

Ilesol Pharmaceuticals d.o.o.
Terms and Conditions of Sale and Delivery
01.06.2020.

1. General/Scope of Application/Written Form Requirement/Assignment

1.1. These Terms and Conditions of Sale and Delivery (“**Terms and Conditions**”) shall apply to the sale and delivery of goods by us and all other business relationships with our customers (“**Purchasers**”) and shall form an integral part of all quotations, offers, activities, agreements, contract offers, contract conclusions and deliveries of services or goods by or on behalf of us. These Terms and Conditions shall apply to the exclusion of any other terms or conditions. Deviating from these Terms and Conditions is only possible if it has been agreed explicitly and in writing by us, including e-mail communication. For the purpose of these Terms and Conditions “**We**” are Ilesol Pharmaceuticals d.o.o. (company number: OIB: 09675493716), with registered seat at Varaždinska ul. 5, 42000, Jalkovec, Croatia, incorporated under the laws of Croatia, mail: info@ilesol.com, mob:00385 92 292 5092.

1.2. The Purchaser expressly agrees to these Terms and Conditions by placing an order with us.

1.3. These Terms and Conditions shall apply only if the Purchaser is not considered a consumer under in the meaning of Article 5 item 15) of Croatian Consumer Protection Law or such other applicable law.

1.4. These Terms and Conditions shall especially apply to contracts about the sale and/or delivery of any goods manufactured or supplied by us (“**Goods**”). Unless explicitly otherwise agreed upon, the Terms and Conditions in their version valid at the time of the Purchaser’s order or in any case in the version most recently notified to the Purchaser in text format shall apply as framework agreement also to future contracts of the same type without any requirement on our part to refer to them in each individual case.

1.5. Individual written agreements made with the Purchaser in specific cases (including side agreements, amendments, and modifications) shall have priority over these Terms and Conditions.

1.6. Assignments of claims against us, without our explicit written consent, is hereby excluded.

2. Information/Consultations

2.1. Information and consulting services in connection with our goods and services shall be rendered on the basis of experience gathered by us up to the time being. To the extent that we render such information such information or advice shall be given without charge and under exclusion of any liability.

2.2. Unless explicitly agreed in writing by us, we furthermore do not assume any obligation concerning the exact compliance with such general values, specifications, and application possibilities. In particular, our statements made in this respect as well as our descriptions shall not constitute warranted characteristics or qualities.

3. Offers/Order/Conclusion of Contract

3.1. Our offers shall be subject to change and non-binding, unless explicitly marked as binding.

3.2. After receipt of the Purchaser’s purchase orders, offers or contract offers, a contract shall come into existence only after our written order confirmation or our execution of the delivery. Purchase orders, offers or contract offers of the Purchaser which fail to have been confirmed or executed by us within a term of 14 (*fourteen*) days shall be deemed to have been refused.

3.3. The minimum order is set at 100 items.

3.4. We do not accept any orders and do not deliver to countries where delivery of Goods to this country is prohibit by law or are subject to special regulatory approvals.

3.5. Oral statements and confirmations made by us prior to contract conclusion shall be non-binding and oral agreements shall be superseded by the written contract.

4. Calculation of the Purchase Price

4.1. Unless explicitly indicated otherwise, prices quoted shall be prices in EUR currency (HRK for Croatia based Purchasers) net of the statutory value added tax; on the date of invoicing, the statutory amount of the value added tax shall be separately indicated in the invoice.

4.2. All quotations issued by us for the supply of Goods shall remain open for acceptance for the period stated in the quotation or, if none is stated, for 30 (*thirty*) days. In all other cases, prices payable are those currently in effect. Unless otherwise agreed in writing, extra charges will be made for all applicable handling, freight, content, packaging, insurance or similar costs and a handling charge may be made for small orders.

4.3. The calculation of the purchase price shall be based on the quantities, weights or measurements determined at the place of dispatch.

5. Payment/Interest for Delay /Exclusion of Set-Off

5.1. Unless otherwise agreed upon or provided for in the invoice, the purchase price shall be payable in advance, prior to delivery, net of all charges and deductions, to the following bank account IBAN:HR5024020061100838063, SWIFT: ESBCHR22. The purchase price must be paid by remittance. Payments shall be deemed to have been made as of the date on which the amount is at our free disposal.

5.2. The Purchaser shall pay all taxes and transaction costs applicable to payments. Should payment incur any withholding tax, we shall be entitled to issue additional invoices in order to receive net amounts.

5.3. If the Purchaser is in default of payment, we shall be entitled to assert default interest at the highest rate permitted by the Croatian Law on Obligations or such other applicable law.

5.4. In case of justified doubts with respect to the solvency or creditworthiness of the Purchaser, especially in the event of outstanding payments, we shall be entitled to revoke any payment terms which might have been granted by us and to request payment in advance or a provision of securities for further deliveries.

6. Delivery

6.1. Unless otherwise provided for in the order confirmation or written contract, in each case including communication by e-mail, delivery shall be deemed to have been agreed upon according to the "EXW" Incoterm (Incoterm 2020), to take place within 14 (*fourteen*) days as of receipt of full Purchase Price in advance.

6.2. We will not be responsible for any loss or damage to the Goods following delivery to the carrier.

6.3. If the Purchaser fails to accept delivery of the Goods within a reasonable period after receiving notice from us, we may dispose of or store the Goods at the Purchaser's expense.

6.4. In the event that we on our part failed to receive supplies although having placed corresponding orders with reliable suppliers, we shall be released from our obligation to perform and entitled to terminate the contract. In this case, we shall give the Purchaser immediate notice.

6.5. We shall have the right to make partial deliveries if the Purchaser does not incur any material additional cost for this reason (unless we agree to bear such costs).

6.6. Time limits and deadlines for goods and services must in any case be regarded as approximate periods or dates unless a fixed term or date has explicitly been confirmed or agreed upon. If a dispatch has been agreed upon, delivery terms and delivery dates shall refer to the date of transfer to the carrier, freight forwarder or other third party entrusted with the respective transportation service.

6.7. We will use all reasonable endeavours to avoid delay in delivery, but failure to deliver by the specified date will not be a sufficient cause for cancellation, nor will we be liable for any direct, indirect, consequential or economic loss or damages due to delay in delivery.

6.8. In the event that the delivery term agreed upon cannot be complied with due to circumstances beyond our control or the control of our suppliers, the term shall be appropriately extended. In this case, the Purchaser shall be given immediate notice. If such circumstances still exist one month after expiry of the delivery term agreed upon, each party shall be entitled to terminate the contract. Further claims against us for having exceeded the delivery term through no fault of our own shall be excluded.

6.9. Without prejudice to our rights resulting from a default of payment on the part of the Purchaser, we shall be entitled to request the Purchaser to extend delivery and performance periods or to postpone delivery and performance dates by the period during which the Purchaser fails to comply with its contractual obligations towards us.

6.10. Mode and route of dispatch as well as packaging shall be subject to our reasonable discretion unless precise agreements have been made in this respect.

7. Delivery Obstacles

7.1. War, strikes, lockouts, an outbreak of a disease, lack of raw materials or energy, operating or traffic delays, acts decreed by public authorities as well as any other circumstances of *force majeure* which prevent or delay the production or dispatch of the Goods or render it uneconomical shall exempt us from our delivery obligation for the term and to the extent of the disturbance or interruption. If such circumstances continue to exist for a term of more than three months, we shall be entitled to terminate the contract.

7.2. In the event that our sources of supply become partly or totally unavailable as a result of *force majeure*, as defined above, we shall not be obliged to purchase from other sub-suppliers. In this case, we shall be entitled to distribute the available quantity of Goods by taking our delivery obligations and our personal need into account.

8. Quality of Goods/Samples/Consulting/Applications

8.1. We only warrant that the Goods meet our product specifications at the time of shipment. Other warranties shall be assumed within the framework of individual, explicit and written agreements only. We hereby expressly disclaim, and Purchaser hereby expressly waives, any warranty regarding results obtained through the use of the Goods, including without limitation any claim of inaccurate, invalid, or incomplete results. All other warranties, representations, terms and conditions (statutory, express, implied or otherwise) as to quality, condition, description, merchantability, fitness for purpose or non-infringement (except for the implied warranty of title) are hereby expressly excluded, to the fullest extent permitted by applicable law. After tasting, consumption or processing of the Goods any warranty is excluded

8.2. Any samples made available by us as well as our chemical data shall provide a general description of the Goods only. They shall not include a quality warranty and shall not release the Purchaser from inspecting each individual delivery.

8.3. Consultations rendered by us to the best of our knowledge shall be non-binding and shall not release the Purchaser from inspecting every single delivery as to its suitability for the intended purpose before processing it. The sole responsibility for the use, application and processing of the Goods delivered by us as well as for compliance with applicable safety and security regulations shall lie with the Purchaser.

8.4. Unless explicitly otherwise agreed upon in writing and in advance after having assessed our risks on a case-by-case basis and, in addition, subject to the fulfilment of all applicable requirements, the following use bans shall apply: The Goods sold and/or delivered by us are not intended for the manufacture of medical products, for use in the pharmaceutical sector or in medical or clinical applications. The Purchaser shall indemnify us and hold us harmless from and against any and all claims, damages, losses, costs, expenses and other liability of whatever nature that we may suffer or incur by reason of any such unintended application.

9. Notices of Defects/Claims for Defects>Returns

9.1. The Goods delivered by us shall be carefully inspected immediately after their delivery to the Purchaser or the third person designated by the latter – especially, however, prior to an immediate mixing, blending, or processing, if any.

9.2. Defects able to be detected in the course of an immediate careful inspection shall be deemed to have been accepted by the Purchaser unless we receive a written notice of defects within 5 (*five*) working days after delivery. With respect to other defects, the delivered items shall be deemed to have been accepted by the Purchaser, unless we receive a notice of defects within 7 (*seven*) working days after the time when the defect became or apparent. In case of partial deliveries, timeframes shall apply with respect to each individual partial quantity.

9.3. The written complaint of the Purchaser must include an exact description of the type and extent of the defect.

9.4. If the complaint is based on alleged discrepancy between the attributes of the Goods and specification, the complaint must include analytical report of an accredited EU-based laboratory with accredited methods showing the grounds for complaint.

9.5. A complaint shall not entitle the Purchaser to retain due payments or to refuse acceptance of other deliveries.

9.6. Our sole liability and Purchaser's exclusive remedy for complaint is limited to replacement, improvement, or refund, at our sole discretion.

9.7. Returns of any Goods must be authorized by us in advance. We shall be contacted for a return authorization number and shipping instructions. No return of used, damaged, or Goods in packages that were not kept sealed, shall be allowed without our written confirmation. If such Goods is returned to us, it shall not be deemed that we accepted the return unless we state so expressly and in writing.

10. Liability

10.1. We shall not be liable in case of simple negligence of our bodies, legal representatives, employees, or other persons employed in the performance of our obligations.

10.2. In the event of a liability for simple negligence, our compensation duty shall in case of material damage and financial losses be limited to the amount of purchase price of the Goods to which the liability is related, even if significant contractual duties were breached.

10.3. We shall have no liability in respect of any defect in the Goods arising from: specifications or materials supplied by the Purchaser; wilful damage or negligence of the Purchaser or its employees or agents; failure to follow our instructions (whether oral or in writing, including regarding the expiry date for use of Goods); misuse

or alteration or of the Goods without our approval; or if the total price for the Goods has not been paid; or through any cause beyond our reasonable control.

10.4. We shall in no event be liable for any indirect or consequential damages of any kind from any cause arising out of the sale, use or inability to use any Goods, including without limitation, loss of profits, goodwill or business interruption.

11. Confidentiality/Data Protection

11.1. Always provided that it has not otherwise explicitly been agreed upon in writing with the Purchaser, the information submitted to us together with a purchase order shall not be regarded as confidential information, unless the confidentiality is obvious.

11.2. We will store data (also personal data) concerning the contractual relationship for data processing purposes and reserve the right to forward the data to third parties if this is necessary for contract fulfilment.

11.3. In connection with data protection, attention is also drawn to our Privacy policy.

11.4. Title Reservation

11.5. Title to the delivered Goods shall be reserved until all our claims against the Purchaser arising from the business relationship, inclusive of claims arising in future from contracts concluded simultaneously or at a later time, have been settled ("**Reserved Goods**").

11.6. The Purchaser shall be entitled to resell and/or process Reserved Goods in the ordinary course of its business. If Reserved Goods are processed together with or are combined or blended with other products, we shall automatically become entitled to a joint ownership share in the new item. The Purchaser already now assigns its future ownership or its joint ownership in the new item to us.

11.7. In the event of a behaviour of the Purchaser in breach of the contract, particularly in case of a default in payment, we shall be entitled to terminate the contract and the Purchaser shall be obliged to surrender the Reserved Goods to us.

12. Intellectual Property

12.1. Where the Purchaser supplies materials and specifications to us to enable us to manufacture non-standard or custom-made Goods, the Purchaser warrants that such manufacture will not infringe the intellectual property rights of any third party.

12.2. All intellectual property rights in the Goods shall at all times remain vested in us.

13. Final Provisions

13.1. Place of performance for all obligations arising from the contractual relationship shall be the place of our registered office.

13.2. If the Purchaser has no general place of jurisdiction within Croatia, the place of jurisdiction for any disputes arising from the business relationship between us and the Purchaser shall, at our option, be the place of our registered office or of the Purchaser's registered office. Place of jurisdiction for any legal action taken against us, however, shall in these cases exclusively be the place of our registered office.

13.3. The applicable law shall exclusively be the law of the Republic of Croatia under exclusion of the UN sales law (CISG) and the referral regulations under Croatian Law on Resolving Conflicts of Laws with Regulations of Other Countries in Certain Relationships.

13.4. An ineffectiveness of individual provisions in these Terms and Conditions of Delivery and Sale shall not affect the validity of such Terms and Conditions as a whole. If the contract or these Terms and Conditions include regulatory gaps, these gaps shall be deemed to be filled by such legally effective provisions the contract parties would have had agreed upon in line with the economic goals of the contract and the purpose of these Terms and Conditions had they been aware of such regulatory gap.