

Pharma Peter GmbH

General Purchasing Terms and Conditions

Status: April 2020

1. General, Scope of Application

1.1. Die Pharma-Peter GmbH, Tarpenring 12, D-22419 Hamburg, Germany, registered in the Commercial Register of the Hamburg Circuit Court under HRB 133 346 (hereinafter called "Pharma-Peter"), produces and distributes health products.

1.2. These general Sales and Delivery Terms and Conditions (hereinafter referred to as "GSDTC") shall apply to every contract closed by Pharma-Peter with its business partners, which covers the sale and/or the delivery of goods to the business partner and shall be in effect for the entire duration of the business relationship with the business partner. This shall also apply to future contracts, regardless of whether reference is expressly made once again to the GSDTC. These GSDTC shall explicitly not apply to contracts or business relationships wherein Pharma-Peter procures goods from a business partner. These relationships shall be governed by our separate Purchasing Terms and Conditions.

1.3. Pharma-Peter shall have the right to modify the GSDTC with future effect. Changes shall also become components of current contracts as of their respective effective dates, if the business partner, despite special annotations regarding the partner's right to object, does not object to the change within a period of six weeks in text format.

1.4. Contradicting, deviating or complementary general terms and conditions of the business partner shall not apply, unless Pharma-Peter expressly accepts them in text format. This requirement to consent shall also apply if Pharma-Peter, being aware of the general terms and conditions of the business partner delivers its own obligations without raising objections.

1.5. These GSDTC shall not apply to contracts made between Pharma-Peter and consumers as defined in § 13 BGB (German Civil Code).

2. Execution of the Contract

2.1. Offers made by Pharma-Peter shall be subject to change and non-binding. This shall also apply if the business partner has been provided with catalogs, samples or other product descriptions.

2.2. Orders placed by the business partner shall be considered binding offers to enter into a contract. Unless the purchase order states otherwise, Pharma-Peter shall have the right to accept the offer to enter into a contract within 2 (weeks) after its receipt.

2.3. The acceptance may either occur in text format by way of an order confirmation or by delivery of the ordered goods to the delivery address provided by the business partner.

3. Delivery and Late Delivery

3.1. The time of delivery shall be individually agreed between the parties or shall be confirmed by Pharma-Peter. If a delivery time is not stipulated, it shall usually be 2 (two) weeks after the contract has been executed.

3.2. If the business partner should fail to perform or fail to perform within the deadline pursuant to Section 3.1 or if the business partner should be in default, the rights – in particular the right to rescind from the contract and demand damage compensation – shall be governed by the statutory provisions. This shall be without prejudice to Section 3.3.

3.3. If Pharma-Peter should fail to meet binding delivery times for reasons Pharma-Peter is not responsible for (unavailability of the service), Pharma-Peter shall promptly notify the business partner of this fact and shall simultaneously communicated a new delivery date. If the service should also be unavailable within the new deadline, Pharma-Peter shall have the right to entirely or partially rescind from the contract; any obligations the business partner has already performed shall be reimbursed in this case. A case of unavailability as defined herein shall in particular be the tardy delivery to Pharma-Peter by its suppliers if Pharma-Peter has entered into a respective congruent coverage transactions if neither the supplier nor Pharma-Peter are responsible for the situation or if Pharma-Peter, in individual cases, is under no obligation to procure.

3.4. The materialization of delivery delays by Pharma-Peter shall be determined by the statutory provisions. In any event, for default of delivery to occur, a written reminder notice by the business partner shall be required.

3.5. Incidentally, as far as orders of the business partner are concerned, this shall be without prejudice to the rights of the business partner pursuant to Section 8 of the GSDTC as well as the statutory rights of Pharma-Peter.

4. Risk Transfer, Acceptance, Default of Acceptance

4.1. Deliveries shall be made ex warehouse Pharma-Peter, which shall also be the place of fulfillment for the delivery and any remedial fulfillment. Upon request and at the expense of the business partner, the goods shall be sent to another delivery destination (dispatch sale). Unless otherwise agreed upon, Pharma-Peter

shall have the option to decide upon the type of shipment (in particular transportation company, shipping route, packaging) at its own discretion.

4.2. The risk of accidental loss or accidental decline shall transfer to the business partner at the latest when the goods are handed over to the business partner. In the case of dispatch sales pursuant to Section 4.1 the risk of accidental loss or accidental decline shall already transfer to the business partner upon delivery of the ordered goods to the logistics company, freight forwarder or any other individual or institution entrusted with the shipment. If acceptance is agreed upon or mandated by law, it shall be the determining factor for the transfer of risk.

4.3. If the business partner should be in default of acceptance, fail to perform an act of participation or if the performance of Pharma-Peter should be delayed for other reasons the business partner is responsible for, Pharma-Peter shall have the right to demand compensation for any damages arising from this situation, including added costs (e.g. storage fees).

5. Prices and Payment Terms

5.1. The current price in effect at the time the order is placed shall be binding. All prices are ex warehouse, applicable value added tax shall be added.

5.2. In the event of consignment shipment pursuant to Section 4.1, the business partner shall pay the transportation costs ex warehouse and the costs of any transportation insurance desired by the business partner, if applicable. Any customs clearance charges, fees, taxes and other public charges shall be borne by the business partner.

5.3. The purchase price shall be due and payable within 14 days after the date of invoice or receipt of the goods. Pharma-Peter reserves the right to deliver only against cash in advance payment in certain cases.

5.4. Upon expiration of the above payment deadline, the business partner shall be in default of payment. For the duration of such default, the purchase price shall incur interest at the statutory interest rate for payment delays. Pharma-Peter reserves the right to claim further damages for payment default. Vis-à-vis merchants, this shall be without prejudice to the entitlement to commercial due date interest (§ 353 HGB [German Commercial Code]).

5.5. Pharma-Peter shall be entitled to the statutory scope of offsetting and retention rights as well as the objection of an unfulfilled contract. Pharma-Peter shall in particular have the right to withhold due payments as long as entitlements from incomplete or deficient performance against the business partner exist. The business partner shall be entitled to offsetting or retention rights only if the counter demand is undisputed or has been found legally effective by a court of law.

5.6. If upon execution of the contract it should become evident that the entitlements of Pharma-Peter are in potential jeopardy (e.g. as a result of an application for initiation of insolvency proceedings) because of the lack of capacity to perform of the business partner, the right to deny services and possibly to rescind from the contract shall be available to Pharma-Peter in compliance with the statutory provisions.

6. Title Retention

6.1. Pharma-Peter reserves title to the sold goods until all current and future accounts arising from the contract and a current business relationship are paid in full (hereinafter referred to as "secured accounts receivable").

6.2. The goods that are subject to title retention (hereinafter referred to as "title retention goods") may not be pledged as liens to third parties or transferred to third parties as collateral until the secured accounts receivable have been paid in full. The business partner shall undertake to promptly notify Pharma-Peter in text format if an application for the initiation of insolvency proceedings has been filed or third parties gain access (e.g. place liens) on the goods belonging to Pharma-Peter.

6.3. In the event of the business partner's non-contract-compliant behavior, in particular in the event of failure to pay the due purchase price, Pharma-Peter shall have the right to rescind from the contract in compliance with the statutory provisions, and to demand the surrender of the goods based on the title retention and the rescission from the contract. If the business partner fails to pay the purchase price due, Pharma-Peter may exercise these rights only if the business partner has previously been set a reasonable deadline for payment without producing results or if such a setting of a deadline is redundant according to the statutory provisions.

6.4. Until revocation pursuant to the following Section 6.4.1 through Section 6.4.4, the business partner shall be authorized to continue to sell the title retention goods as part of the business partner's regular business transactions and/or to process them. In these cases, the following provisions shall additionally apply.

6.4.1. The title retention shall comprise the full value of the goods created through the processing, blending or connection of the title retention goods, whereby Pharma-Peter shall be considered their manufacturer. If the ownership rights of third parties in a processing, blending or connection scenario should prevail,

Pharma-Peter shall acquire co-ownership at the ratio of the invoice amounts of the processed, blended or connected goods. Incidentally, the created products shall be subject to the same provisions as the title retention goods.

6.4.2. The business partner herewith assigns any accounts receivable accrued from the resale of the goods to third parties, overall or in the amount equivalent to the perceived co-ownership share pursuant to above **Section 6.4.1** as collateral to Pharma-Peter. Pharma-Peter herewith accepts this assignment.

6.4.3. Besides Pharma-Peter, the business partner shall continue to be authorized to collect the account receivable. Pharma-Peter shall undertake not to collect the account receivable as long as the business partner meets the payment obligations due to Pharma-Peter, a deficiency in the business partner's ability to perform does not arise and Pharma-Peter does not exercise the title retention by claiming one of the rights pursuant to **Section 6.3**. If the former should be the case, Pharma-Peter may demand that the business partner discloses the assigned accounts receivable and their debtor to Pharma-Peter, provides all of the information required for collection, hands over the affiliated documentation and notifies the debtors (third parties) of the assignment. Moreover, in this case, Pharma-Peter shall have the right to revoke the business partner's authority to continue to sell and process the goods subject to title retention.

6.4.4. If the attainable value of the collateral for the secured accounts receivable should exceed their value by more than 10%, Pharma-Peter, at the business partner's request, shall release collateral at the discretion of Pharma-Peter.

7. Deficiency Claims

7.1. The statutory provisions shall apply to the rights of the business partner in the event of material and legal deficiencies inherent in the goods (including wrong and short shipments) and to any other breaches of duty by the business partner, unless otherwise agreed upon below.

7.2. The basis of the deficiency liability shall be the agreement on the quality of the goods. Agreements about the quality of the goods shall be the product descriptions designated as such by Pharma-Peter, that were provided to the business partner prior to the placement of an order or that have been integrated into the contract in the same manner as these GSDTC.

7.3. If specific quality agreements have not been made, it shall be assessed in accordance with the statutory provision whether a deficiency exists or not (§ 434 Sect. 1 S. 2 and 3 BGB). Pharma-Peter shall not assume any liability for public statements of the manufacturer or any third parties (e.g. promotional claims).

7.4. The deficiency claims of the business partner shall be contingent upon the former having met any statutory examination and claim filing obligations (§§ 377, 381 HGB). If a deficiency should be found during an examination or later, prompt notification shall be sent to Pharma-Peter in text format. This examination and claim filing obligation notwithstanding, the business partner shall be required to notify Pharma-Peter of obvious damages (including wrong and short deliveries) no later than two weeks as of the delivery date in text format, whereby the timely sending of the report shall suffice. If the business partner should fail to perform the proper examination and/or claim, Pharma-Peter's liability for the unreported deficiency shall be excluded.

7.5. If the delivered object should be deficient, the business partner may demand initially, at the business partner's discretion, the elimination of the defect (remedial action) or the delivery of objects that are free of defects (replacement delivery). If the business partner doesn't state what the choice will be, Pharma-Peter may set a reasonable deadline for the business partner to do so. If the business partner should fail to make a decision within that period of time, the right to choose shall transfer to Pharma-Peter upon expiration of the deadline.

7.6. Pharma-Peter shall have the right to make the owed remedial action contingent upon the business partner's payment of the due purchase price. However, the business partner shall have the right to retain a portion of the purchase price that is reasonable compared to the deficiency.

7.7. The business partner shall grant Pharma-Peter the time and opportunity required to perform the required remedial actions, and in particular shall hand over the claimed goods for inspection purposes. In the event of a replacement delivery, the business partner shall return the deficient goods to Pharma-Peter in compliance with the statutory provisions.

7.8. The costs incurred for the purpose of inspecting and performing remedial action, in particular transportation, errand, labor and material costs shall be borne by Pharma-Peter only, if an actual deficiency exists. Otherwise, Pharma-Peter shall have the right to demand compensation for the costs arising from the unjustified deficiency elimination demands (in particular testing and transportation costs), unless the lack of deficiency was not identifiable for the business partner.

7.9. In urgent cases (e.g. operational safety is at stake or to prevent disproportionate damages), the business partner shall have the right to eliminate the deficiency and to demand compensation for any objectively necessary costs. The business partner shall promptly notify Pharma-Peter of any such self-performance, if possible, ahead of time. The right to self-perform shall not exist if, according to the statutory provisions, Pharma-Peter would have the right to deny the respective remedial action.

7.10. If the remedial action failed or if a reasonable time period for remedial action to be set by the business partner has passed without producing results or if it is redundant according to the statutory provisions, the business partner may rescind from the purchase contract or reduce the purchase price. However, a right to rescind shall not exist for insignificant defects.

7.11. Entitlements of the business partner to damage compensation or refund of expenditures incurred in vain shall, also in the case of deficiencies, only exist pursuant to the provisions of Section 8 of the GSDTC and shall otherwise be excluded.

8. Other Liability

8.1. Unless otherwise stipulated in these GSDTC, including the following provisions, Pharma-Peter shall assume liability in the event of contractual and non-contractual obligations pursuant to the statutory provisions.

8.2. Pharma-Peter shall assume liability for damage compensation – regardless of the legal grounds – within the scope of the culpability-based liability for acts of intent and gross neglect. In the event of simple neglect, Pharma-Peter shall assume liability subject to a more moderate liability benchmark, in compliance with the statutory provisions (e.g. for due diligence it is own matters) only

8.2.1. For damages arising from causing injury to life, the corpus or to health,

8.2.2. For damages arising from the not only insignificant breach of a cardinal contractual obligation (obligation, the fulfillment of which the proper performance of the contract is contingent and upon compliance with which the contracting partner regularly relies and may rely upon; so-called "cardinal obligations"). In the event of the breach of cardinal obligation, Pharma-Peter's liability shall, however, be limited to the foreseeable damages that typically arise.

8.3. The liability limitations arising from **Section 8.2** shall also apply to breaches of duty by persons whose culpability Pharma-Peter is required to defend against based on the statutory provisions. They shall not apply if a defect was maliciously concealed or if a guarantee for the quality of the products has been assumed and they shall not apply to entitlements of the business partner arising from the product liability act.

8.4. The business partner may rescind from or terminate the contract because of a breach of duty, which is not inherent in a defect, only if Pharma-Peter is responsible for the breach of duty. A liberal right to terminate of the business partner (in particular pursuant to §§ 651, 649 BGB) is hereby excluded. Incidentally, the statutory requirements and legal consequences shall apply.

9. Statute of Limitations

9.1. In deviation from § 438 Sect. 1 No. 3 BGB, the general statute of limitations for claims arising from material and legal deficiencies shall be 1 (one) year after the delivery date. If acceptance was agreed upon, the statute of limitations shall begin to run on the acceptance date. This shall be without prejudice to other statutory special provisions on the state of limitations, especially § 438 Sect. 1 No. 1, Sect. 3, §§ 444, 479 BGB.

9.2. The above purchasing rights statutes of limitation shall also apply to contractual and non-contractual entitlements to compensation for damages of the business partner, which are based on a deficiency of the product, unless the application of the regular statutory statute of limitations (§§ 195, 199 BGB) would shorten the statute of limitations in certain cases. Damage compensation claims of the business partner pursuant to **Section 8.2.1** as well as the product liability act, shall exclusively be subject to the statutory statutes of limitation.

10. Data Protection

Pharma-Peter shall have the right to collect, process or use data received concerning this business relationship or in association with the former, about the business partner, regardless of whether they have been sourced from the business partner directly or from other third parties, for the purpose of managing the business relationship as defined in the German Federal Data Privacy Act or in compliance with the provisions of the EU General Data Protection Regulation (GDPR). Within the framework of what is permitted by law and taking into account the protection worthy interests of the business partner in the exclusion of the transfer or use, Pharma-Peter may share such address and credit-related data in conjunction with creditworthiness and credit rating checks for orders, in particular first orders on account, with Creditreform Hamburg through the Decken KG in Hamburg and may request credit ratings to be able to assess the risk of payment defaults. Information about the data processing pursuant to Art. 14 GDPR with Creditreform Hamburg by the Decken KG may be reviewed at : www.creditreform.de/hamburg/datenschutz.

11. Final Provisions

11.1. These GSDTC and the contractual relationship between Pharma-Peter and the business partner shall be governed by the laws of the Federal Republic of Germany subject to the exclusion of the Collision Law and the UN Convention on the International Sale of Goods.

11.2. In the event of disputes, the sole place of jurisdiction shall be the business domicile of Pharma-Peter in Hamburg.

--- End of the GSDTC ---