

## General Terms and Conditions of Business and Sale

(The English language text below is a translation of our "Allgemeine Geschäfts- und Verkaufsbedingungen" [General Terms and Conditions of Business and Sale]. The original German version is authoritative in case of any discrepancies between the English translation and the German original. We do not accept liability for reliance on the English translation or for any errors, omissions or misunderstandings relating to the translation.)

As of 1 January 2020

### 1. Scope of application, offer and conclusion of contract

These General Terms and Conditions of Business and Sale (hereinafter "Terms") apply to all deliveries and services provided by Pharmorgana GmbH to companies in the meaning of Section 14 of the German Civil Code [*Bürgerliches Gesetzbuch: BGB*]. Within the scope of long-term business relations, these Terms also apply to each future business transaction with a customer, without need for us to draw attention to them again in every individual case.

We shall recognise deviating conditions of the customer only if we have explicitly agreed to them in writing. Any other deviating conditions are hereby explicitly rejected.

Verbal agreements and other ancillary agreements shall not be effective unless confirmed in writing.

Products and services promoted by us always constitute a non-binding invitation to the customer to issue an offer (*invitatio ad offerendum*). The specifications mentioned in each case and additional details about the products and services promoted by us are therefore initially non-binding and without obligation. A declaration of the customer's intention to conclude a contract always constitutes an offer. The customer shall remain bound by this offer for as long as the products and services ordered by him are held in stock by us in the desired specification and quantity, or can be delivered within an appropriate period. If, within fourteen (14) days of issuing his offer, the customer does not receive a communication from us confirming the offer, and we have not begun to execute the order, the customer shall no longer be bound by his offer.

### 2. Terms of payment

Unless agreed otherwise in writing, invoicing shall be carried out according to our prices valid on the day of shipment, plus applicable packing, freight and value-added tax.

Unless otherwise agreed, receivables shall become due when the respective invoice is issued.

If the customer is in default with payments, we may demand advance payments or cash on delivery for subsequent deliveries. Furthermore, we shall be entitled, without requiring a reminder to be issued or a later deadline to be set, and without prejudice to our other statutory rights, to refuse to deliver during the default period. The same shall apply if events occur at the customer which cast doubt on his creditworthiness, or such circumstances subsequently become known to us, even if they already existed when the contract was concluded. Also after conclusion of the contract we shall be entitled to demand sufficient security for our receivables.

In the event of default with payments we shall be entitled to charge default interest at a rate equal to nine (9) percentage points above the current basic rate of interest (Section 288(2) of the German Civil Code). At the same time we reserve the right to charge higher rates of interest – to the extent actually occurring.

Complaints or differences of opinion of any kind do not constitute grounds for any right to refuse performance.

Offsetting and assertion of a lien and/or right of retention owing to a counterclaim arising from another contractual relationship are excluded unless the counterclaim is recognised by us or legally established.

### 3. Shipping

The goods shall always be dispatched at the customer's risk, even in the case of carriage-paid delivery and/or CIP sales. We shall choose the itinerary and mode of transportation without liability for the cheapest form of shipment. Acceptance of the

consignment by the relevant carrier and/or storekeeper without objection shall be deemed to be proof that the packaging was in perfect condition, and shall exclude any claims based on weight loss and/or transport-related damage.

Normal shipping is assumed for sales in accordance with Incoterms. Insurance shall be arranged only upon the explicit wish of the customer; the costs of such insurance shall be borne by the customer.

We accept liability for compliance with delivery deadlines or for a certain delivery temperature only if this has been explicitly agreed in writing. No liability shall be accepted for delivery delays on the part of the relevant carrier or other bodies commissioned for the delivery, transportation, transshipment, etc. or for full utilisation of the loading weight of the means of transport.

### 4. Retention of title

All the goods delivered to the customer shall remain our property until the total amount has been paid in full. The customer shall bear full liability for such goods still in our ownership.

Provided that the customer is not in default of payment, he shall be entitled to consume the products supplied to him or to sell them in the ordinary course of business. We may, however, revoke this authorisation to consume and sell, if the customer subsequently defaults on his payment obligations. As security the customer hereby assigns to us in full all claims that he will acquire from sale to his customers or third parties, and claims arising from insurance payments owing to loss of or damage to the goods subject to title or from unlawful action. We hereby agree in advance to such assignments. The customer shall be entitled to collect these claims until this right is revoked. We shall issue revocation and collect the assigned claims only if the customer defaults on his payment obligations or has suspended his payments, or an application for insolvency or composition proceedings has been filed.

The customer must inform us upon request of the postal addresses of third party debtors and the amounts of the claims, and inform the third party debtors of the assignment to us. We must be informed without delay of any seizure or impairment of our property and/or of the claims assigned to us.

### 5. Call-off and acceptance

If no delivery deadlines have been agreed, the goods purchased must be accepted immediately, and goods purchased with call-off must be accepted within two (2) months. If partial deliveries are envisaged, acceptance shall be effected in evenly distributed quantities and intervals throughout the delivery period. If the goods are not called off or accepted on time, without prejudice to other rights we shall be entitled, without a reminder, to deliver the due quantities to the customer at his cost and risk, or to place the goods in storage and to invoice them as delivered. In all cases, the customer shall be liable to us for all damage incurred by us and our delivery facilities, if any.

### 6. Guarantee

Guarantee rights of the customer require that the customer properly fulfils his duty to inspect and to give notice of defects pursuant to Section 377 of the German Commercial Code [*Handelsgesetzbuch: HGB*].

In the event of damage caused by the carrier/forwarder or similar bodies, written confirmation must be obtained before the goods have been accepted or unloaded. In addition, a sufficient sample of the faulty goods – which is accessible for testing – must

be sent to us immediately. In the case of a justified complaint we shall cover the costs of subsequent investigation; otherwise we shall be reimbursed for such costs.

Furthermore, in all cases of a justified complaint we must be given the opportunity to remedy the defect in the manner of our choosing. Any type of remedy must occur within an appropriate period.

Fluctuations in the properties and appearance of the goods, which are generally permissible and/or technically unavoidable in the trade and/or sector do not entitle the recipient to issue a notice of defects.

The information about our products and our consulting, including all aspects relevant to REACH, are based on our current knowledge and experience, and is provided according to the best of our knowledge. They are, however, non-binding and do not release the customer from verifying the suitability and official approval of products and procedures for his purposes. In particular, we do not accept any liability for any application purposes or uses that are not explicitly mentioned by us in writing. Owing to the abundance of potential influences during processing and application, our information does not release the customer from performing his own tests and trials. A legally binding assurance of certain properties or of suitability for a specific purpose cannot be derived from the information describing the goods in general terms. The recipient of our products is responsible on his own account for complying with any applicable industrial property rights, laws and legal provisions.

## 7. Liability

We may be held liable for damage only if we have been intentionally or grossly negligent.

Any liability in cases of our slight negligence – if pertaining to an essential contractual obligation – shall be limited to foreseeable, typically occurring damage. We do not accept any liability in cases of violation of minor contractual obligations through slight negligence and/or non-essential ancillary obligations arising from the contract.

Explicitly exempt from the aforementioned limitations of liability is our liability for damage arising from the violation of essential contractual obligations, from injury to life, physical injury or damage to health, for fraudulent concealment of a defect, in cases where we have provided a guarantee for the properties and condition of products, for claims arising from the German Product Liability Act [*Produkthaftungsgesetz*] and in all other cases regulated by law. If our liability is excluded or limited, the same shall apply to the personal liability of our employees, workers, personnel, representatives and vicarious agents.

The limitation period for liability claims brought against us shall be one (1) year.

## 8. Delivery obstacles

Unless otherwise agreed, no guarantee can be given that particular delivery deadlines will be adhered to. Force majeure, shortages of personnel, energy or raw materials, orders of the authorities, effects of labour disputes, disruption of traffic, disrupted operations or similar events or circumstances, which pose considerable difficulties for us in fulfilling our contractual obligations, or temporarily or permanently make it impossible either in whole or in part, shall suspend our delivery obligations and entitle us to withdraw from the contract either in full or in part if, due to the obstacles mentioned above, it becomes impossible for us to fulfil the contract.

## 9. Severability clause

If individual provisions of these Terms are or become totally or partially legally ineffective or incomplete, the validity of the remaining provisions shall not be affected. The ineffective or incomplete provision shall be replaced by the relevant statutory regulation.

## 10. Other provisions

All contracts concluded with us shall be exclusively governed by the law of the Federal Republic of Germany, with the exception of the United Nations Convention on Contracts for the International Sale of Goods (CISG).

The specific jurisdiction for legal disputes arising from a business relationship is Frankfurt am Main. However, we reserve the right to bring an action against the customer also before the court with jurisdiction at the location of his registered company office.

The place of performance for all rights and duties arising from the contract shall be Eppstein.