

## **Purchase terms of LOSAN Pharma GmbH**

### **1. Application**

The present purchase terms are valid for LOSAN Pharma GmbH, Neuenburg (hereinafter called "Ordering Party"). The contractor for deliveries and services shall hereinafter be designated as "Supplier".

### **2. Conclusion of contract**

The following terms shall apply exclusively to all deliveries and services for the Ordering Party. Only orders placed in writing shall be valid. Orders placed in advance by telephone must subsequently be submitted in writing and confirmed in order to become valid.

In the absence of any other agreement, all orders shall be confirmed in writing by the supplier or his authorised representative specifying a binding delivery date and the agreed price as well as the LOSAN order number or cost centre and the order texts specified by Losan. Technical drawings and other documentation enclosed with the order shall become an element of the contract through the order confirmation also without further agreement. The LOSAN order number with the date of the order must be quoted in all correspondence, on all invoices and dispatch documents.

### **3. Prices**

If an order does not contain a price, the order shall remain non-binding until there has been agreement on the price and the order shall only become binding when no objection has been raised against the price quoted in the order confirmation within five working days.

All confirmed prices are fixed prices.

### **4. Delivery date**

An agreed delivery period shall begin with the date of order placement. As soon as it becomes apparent to the Supplier that he will not be able to fulfil all or part of the order in good time (irrespective of the cause for the delay), he must notify the Ordering Party of this immediately, citing the reasons for and the anticipated duration of the delay. If such notification is undertaken immediately, an appropriate extension period may be granted by LOSAN taking account of operational concerns and the statutory obligations. If the Supplier omits to provide immediate notification, the Ordering Party shall be entitled to withdraw from the contract in whole or in part without setting an extension period and, as relevant, demand compensation. In any event, partial deliveries already supplied shall not be deemed to have been fulfilled on their own.

### **5. Delivery**

The principal place of business of the Ordering Party shall be the place of fulfilment for deliveries and services. In the absence of any other agreement, risk shall be transferred to the Ordering Party at the place of fulfilment.

If carriage paid delivery has been agreed, the shipment shall be prepaid by the shipper. The Ordering Party shall not make advance payments for freight.

For all deliveries subject to a labelling requirement, the Supplier shall ensure that they are properly labelled, i.e. in accordance with the statutory regulations in force.

The delivery note shall be included with the shipment as shipping document. The shipping documents shall contain all the required information so that a smooth incoming goods check is possible, including in particular the Ordering Party's order number. Other details shall be set out in the technical delivery specifications or shall, as necessary, be coordinated with the Ordering Party.

Invoices are not deemed to be delivery notes.

## **6. Warranty**

The delivery item will be examined by the Ordering Party on delivery in so far as this is possible in the normal course of business. In the absence of any other agreements with divergent provisions, obvious defects shall be notified within one month of delivery and hidden defects within one month of discovery. To that extent the Supplier shall waive the plea of late claims.

In the absence of any other agreement, the statutory provisions on material defects and deficiency in title shall apply. These provisions shall apply expressly with regard to the specified (= assured) performance and consumption figures and also cover all materials, parts and products procured by the Supplier from sub-suppliers.

In the absence of any other agreement, the Supplier warrants that the delivery item or delivery performance complies with the generally accepted technical rules and standards, the law on protection against dangerous substances (chemicals act), the relevant environmental rules and regulations, the industrial safety regulations and the binding accident prevention regulations of the employer's liability insurance associations.

In the absence of any other provisions having been agreed, the warranty period shall comprise two years and shall start when the delivery item is commissioned or taken into use. The warranty period shall be extended by the period in which the defective item / service cannot be used for reasons which are the responsibility of the Supplier.

Warranty claims for defects lapse within two years of receipt of the respective notification of defect, but not before expiry of the agreed or statutory warranty period. The period of limitation of warranty claims is also arrested for as long as the Supplier has not finally rejected the claims in writing after a defect has been notified.

In cases of special urgency, the Ordering Party may rectify the defects itself or have them rectified by a third party at the Supplier's expense if the Supplier fails to initiate subsequent performance or rectification of the defect immediately on the defect being notified and to specify a binding date for that.

The costs required to rectify the defects may be offset by the Ordering Party or it may assert a right of retention even if the claim and debt do not originate from the same transaction.

## **7. Packaging and transport**

The Supplier undertakes to package the delivery item appropriately (or as agreed) and to ensure proper labelling. In the absence of any other agreement, the Supplier shall choose the most favourable shipping type for handling the contract. The Ordering Party itself has transport insurance and declares itself to be a waiver customer for all deliveries within the meaning of the German Freight Forwarders' Standard Terms and Conditions. Only environmentally compatible and as far as possible recyclable packaging may be used.

## **8. Invoice and payment**

A single copy of all invoices must be sent for every delivery specifying the order number as well as the item number of the individual item. All invoices shall be sent to the accounts department of the Ordering Party by post. Incorrectly or not properly submitted invoices are only deemed to have been received from the time that they have been corrected.

The payment period starts on the day the invoice is received. If the delivery item is delivered or if the documents belonging to the order are only received after the invoice, the payment period shall not start until that time. All incidental costs which must be documented by e.g. measurement sheets, time sheets, etc. shall only be accepted once they have been checked and released. This must be done within an appropriate period of time. Any Supplier's payment claim for the purchase price may only be assigned with the prior agreement of the Ordering Party. Such consent may not be withheld without cause.

In the event that a reduction is required, the whole of the purchase price may be retained until agreement on the reduced purchase price has been reached. In the event of withdrawal from the contract, the subject matter of performance received will be returned once payments already made have been reimbursed. The Ordering Party also has a possible right of retention if the obligation and entitlement are not legally connected.

The Ordering Party is permitted to offset against Supplier's claims.

Unless otherwise agreed, invoices will be settled by transfer within 14 days with a 2% cash discount or within of 30 days net.

Place of fulfilment for payments from the Ordering Party is Neuenburg.

## **9. Third party claims**

The Supplier is liable to the Ordering Party for the delivery, use, and operation of the delivered goods, plant or services not infringing any patents or other proprietary rights of third parties. The Supplier is obliged to hold the Ordering Party harmless from all claims asserted by third parties as the result of the infringement of such proprietary rights.

## **10. Order documents**

All documents, drawings, user guides and other documents, particularly all those which are or may be required for the installation, proper operation and maintenance or repair of the subject matter of performance, shall be provided by the Supplier free of charge, in good time and without prompting.

All information, specifications, drawings, designs, films, originals, etc. provided to the Supplier shall not be used for any other purpose, copied or made accessible to third parties and remain the property of the Ordering Party. The same applies to drawings etc. which the Supplier prepares on the basis of information provided by the Ordering Party.

The Supplier shall consider the order and all work related to it as a business secret and treat it as confidential. He is liable for all losses arising to the Ordering Party from an infringement of property and of industrial property rights. All documents made available to the Supplier shall be returned immediately on demand, including all copies and/or duplicates. This also applies in the event that no contract is concluded after the documents have been provided.

Further-reaching provisions in a reciprocal confidentiality agreement remain unaffected by this.

## **11. Place of jurisdiction**

Exclusive place of jurisdiction for all disputes arising from this contract shall be Müllheim am Rhein. The law of the Federal Republic of Germany shall apply exclusively with regard to all legal (including out-of-court) disputes between the Ordering Party and the Supplier.

## **12. General provisions**

Any possible legal invalidity of individual provisions shall not affect the validity of the remaining provisions.

If insolvency proceedings or court or out-of-court composition proceedings are applied for with regard to the Supplier, the Ordering Party shall be entitled to withdraw from the contract and to demand the return of any payments made.

In all other respects reference is made to supplementary arrangements in any supply agreements, quality assurance and confidentiality agreements as well as the technical delivery specifications.

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