitted to our warehouses, we are entitled to charge storage costs.

- 5.4 In the event that the execution of an order requires new tools, machines or machine parts, the Customer shall, in good time and free of charge, submit sufficient quantities of binding samples of the items to be manufactured. By settling the costs for tools, machine parts etc. charged by us, the Customer shall not acquire the ownership of such items. Sample packages, construction drawings and similar documents submitted to the Customer shall remain our sole property and may be used by the Customer only in our interest and as required for our order. This, however, may be subject to differing agreements.
- 5.5 The Customer shall diligently verify all raw materials and excipients, semi-finished goods and packaging materials supplied to us. Immediately upon receipt of samples drawn and dispatched by us, he shall confirm in writing on the pertinent forms that such samples are identical with the materials supplied by him. Orders cannot be executed without such traceability verification.
- 5.6 The Customer shall bear responsibility that the type of packaging ordered by him is suitable for the intended use. We assume no warranty for the suitability of such material. The samples forming the basis for our deliveries merely serve as an approximate guideline.
- 5.7 The Customer shall inform us in writing about risks associated with storage or processing. He shall provide in-depth information about any dangers associated with handling his product and the protective measures to be taken (e.g. dangers for staff, environment, waste water, machines, poison class etc.).
- 5.8 Goods to be packaged by us shall be supplied by the Customer in shipping packings which exclude their spoilage.
- 5.9 The Customer shall insure bulking materials, excipients and any other materials he supplies to us and of which the actual value is unknown to us.
- 5.10 The Customer shall take delivery of call orders within the specified term and in the quantities agreed. If no particular term for taking delivery has been specified, this shall be effected at the latest upon expiry of 12 months following the order date.
- 5.11 The Customer shall promptly check each of our deliveries for completeness, conformity with the bills of delivery and visible defects. Any derogations and defects shall be

claimed promptly and in writing. Noticeable transport damages and/or shortfalls shall also be noted on the shipping agent's receipt voucher (Art. 438 German Code of Commercial Law). Should no objections be raised in writing within seven working days as of receipt of the delivery, the delivery shall be deemed to comply with the contract unless derogations or defects were undetectable despite careful inspection on receipt.

6. Transport and packaging

- 6.1 The dispatch shall be carried out for the Customer's account and risk. The transportation cost shall be calculated on the basis of the weights and measures stipulated by us. We shall be free to choose the dispatch mode unless otherwise instructed by the Customer.
- 6.2 The transport shall be carried out to the best of our judgment but without us being liable for providing the cheapest and fastest mode of shipping. Any cartage due shall be at Customer's expense.
- 6.3 Packaging materials (e.g. cases, drums or casks), if provided by us, shall be charged at cost-price and shall not be returnable. This applies also to pallets provided by us unless they are returned by direct exchange.

7. Invoice and terms of payment

- 7.1 The total value of materials allotted by us for call orders shall, after the first call or the first call date agreed, be charged on account. Such amount shall be paid off proportionally from current invoices. Should the Customer curtail a call order, we shall no longer be bound by the prices stated in our order confirmation and entitled to claim additional costs in accordance with the calculable bases valid at the time.
- 7.2 Invoices are payable without deduction within 14 days as of invoice date.
- 7.3 Payment shall be deemed received on the day the corresponding amounts are credited to our bank account.
- 7.4 If the Customer fails to meet the term of payment, we shall be entitled to charge default interest of 5% p.a. over and above the base rate of interest stipulated by Art. 288 (1) German Civil Code as amended from time to time. We shall reserve the right to assert claims for compensation for additional damages.

- 7.5 Cheques or bills of exchange shall be accepted only upon prior explicit written agreement and merely on account of payment excluding all liability on our behalf for the timeliness and regularity of presentation and bill protest and, in the case of bills of exchange, whether or not these are eligible for discount and duly net of tax. Payment shall be deemed effected only upon encashment of a cheque/ discharge of a bill. Any charges incurred shall be at the Customer's expense.
- 7.6 The Customer shall not be entitled to offset payment against any other counterclaims that have been established as undisputed or legally binding. Neither shall the Customer, in view of such claims and/or of contested claims arising from defects as to quality, be entitled to exercise any rights of reservation or deduct any amounts from our invoiced values unless such claims have been established as undisputed or legally binding.
- 7.7 In the event that after conclusion of the supply contract, the Customer's solvency deteriorates as defined by Art. 321 German Civil Code or there be a change in the Customer's person, we shall be entitled to demand prepayment for pending deliveries and, should such demand not be satisfied within 2 weeks, to terminate the contract as stipulated by item 5.5.3 without granting a grace period, or to claim damages for non-performance and revoke any moratorium granted. We shall also be entitled to claim payment in cash against restitution of any bills of exchange accepted.

8. Reservation of title, assignment and attachment

- 8.1 Goods delivered (reserved goods) shall remain our property until all claims that we may have against the Customer on account of the business relation have been fulfilled.
- 8.2 As long as the reservation of title is in effect, the Customer shall not pledge, assign ownership of by way of security or factor reserved goods. Resale or processing of such goods in the ordinary course of business shall be permitted by way of exception on the following conditions:
- 8.2.1 The Customer's permission to process reserved goods in the ordinary course of business shall end upon the Customer's suspension of payment or when he applies for initiation of bankruptcy or composition proceedings over his estate to avoid bankruptcy.

- 8.2.2 The manipulation or processing of reserved goods shall be carried out free of charge on our behalf and by our order so that we are deemed to be the manufacturer pursuant Art. 950 German Civil Code, which includes that at any time and stage of processing the products remain or come into our property. If the Customer uses other goods for such processing that do not belong to us, we shall acquire joint ownership of the new item proportionate to the invoice value of the reserved goods in relation to the other processed articles at the time of processing. For the rest, the same applies for the new items manufactured as for the reserved goods. They shall be considered as reserved goods.
- 8.2.3 The Customer herewith assigns to us any claims including any ancillary rights he may have through the sale of reserved goods. This shall apply also to a proportion of any goods processed and mixed of which we have acquired joint property proportionate to the invoice value. From such assignment, we shall be entitled to a fraction of the corresponding purchase money claim proportionate to the invoice value of the reserved goods in relation to the other processed articles. If the Customer owns such claim from old-line factoring, he assigns to us his claim against the factor which replaces the original claim. We herewith accept the assignment of claims.
- 8.2.4 We shall refrain from collecting assigned claims as long as the Customer meets his financial obligations correctly. At our request, the Customer shall provide a detailed inventory of the claims we are entitled to including the name and address of the purchasers, the extent of the individual claims, invoice dates etc., to notify his purchasers of the assignment and to disclose any and all information necessary for the collection of the assigned claims. The Customer shall authorise us to inform the purchasers of such assignment and collect the outstanding debt ourselves as soon as he is in arrears with any payment or his pecuniary circumstances substantially deteriorate. In such case we shall be entitled to demand that the Customer allow us to ascertain the validity of the assigned claim through our appointee. Amounts received in payment of an assigned claim shall be kept separately for remittance.
- 8.2.5 In the event that the Customer subjects his claims arising from a resale of reserved goods to an existing current account agreement between himself and

his purchaser, the current account claim shall be deemed assigned in full. After balancing, the balance recognized – i.e. that is deemed to have been assigned up to the amount of the original current account claim – shall replace the current account claim. For a pending invoice, the reservation of title and the assignment by way of security are considered as securities for our balance claim.

- 8.2.6 If the combined value of the securities to which we are entitled exceeds the value of our claims by more than 10%, and if so requested by the Customer or a third party affected by our excess security, we shall be obliged to release a pertinent part of the security at our discretion.
- 8.2.7 The Customer shall notify us forthwith of any attachments and disclose the attaching creditor.
- 8.2.8 As soon as the Customer has suspended payments, i.e. immediately after notification of the suspension of payments, he shall be obliged to provide us with a list of all remaining reserved goods including those that have already been processed, as well as a list of the amounts receivable from third-party debtors, copies of the invoices included.
- 8.2.9 If the Customer is in breach of contract, particularly if he is in arrears, we shall be entitled to take possession of the reserved goods at the Customer's expense or, if applicable, demand that the Customer assign the claims for surrender that he may have against third parties. Our collection and attachment of the reserved goods shall not be considered as a withdrawal from the contract unless the Consumer Credit Act is applied. After prior warning, we shall be entitled to satisfy our claims by selling the reserved goods in the open market.
- 8.2.10 The Customer shall hold the reserved goods in safe custody on our behalf. He shall insure them against fire, theft and water damage. The Customer hereby assigns to us a proportion corresponding to the value of our claim against him of any claim for compensation he may have due to such damages against insurance companies or any other party liable for such indemnity.
- 8.2.11 Any claims arising from the reservation of title and all pertinent special cases stipulated in these Terms and Conditions shall be valid until the complete release from any contingent liabilities that we may have entered into in the Customer's interest.

- 8.2.12 If the Customer sells the goods supplied by us in the ordinary course of business (independently of their state and whether before or after processing) to a third party, he hereby assigns to us all claims he may have against his purchasers (i.e. the claim to the entire contractual payment including goods, trading profit and remuneration) including all ancillary rights, up to the complete satisfaction of all claims we may have against him as a result of our business relationship.
- 8.2.13 The Customer shall be obliged, at our request, to notify his purchasers of the assignment of rights and to provide us with the information and documents necessary to assert our claims against the purchasers. We shall be entitled to notify purchasers of the assignment of the Customer's rights as soon as the Customer is in arrears with any payments.
- 8.2.14 The Customer shall be entitled to collect assigned claims only as long as he does not default the sum total of his liabilities towards us including those we are entitled to from other transactions. In the event of a cessation of payment or an initiation of bankruptcy or composition proceedings, the Customer shall no longer be entitled to such collection. Should the value of the securities provided exceed our claims by more than 10%, we shall be obliged, at the Customer's request, to reconvey the excess value.
- 8.2.15 The Customer shall be obliged to notify us forthwith of any attachment of the goods still in our property or of his claims against his purchasers that have been assigned to us and, if applicable, to advance the costs for an action of replevin; he shall ultimately bear such costs should the opponent not reimburse them.

9. Warranty claims, liability and exclusion of liability

- 9.1 Warranty claims can be asserted only if the Customer has complied with his duties stipulated in item 7.
- 9.2 The contractual condition of the goods shall be deemed defined exclusively by parameters determined by contract, as opposed to any advertising messages, orally transmitted information etc.
- 9.3 Excess or short deliveries of up to 20% of the quantity indicated in the order confirmation shall not entitle to complaints or notices of defects. In all justified

complaints or notices of defects the Customer shall give us the opportunity to compensate free of charge the manufacturing and/or packaging in question and replace the materials provided by us for this purpose.

- 9.4 The Customer explicitly acknowledges that the bulking agents and packaging materials provided by him may be lost without compensation upon cutting, starting machine cycles etc., so that liability shall be limited to intentional acts and gross negligence.
- 9.5 In the event that any spoilage of goods supplied and/or consequential damages to other objects is attributable to the Customer's neglect of duty, the Customer shall hold us harmless from any liability, provided we did not contribute to the damage by intent or by gross negligence.
- 9.6 In all events where we are substantially hindered or unable to meet our contractual duties, specifically due to force majeure, official directives of whichever kind, fire, strikes, lock-outs, other events hindering the manufacturing and/or dispatch of goods, traffic or business disruptions, power cuts or raw materials, we shall, at our discretion, be released either totally or partially from fulfilling our contractual duties.
- 9.7 Defects as to quality become statute-barred after 12 months. This shall not apply if longer limitation periods are imposed by law and in all cases of death or injury to body or health, of intentional or grossly negligent breach of duty or fraudulent concealment of a defect on our part.
- 9.8 In the event that the execution of an order infringes third-party industrial property rights and such third party asserts claims against us, the Customer shall be obliged to hold us harmless of such claims.
- 9.9 Any claims not specifically accorded in these Terms and Conditions, in particular claims for damages resulting from all pertinent aspects including claims brought forward in connection with our liability for defects as well as based on impossibility, default, breach of collateral contractual duties, fault upon conclusion of the contract or unlawful acts, shall be excluded as far as legally permitted unless they are caused by an intentional or grossly negligent breach of contract effected by ourselves or a person employed by us for the purpose.

10. Place of performance

The place of performance for both parties shall be Berlin.

11. Venue

Provided that the Customer is a fully qualified merchant registered in the Commercial Register or does not have a natural forum in the Federal Republic of Germany, the sole jurisdiction competent locally and over the subject matter shall be, at our discretion, either the Local Court of Berlin Wedding or the Regional Court of Berlin; with respect to actions on bills of exchange or cheques we shall also be entitled to take legal action at the place of payment. For the rest, the legal requirements effective in the Fed. Republic of Germany shall be mandatory.

12. German Data Protection Act

In signing this contract, our contractual partners waive their rights pursuant to Art. 4 (1), (3) and (4) of the German Data Protection Act as well as claims for damages arising from any infringement of their rights deriving from Arts. 3 and 5 of the German Data Protection Act.

13. General

Should any individual provision of this agreement be or become ineffective, the validity of the remaining provisions hereof shall in no way be affected.