

TERMS & CONDITIONS OF PURCHASE

ANKLAM EXTRAKT GmbH

I. General Provisions

1. These conditions apply, unless expressly agreed otherwise in writing, also in the case of ongoing business relations without any specific reference being made, in particular also in the case of call-off or follow-up orders placed verbally or by telephone. It is not necessary to refer to these Terms and Conditions of Purchase again when placing future orders.

2. The application of general terms and conditions of the supplier which deviate from these is excluded for this order and all subsequent orders. The validity of such differing conditions is expressly contested.

3. We would point out that we handle the data of the purchaser which pertain to the business dealings with him as defined in the Federal Data Protection Act.

4. The following order of priority applies as regards the nature and scope of the mutual services:

- the terms of the order
- the other contract terms shown in the order
- the Special Terms and Conditions for the purchase of plant, machinery, tools and appliances (where applicable)
- these Terms and Conditions of Purchase.

II. Order and confirmation of order, evidence of origin

1. The orders placed by ANKLAM EXTRAKT are only valid if they are made in writing and have been signed by authorised representatives of ANKLAM EXTRAKT. Agreements made verbally or by telephone are only binding if they have been confirmed in writing. Orders created electronically do not require any signature.

2. The supplier must confirm the order in writing. The order confirmation must reflect all the details of the order. Any deviations from the ANKLAM EXTRAKT orders are only considered approved if they have in turn been confirmed in writing by ANKLAM EXTRAKT.

3. By accepting this order the supplier agrees to facilitate verification of the evidence of origin and supplier declarations by the customs authorities as well as to both provide the information required for this and also to procure any necessary official confirmations (information certificates). Evidence of origin in the case of the supply of goods originating in the EC is effected by sending a Long Term Supplier Declaration [*Langzeit-Lieferantenerklärung (LLE)*] in accordance with Council Regulation (EC) N° 1207/2001 of 11 June 2001; in the case of supplying goods which qualify for preference, by means of movement certificate EUR.1 or declaration of origin on the invoice. The supplier agrees furthermore that in the event that the supplier's declaration or a preference document should prove to be incorrect, he will pay compensation for any loss arising therefrom.

III. Time of delivery

1. The supplier must observe the agreed times for delivery strictly and without fail. These apply at all times with no period of grace.

2. Events of Force Majeure, strikes, lockout, disruptions to operations of any kind and for any reason whatsoever as well as other unforeseen events which render it substantially more difficult for ANKLAM EXTRAKT to take delivery and/or process the ordered goods, in particular stagnations in sales, will entitle ANKLAM EXTRAKT to postpone acceptance dates or to withdraw from the contract without the supplier being entitled to any claim for compensation. The supplier must be informed immediately.

3. In the event of the time for delivery being exceeded, the supplier will be in default without a reminder being issued. Notwithstanding the statutory rights to which ANKLAM EXTRAKT is entitled, the penalty for breach of contract is agreed to be 0.5% of the value of the order for each week commenced after the date on which the delivery time was exceeded, however not to exceed 5% of the order value. This contractual penalty may also be asserted after acceptance of the delivery up to the point of final payment without reservation being required at the time of acceptance.

4. Notwithstanding the statutory or foregoing rights of ANKLAM EXTRAKT, the supplier must inform ANKLAM EXTRAKT immediately if it becomes evident that he cannot fulfil the time for delivery.

IV. Delivery, delivery note and invoice

1. The place of performance for delivery shall be the address of the consignee as shown in the order. Part deliveries, over- and under-deliveries are only permitted following prior approval by ANKLAM EXTRAKT.

2. Unless agreed otherwise in writing, dispatch shall in any event be at the risk and expense of the supplier. Consignments for which delivery has not in principle been agreed as carriage paid must always be transported using the most inexpensive route. Additional costs incurred as a result of non-observance of these provisions as well as cartage costs etc. at the destination will not be recognised.

3. Goods deliveries are only accepted at the consignee's from Monday to Thursday between 7:30 a.m. and 15.30 p.m., on Friday between 7:30 a.m. and 1430 p.m.
4. The delivery note must be enclosed with the consignment of goods. The invoice must be sent to the invoice address as given on the order. The delivery note and invoice must bear the ANKLAM EXTRAKT order number.
5. One copy of the invoices must be sent to ANKLAM EXTRAKT separately from the consignment.
6. The necessary documents (e.g. certificate of analysis) must be enclosed with each delivery. ANKLAM EXTRAKT shall be entitled to refuse acceptance of the goods if these are missing.

V. Price

1. The prices agreed are fixed prices unless stated otherwise in the order. Prices apply carriage and packing paid and free of any charges to the address of consignee.
2. Should it be necessary to place orders without prior agreement on prices, the prices of the previous order shall be deemed agreed in the case of ongoing business relations. Otherwise the supplier's list price in force at the time the order was placed will apply less any agreed discounts, unless the list price at the time of performance by the supplier is more favourable for ANKLAM EXTRAKT.

VI. Terms of payment

1. Anklam is the place of performance for all payments.
2. Unless agreed otherwise, payments are made on receipt of goods and/or invoice
 - within 14 days, 3% discount
 - within 30 days net.

3. All payments are subject to the rights of ANKLAM EXTRAKT as regards any defects. ANKLAM EXTRAKT shall be entitled to withhold payment in part or in full until any defects have been remedied or until fulfilment of other counter-claims arising from the entire business relations. Payment signifies neither acknowledgement, satisfaction nor waiver of warranty: this also applies to the receipt issued when the goods are received.

VII. In-process controls, complaints

1. The supplier shall ensure by means of his in-factory inspection that his deliveries are consistent with the agreed specifications of ANKLAM EXTRAKT. The supplier agrees to keep records of the tests carried out and to archive all the results of tests, measurements and controls for 10 years. ANKLAM EXTRAKT shall be entitled to inspect and take copies of these documents at any time.
2. Any complaints must be made by ANKLAM EXTRAKT to the supplier at the latest within 12 weeks from receipt of the goods, in the case of concealed defects within 12 weeks of their being identified. In the case of large volumes, examination of the goods by ANKLAM EXTRAKT will be limited to sampling. Any defects not detected by this means are deemed concealed. Section 377 of the German Commercial Code (HGB) is modified in this respect.

VIII. Guarantee and warranty

1. The supplier shall give a guarantee of 5 1/2 years from passing of risk for his supplies and services that during the term of the guarantee his supplies and services
 - a) are free of defects of any kind
 - b) comply with the Pharmaceutical Provisions, where applicable and/or any other relevant provisions
 - c) are suitable in their entirety for the intended or agreed purpose and
 - d) possess the contractually agreed and/or assured characteristics.
 - e) If the supplier has of his own accord envisaged or offered a longer and/or more far-reaching guarantee, this guarantee envisaged or offered by the supplier shall apply. Recourse claims by ANKLAM EXTRAKT against the supplier in respect of material defect claims pursuant to sections 478, 479 BGB (German Civil Code) remain unaffected. ANKLAM EXTRAKT may also assert these if the end customer is not a consumer but is an entrepreneur. The supplier shall indemnify ANKLAM EXTRAKT against any claims on the part of the customer of ANKLAM EXTRAKT which pertain to the guarantee. In the case of defects in title, the supplier shall furthermore indemnify ANKLAM EXTRAKT against any third-party claims. There is a limitation period of 10 years as regards defects in title.
2. In the case of a claim under the guarantee, ANKLAM EXTRAKT shall in any event be entitled at its election to demand a reduction in remuneration (reduction), withdrawal from the contract, repair or defect-free replacement delivery including reimbursement of any other costs incurred by the guarantee event. ANKLAM EXTRAKT may in addition claim compensation instead of performance. The rights and titles of ANKLAM EXTRAKT arising from culpa in contrahendo, positive violation of contractual duties, tort etc. remain unaffected. If repair or replacement delivery takes place, the aforementioned period of guarantee in respect of all the goods delivered is increased by the number of days on which the goods supplied cannot be used. The supplier shall indemnify ANKLAM EXTRAKT against any claims arising out of the Act on Liability for Defective Products or from similar non-contractual claims unless he can show that he is not to be held responsible for any of the causes of the product or instruction defects.
3. In the event of a recall or service actions due to problems with the goods supplied by the supplier, the supplier shall bear any costs incurred due to the recall or service actions to the extent that the problems are attributable to the supplier. This also applies to any costs accruing for which ANKLAM EXTRAKT is charged by its customers

4. ANKLAM EXTRAKT shall be entitled in urgent cases to repair defects in delivered goods or have them repaired or to obtain replacements from third parties at the supplier's expense without having to notify the supplier in advance of the defect or the way in which it was remedied.

5. The orders of ANKLAM EXTRAKT are placed on the assumption that the supplier has taken out product risk insurance to cover product liability risk over and above his normal manufacturer's liability insurance. ANKLAM EXTRAKT must be furnished with evidence of the relevant insurance policies upon request.

6. ANKLAM EXTRAKT shall be entitled to offset or assert rights of retention in respect of any present or future claims against the supplier which are due to ANKLAM EXTRAKT.

IX. Passing of risk

Risk passes to ANKLAM EXTRAKT in any event upon acceptance of the goods at ANKLAM EXTRAKT or at the specified destination. This also applies if ANKLAM EXTRAKT has assumed the cost of despatch in any specific case or delivery is "ex works".

X. Manufacturing equipment, drawings, user requirement specifications, specifications, manufacturing instructions

1. Manufacturing equipment such as machinery, models, samples, dies, tools, gauges, drawings, software etc. with which the supplier has been provided by ANKLAM EXTRAKT or which have been produced by the supplier in accordance with the instructions of ANKLAM EXTRAKT must neither be sold to third parties, be pledged or otherwise disclosed or used in any way for third parties without the approval of ANKLAM EXTRAKT. The manufacturing equipment etc. will become the property of ANKLAM EXTRAKT upon the acquisition or manufacture by the supplier. Transfer is replaced by the supplier keeping the manufacturing equipment etc. in safe custody for ANKLAM EXTRAKT free of charge. The supplier must maintain, repair and if necessary renew the manufacturing equipment at his own expense during the agreed service life.

2. Possession of the manufacturing equipment must be surrendered to ANKLAM EXTRAKT upon request.

3. The user requirement specifications, specifications, manufacturing instructions drawn up by ANKLAM EXTRAKT also remain the property of ANKLAM EXTRAKT subsequent to handover. ANKLAM EXTRAKT has intellectual property rights to these. Section XI No. 1 applies mutatis mutandis as regards the content.

XI. Secrecy, property rights

1. The supplier must treat as a business secret all knowledge of the manufacture etc. which is acquired in connection with the execution of the order or during a visit as well as any documents, drawings, orders, business relations made available to him, and must not disclose them to third parties in any way. These relevant obligations to secrecy must be imposed by the supplier on officers and employees entrusted by him to execute the order and they are to be instructed as regards sections 17,18 UWG (German Act on Unfair Competition). If the supplier, with the prior consent of ANKLAM EXTRAKT, involves sub-contractors or other agents, the supplier must impose on them the same obligations to maintain secrecy as apply to him.

2. The supplier warrants that there is no infringement of third-party rights as a result of the supply and use of the goods supplied. He also guarantees that the ordered materials are free of third-party rights, in particular as concerns methods for their production and use. Should the supplier possess his own proprietary rights in respect of the materials supplied, he shall inform ANKLAM EXTRAKT of this in good time: the same applies to any third-party rights. The supplier agrees to indemnify ANKLAM EXTRAKT against any third-party compensation claims.

3. Any know-how, other knowledge gained within the framework of this contract including any rights to these are the sole property of ANKLAM EXTRAKT. The supplier is not entitled to utilise this know-how or other knowledge for other employers/customers without written consent. Consent for this must not be refused arbitrarily. Insofar as the work results or parts thereof from individual orders are patentable, these new industrial property rights shall be enjoyed solely by ANKLAM EXTRAKT.

XII. Execution/environmental protection, safety, hygiene regulations, health protection and quality, REACH

1. The supplier must take into account the accepted state-of-the-art technology and the applicable statutory and official regulations as well as the internal rules and regulations of ANKLAM EXTRAKT. Insofar as there are no further requirements stipulated in the order, the goods and services are to be supplied and provided in accordance with the accepted state-of-the-art technology, the provisions of any upstream suppliers, and, insofar as DIN, VDE, VDI, or equivalent standards or guidelines such as GMP or GACP are involved, in compliance with these. The goods to be supplied as well as the service must in any event be produced and provided such that on the day of delivery they are consistent with all the applicable statutory and official regulations including those of the Pharmaceutical Conditions, the German Equipment Safety Act [*Gerätesicherheitsgesetz*] and environmental protection and satisfy the accident prevention regulations. The supplier must in particular observe the trade association rules and regulations, the BGVA 1 "General Provisions" as well as the generally accepted occupational health and safety regulations. Machinery and technical equipment must be supplied in accordance with the German Machinery Ordinance with an EC declaration of conformity complete with CE marking and/or a manufacturer's declaration; operating instructions must also be enclosed. It must also comply with the standards shown in Lists A and B of the "General Administrative Regulation for the Act on Technical Equipment" in addition to other rules with safety-related content and the trade association rules and regulations.

2. In the event that the supplier supplies substances which are hazardous substances within the meaning of the Ordinance on Hazardous Substances [*Gefahrstoffverordnung*] or if he supplies products whose use does not rule out the release of such substances, the supplier must provide the EC safety data sheets (section 14 GefStoffV) prior to delivery without being asked; the supplier is not permitted to use any carcinogenic substances. The supplier gives assurance that his deliveries comply with the provisions of Regulation (EC) No 1907/2006 concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals ("REACH Regulation"). In particular the supplier gives assurance that the substances contained in the products supplied

by him have, insofar as required under the provisions of the REACH Regulation, been pre-registered or registered upon expiry of the transition periods, and that ANKLAM EXTRAKT has been provided with the relevant safety data sheets pursuant to the provisions of the REACH Regulation and/or the information required pursuant to Art. 32 of the REACH Regulation. Inasmuch as the supplier supplies products as defined in Art. 3 of the REACH Regulation, he also gives assurance in particular that he is fulfilling his obligation for the disclosure of certain information pursuant to Art. 3 of the REACH Regulation.

XIII. Assignment of claim, retention of title, offsetting, place of jurisdiction

1. The supplier shall not be entitled to assign his claims against ANKLAM EXTRAKT or to have such receivables collected by third parties without prior consent. If, contrary to the first sentence, the supplier assigns his receivables due from ANKLAM EXTRAKT to a third party without consent, the assignment is valid nonetheless, ANKLAM EXTRAKT may, however, at its election, with the effect of discharging the debt, make payment to the supplier or such third party.

2. The latter has no retention of title of any kind to the goods and services supplied by the supplier. All goods and services become the property of ANKLAM EXTRAKT upon transfer. No rights of lien of any kind arise, nor contractor's lien *inter alia*.

3. The offsetting of counter-claims against claims by ANKLAM EXTRAKT or the exercising of a right of retention is only permitted if the counter-claim is acknowledged in writing or is *res judicata*.

4. ANKLAM EXTRAKT is entitled to offset all claims of any kind against any of the supplier's claims which are due to the latter from ANKLAM EXTRAKT even if the due dates differ.

5. German civil law and commercial law applies. The application of the Convention of the United Nations of 11.04.1980 on Contracts for the International Sale of Goods is excluded.

6. Should insolvency proceedings be instituted against the supplier's assets or an out of court settlement proposed, ANKLAM EXTRAKT shall, however, be entitled to withdraw for the non-fulfilled part of the contract.

7. The place of jurisdiction for any disputes arising from the orders placed is Stralsund. However ANKLAM EXTRAKT is also entitled, at its election, to bring an action against the supplier in a place where otherwise a forum is established for the latter in accordance with general regulations.