

GENERAL TERMS AND CONDITIONS OF PURCHASE

of Merz Pharma GmbH & Co. KGaA, 60318 Frankfurt am Main

1. General information

These General Terms and Conditions of Purchase (GCPs) apply to all orders for goods and services made by Merz Pharma GmbH & Co. KGaA or an affiliated company (Customer). They are a contractual component of all contracts and orders and apply to all commercial relationships with business partners and suppliers (Contractors) for the entire duration of the business relationship, unless otherwise expressly agreed in writing. They become part of the contract on acceptance of the purchase order at the latest. The GCPs shall also apply to future contracts and orders with the same business partner without the need to refer to these again in each individual case. The conclusion of contracts shall be solely based on these GCPs. Unless explicitly agreed to by the Customer in writing, no other contracts shall be valid and applicable, even if and to the extent these GCPs do not stipulate certain terms and conditions.

2. Placing an order

Orders and changes to existing orders are only valid if placed by the Customer in writing or by fax. Orders placed verbally or by telephone require confirmation from the Customer in writing or by fax in order to be legally valid. If deviations should arise in individual cases, these must be noted in the order confirmation.

3. Price

The prices specified in the order are fixed prices. Temporary price increases by the Contractor are not binding on the Customer. However if the Contractor reduces its prices by the delivery date, the Customer shall benefit from the reduction.

4. Quantity

Differences in the quantity of goods are not permitted. In exceptional cases, written approval of the Customer must be obtained.

5. Delivery

All goods and services must be supplied or provided on the date specified in the purchase order. If the delivery date cannot be met, the Customer must be notified of this promptly following receipt of the purchase order or immediately once the delay becomes known. The Customer has the right to specify a second deadline which fulfils its requirements in the event of delays in delivery and to cancel the purchase order if this second deadline is not met. If this occurs, the Contractor is obligated to refund any advance payments agreed in the order and already made by the Customer. The delivery period begins on the date of the purchase order. The destination is also the place of performance (debt to be discharged at creditor's domicile), unless otherwise expressly agreed. The services are accepted by the Customer contact person.

All goods shall be shipped carriage paid to the addresses specified in the order. If shipping ex Contractor works has been agreed, the goods must be transported using the cheapest shipping method by arrangement with the Customer. However the risk of deterioration and loss of the goods shall be borne by the Contractor until the goods arrive at the works/head office of the Customer.

The consignment shall be accompanied by a delivery note specifying the purchase order number, date and contents of the consignment (item number and quantity). If the delivery note is missing or incomplete, the Customer shall not be responsible for any resulting delays in processing and payment.

Packaging costs for goods shall only be accepted if this has been agreed expressly in writing.

Transport insurance at the Customer's expense shall only be obtained if the Customer expressly requests this.

6. Billing

The Contractor must issue an invoice to the Customer for each delivery or service. Each invoice and all shipping documents must indicate the purchase order number, type and quantity of the delivery or service and the place of receipt. The goods delivered as per the order shall be paid in accordance with the quantities established by the Customer following receipt of goods.

7. Payment

Unless otherwise agreed, payment is due within 14 days with 2% discount or within 30 days net, calculated from the date of receipt of the invoice or completed performance of the service. No interest shall be charged on arrears. The Contractor's entitlement to payment of default interest remains unaffected. Statutory regulations shall apply. However a reminder from the Contractor is required in all cases.

8. Quality inspection of the goods and notification of defects

The Customer is entitled to inspect the production of the delivery item or the performance of the services to be provided itself or using agents at any time during normal business hours following timely notification of the Contractor. However, any such inspection by the Customer does not release the Contractor from its sole responsibility with regard to the contractual delivery or service.

The goods must conform to the qualities or specifications specified in the order. For the condition, type, quantity and weight of a consignment, the values determined by the Customer on goods receipt inspection are definitive.

The acceptance shall take place at the shipping address specified by the Customer in the purchase order, unless otherwise agreed. Prior inspection as per the previous paragraph and suitability testing shall not constitute acceptance. Acceptance must be effected expressly and is only binding for the Customer if confirmed by the Customer in writing.

The Customer is entitled to notify the Contractor of unresolved defects within a period of 6 months (in the case of raw materials and goods commissioned for the Customer within 6 weeks) following receipt of goods. Concealed defects can also be reported to the Contractor even after these deadlines promptly

following discovery. The Customer shall send the defective goods to the Contractor on request. The risk and costs shall be borne by the Contractor.

In the case of raw materials and goods commissioned for the Customer, the Customer reserves the right to have the incoming goods inspection carried out by a laboratory commissioned by the Customer. Should the commissioned laboratory detect quality non-conformities, the Customer may assert its right to cancellation, price reduction or compensation.

9. Warranty

The supplier guarantees that the delivery item exhibits no faults impairing its value or usability, complies with the conditions and specifications, other assured properties and the relevant statutory and official regulations specified in the purchase order, and exhibits no defects of title.

The warranty period is 24 months and shall begin on delivery or on acceptance in the case of the production of capital goods. Defects must be reported to the Contractor by the Customer within the periods specified under No. 8.

Payment and acceptance shall not constitute acknowledgement of faultless delivery.

With regard to punctually reported defects, the Customer may reduce the price reasonably; demand a rectification or a free replacement delivery or spare parts; return the defective delivery item to the Contractor at the Contractor's expense and demand delivery of a defect-free replacement at the Contractor's expense; repair the defective delivery item itself or replace it with a replacement obtained elsewhere at the Contractor's expense, if the Contractor itself fails to comply with a demand for replacement by the Customer within a reasonable period; demand reimbursement of all costs incurred in replacing defective parts. The aforementioned rights may be asserted selectively or, unless legally prohibited, at the same time.

The warranty period shall be suspended for the duration of a rectification. On delivery of a replacement item, a new warranty period shall begin. Following punctual reports of defects by the Customer, the expiry of warranty claims is delayed until the Contractor has conclusively rejected the complaints of defects in writing.

10. Intellectual property rights and compliance with the law

The Contractor assures the Customer that the supplied matter does not contain any commercial intellectual property rights of any kind; including any third party patent, utility model, design patent or trademark rights which could be to the detriment of the Customer. Otherwise it assumes liability for all consequent damages incurred by the Customer.

Orders for machines, operating equipment, means of transportation and similar equipment as well as other orders shall be processed in compliance with the latest regulations of the competent trade associations, together with the most recent official regulations, VDE regulations and DIN standards.

11. Reservation of proprietary rights

Material and intellectual property such as illustrations, plans, drawings, calculations, execution instructions, product descriptions, printing templates, models, other documents, materials, tools, etc., which the Customer supplies or purchases for performance of the order shall remain or become the Customer's property. It shall be expressly designated the property of the Customer immediately following receipt by the Contractor and stored separately from identical or similar material. It may only be used for the purposes of the anticipated production. The Contractor shall be liable for its loss, damage or misuse up until its proper return. After the end of the order, these items must be returned without solicitation.

12. Confidentiality and data protection

The Contractor must not disclose information to third parties regarding the type, content and scope of the existing business relationship without the express consent of the Customer. Confidentiality of the order documentation must be maintained, even after the end of the order. The confidentiality obligation shall expire if and when the information contained in the documents provided becomes generally known.

The Customer and Contractor shall comply with the provisions of the Data Protection Act. Personal data may only be transferred in exceptional cases as a secondary consequence of the contractual services of the Customer. Where personal data are stored, processed or used in the course of the service on the Customer's behalf, the Contractor shall follow the instructions of the Customer. The parties shall implement any technical and organizational measures pursuant to § 9 and annex of the Federal Data Protection Act which are necessary to secure personal data against misuse. Where personal data of the Customer are processed, the Contractor shall only entrust this to employees obligated to maintain data secrecy (§ 5 Federal Data Protection Act). The Contractor shall obligate its subcontractors who receive access to personal data in accordance with the relevant provisions of the Data Protection Act.

The Contractor may only publish the Customer as a referee with the consent of the latter.

13. Jurisdiction and governing law

These GCPs and all legal relationships between the Customer and the Contractor shall be subject to the laws of the Federal Republic of Germany with the exclusion of the United Nations Convention on the International Sale of Goods. The venue for all disputes arising from the contractual relationship shall be Frankfurt am Main, Germany.

14. Severability clause

Should one or more clauses of these GCPs be legally invalid, the affected clause shall be replaced with another which most closely approximates its intended purpose. No other clause shall cease to be valid as a result of this.