

Pharma Dynamic N.V.'s General Terms and Conditions of Purchase

1. General

- 1.1 Unless explicitly otherwise agreed upon in writing, these Terms and Conditions of Purchase apply to all negotiations between Pharma Dynamic N.V. Grijpskerk and affiliated companies (hereinafter: "we" or "us") and each and every (future) supplier (hereinafter: "Supplier") and will be part of all contracts of purchase of products and therewith annexed contracts (hereinafter: "Contracts") which we conclude with each and every Supplier.
- 1.2 Any terms or conditions referred to by Supplier in any possible way or implied by trade, custom, practice or course of dealing, are hereby expressly excluded.
- 1.3 These Terms and Conditions of Purchase may only be modified upon written agreement.
- 1.4 If (any part of) a provision contained in these Terms and Conditions of Purchase becomes invalid, the validity of the remaining provisions will not be affected.
- 1.5 The Supplier cannot appeal to the fact that these Terms and Conditions of Purchase have not been provided if we have provided the same Terms and Conditions of Purchase before and have referred to them.

2. Formation of Contract

Our orders are only binding if they are made in writing or if they have been confirmed in writing following an oral order or an order given by telephone.

3. Prices

All prices shall be fixed and inclusive of turnover tax, import and export duties, excise duties and all further levies and taxes in connection with or in relation to the products or the delivery. The prices shall furthermore be based on the terms and conditions (of delivery) mentioned in the following articles. There shall be no settlement in the event of increase of wages, prices of materials and the like.

4. Nature of Goods

- 4.1 Any references by us to drawings, diagrams, calculations, plans, tolerances, outwards appearances etc. which have been provided, the nature and features based on these shall represent the contractual quality which is to be supplied. The provision of such drawings, diagrams, calculations, plans, tolerances, outwards appearances etc. by us does not relieve the Supplier from its obligation to check these for accuracy and suitability for the production and supply of the ordered products.
- 4.2 The Supplier hereby guarantees that the quality of samples, patterns or specimens is the quality which the Supplier will deliver.
- 4.3 If we order on the basis of earlier orders or within the framework of a permanent agreement to supply several products of the same type, then the Supplier shall be obliged to inform us, before delivering to us, of any changes in any specifications, production or production processes, the composition of the goods and any ingredients as well as any changes in the sub-suppliers.
- 4.4 Any product changes shall be deemed agreed only if they have been expressly approved by us in writing.

5. Payment Terms

- 5.1 The Supplier shall put on its invoices, our order number, the quantity and the units, gross, net and, as necessary, the invoiced weight, the article description with article number, and in the case of partial deliveries the amounts still to be delivered.
- 5.2 We cannot be held responsible for any payment delay caused by incorrect or incomplete invoicing. The invoices to be sent to us by the supplier shall fulfil the requirements set by or by virtue of the Wet op de Omzetbelasting (Turnover Tax Act). Invoices not fulfilling the requirements set out in the previous paragraphs of this article shall not be dealt with nor paid.
- 5.3 Unless the payment delay is caused by our gross negligence, any compensation claim by the Supplier in the case of a payment delay shall be limited to damages which are typically foreseeable for us in such a situation, or to the damages actually announced before the commencement of the delay.

- 5.4 Unless the payment delay is caused by our gross negligence, any claim to which the Supplier is entitled in respect of compensation instead of performance shall be maximally restricted to the value of the order.

6. Delivery

- 6.1 The delivery deadlines stipulated in our order are binding. The delivery period shall commence on the order date.
- 6.2 Unless explicitly agreed upon otherwise, the delivery shall be made "Delivered Duty Paid" (DDP) at the place indicated by us. The interpretation of the terms and conditions of delivery shall be determined by the edition of the Incoterms which is most recently issued by the International Chamber of Commerce at the time of conclusion of the agreement.
- 6.3 Our order numbers, the quantity and the units, gross, net and, as necessary, the invoiced weight, the article description and article number should be shown on delivery notes and packing slips. In the case of part deliveries the quantity still to be delivered should be shown.
- 6.4 The Supplier shall deliver the products on the date stipulated in the Contract, or no later than the last day of the term stipulated therein. The Supplier shall be obliged to timely inform us about the exact time of delivery.
- 6.5 Delays in delivery entitle us to claim against the Supplier a one-off lump sum for damages of 1.5% of the agreed purchase price per completed calendar week, with a maximum lump sum of 15% of the purchase price. Any further rights and claims which we have by law, such as but not limited to withdrawal or compensation shall remain unaffected.

7. Packing

- 7.1 Prices include packing in standard packaging unless otherwise agreed upon in writing.
- 7.2 The return of packaging requires a special agreement. If the return of packaging has been agreed, then any return shall be at the risk and for cost of the Supplier.
- 7.3 At our request and at the Supplier's cost, the Supplier must take back and / or dispose of non-recyclable packaging material. If the Supplier does not do so, despite being set a deadline, then the Supplier must reimburse us for any costs and damages which we may incur. The Supplier shall pack the goods with proper care. The Supplier shall be liable for damage and costs caused by insufficient packaging of and/or damage to and/or destruction of this packaging.

8. Complaints and Returns

- 8.1 The Supplier is obliged to carry out thorough checks on products leaving its premises and to bring to our attention any defects, faults, violations and / or deviations in the number of products.
- 8.2 We are only obliged to carry out a minimum check, comprising of the delivery note and any transport damage.
- 8.3 In the case of a fault or deficiency we are entitled to require from the Supplier that the Supplier put right the fault or deliver a new product. If we are entitled to withdraw from the agreement, we can limit the withdrawal to the faulty part of the order, or we can declare our withdrawal from the complete order. We shall unreservedly be entitled to all claims and rights arising from this under the applicable law.
- 8.4 The period of limitation for our particular claims against the Supplier for a fault in a newly produced product sold to our buyer shall commence at the earliest 6 (six) months after the point in time at which we meet the claims of our buyer. This article does not shorten any longer legal periods of limitation.
- 8.5 If the products that the Supplier supplies to us are faulty and if the Supplier can claim a re-work, replacement, assignment, repayment of (a part of) the price, compensation for costs incurred or other damages against its sub-suppliers or subcontractors, then the Supplier agrees to assign these claims to us. This assignment shall cease to apply if the Supplier fulfils its obligations towards us in a correct manner.

9. Liability

9.1 If claims are made against us as a result of product liability or for other liabilities, and if the Supplier is responsible for the fault or product damage, or if the cause results from its domain or organisational entity, then the Supplier must release us from any liability resulting therefrom on first demand, inasmuch as it itself is liable via a relationship to a third party.

9.2 Within the framework of its liability for damages, the Supplier is also obliged to reimburse any expenses which have resulted from, or are in connection with, any recall action carried out by us. Inasmuch as is possible and reasonable, we will inform the Supplier of the content and scope of the recall measures and will give the Supplier the chance to state its case.

9.3 The Supplier is obliged to take out corresponding third party insurance with a flat-rate cover of € 500.000,00 (five hundred thousand Euros) per person/per material damage. The Supplier must prove that it has taken out this insurance and that it is paying the premiums.

9.4 The Supplier indemnifies us against all claims of third parties relating to damage compensation if:

- a. damage arises due to use of instructions and / or advice issued by the Supplier;
- b. damage arises due to information that has been provided and / or prescribed to us by or on behalf of the Supplier;

9.5 Our other legal claims and rights remain in place and are unaffected by the above.

10. Trademark Rights and the Rights of Third Parties

10.1 The Supplier guarantees that (the use of) the delivered goods does not infringe any and all (logotype) trademark rights, copyrights or any other industrial or intellectual property rights of third parties (referred to hereinafter as: "IP right holders") or any other rights of third parties.

10.2 The Supplier guarantees that the delivered goods have been brought to market by the IP right holder itself, or with its permission, in the countries of the European Economic Area (EEA), even if the Supplier did not buy the goods from the IP right holder itself. The Supplier guarantees that the delivered goods are fit for sale in the EEA market and that they may be freely traded in the EEA market.

10.3 In the event that we are held liable by any third party in such respect, the Supplier shall be obliged upon the first request in writing to release us from said liability. The Supplier shall also be obliged to reimburse us for any costs which we of necessity incur as a result of, or in connection with, any claims of a third party, and / or costs which we reasonably assume to be expenses incurred to correctly settle the claim.

10.4 The period of limitation for these claims shall be 10 (ten) years, calculated from the time of the transfer of the products or the execution of the performance. This article does not shorten any longer legal periods of limitation.

10.5 The Supplier is obliged to inform us of any of its own trademark rights which may exist in respect of its performance to us.

11. Liability

11.1 We are not liable for consequential damages such as but not limited to loss of profit and / or other indirect damages that is the consequence of our actions, our personnel or by third parties, we have contracted with.

11.2 If we are obliged to pay damage under applicable law and /or these Terms and Conditions of Purchase, our liability is limited to typical damage that was foreseeable at the time the agreement was concluded. If the damage is covered by an insurance concluded for the particular event by the Supplier (excluding fixed-sum insurance), we are only liable for any related disadvantage suffered by the Supplier, e. g. higher insurance premium or interest until the time payment is made by the insurer.

11.3 Any claims that a Supplier has against us shall lapse if the Supplier has not started legal proceedings against us within 1 (one) year after the products were delivered to us.

12. Force Majeure

12.1 In the event of force majeure or threatened force majeure, we are authorised to cancel the agreement or be released from our obligations toward the Supplier for a reasonable time without being held to any damage compensation.

12.2 Force majeure includes but is not limited to the following: war, uprising, mobilisation, domestic and foreign rebellions, governmental measures such as but not limited to import and / or export restrictions, strikes, lock outs by employees or the threat of these circumstances, disturbances in the currency status, operational disruptions by fire, natural causes, weather, blockades or transport options and delivery problems, accident or other occurrences.

13. Governing Law/Entire Agreement

13.1 Each and every order shall be governed by, and construed in accordance with the laws of the Netherlands. All disputes shall be resolved by a court of competent jurisdiction in the court of Groningen, the Netherlands, which will apply the law of the Netherlands.

13.2 With regard to disputes that arise from an agreement entered into with a Supplier established outside the Netherlands, we shall be entitled to act in accordance with this article or – at our option – to file a suit in connection with the disputes before the authorised court in the country or state where the Supplier has its registered office.

13.3 The application of international conflict of law rules and CISG is expressly excluded.