

# General Terms of Business

## § 1 Scope of application and validity

- 1.1 Any and all orders are based on ORPEGEN Peptide Chemicals' written order confirmation in conjunction with the following Terms of Business. By placing an order, customers acknowledge these General Terms of Business. Subsidiary verbal agreements shall not be valid. These Terms of Business shall also apply to any subsequent orders.
- 1.2 We hereby expressly object to any terms of business of our customers. Nor can these bind ORPEGEN Peptide Chemicals in cases where ORPEGEN Peptide Chemicals has not objected once again at the time of execution of contract. Divergent terms of business of customers require express acceptance to become valid. Such an acceptance is effective for the individual case in question only.
- 1.3 Any and all verbal Statements made by our representatives as well as agreements entered into and orders taken by these representatives require ORPEGEN Peptide Chemicals' written confirmation in order to become valid.

## § 2 Quotations

- 2.1 Quotations are based on the documents provided by the relevant customer and are limited in time. Changes as to these documents lead to a change in the quotation.
- 2.2 The nature and scope of our deliveries and performance as well as the subject matter of the order may be defined as binding in the written order confirmation with our customer. Contract research is carried out on behalf of the customer exclusively.
- 2.3 Individual prices are invariably decisive even if the quotation specifies a total price. As all prices are based on the prime cost agreed at the time of conclusion of contract, we reserve the right to recalculate prices in cases of increased prime cost due for example to a rise in wages or material prices or fluctuations of currency.

## § 3 Remuneration

- 3.1 Remuneration shall be agreed on the basis of each order.
- 3.2 Apart from its remuneration, ORPEGEN Peptide Chemicals shall be entitled to reimbursement of its expenses. Value added tax is calculated separately. ORPEGEN Peptide Chemicals may demand appropriate advance payments on account of remuneration and reimbursement of expenses.
- 3.3 Should any performance exceed the research subject specified in the quotation in accordance with § 2, it shall be settled in line with ORPEGEN Peptide Chemicals' prices for consulting performance valid at the time.

## § 4 Terms of payment

- 4.1 Payments shall be effected without deduction immediately after the relevant invoice has been made out.
- 4.2 In the event of delayed payments, ORPEGEN Peptide Chemicals shall be entitled to demand interest; in the case of merchants as from the day of maturity, in the case of non-merchants interest on arrears as from the day of receipt of the first reminder. This maturity interest or interest on arrears amounts to 1 % per month plus relevant value-added tax.
- 4.3 In the event of delayed payment by its customer, ORPEGEN Peptide Chemicals, after fruitless expiration of an appropriate final deadline, shall be entitled to withdraw from all existing contracts. In such a case, ORPEGEN Peptide Chemicals reserves the right to demand damages from its customer. Without having fixed a final deadline ORPEGEN Peptide Chemicals shall be entitled to these rights in the event of a fundamental deterioration in its customer's financial circumstances unless the latter, upon request and at the Option of ORPEGEN Peptide Chemicals, is ready to immediately provide either sufficient security, advance or concurrent payment.
- 4.4 In case of large scale orders the following mode of payment applies if nothing else has been agreed in ORPEGEN Peptide Chemicals' order confirmation:

1/3 of the price as soon as the order has been confirmed, 1/3 of the price according to progress of performance, and the balance immediately upon receipt of the invoice.

## **§5 Set-off**

The customer is entitled to set off only in so far as the Claim he is setting off has undisputedly or legally been recognized. He is not entitled to exercise any right of retention.

## **§ 6 Liability as to order deadlines**

- 6.1 Should any binding agreed order deadline not be observed, customers shall be entitled to fix a final deadline for ORPEGEN Peptide Chemicals' in writing.
- 6.2 ORPEGEN Peptide Chemicals shall be liable after expiry of the final deadline, irrespective of the legal ground, only for foreseeable and contract-typical property and personal damage as well as personal injuries excluding any and all consequential and pecuniary loss. The extent of compensation for damage shall be limited to the value of the total order.

## **§ 7 Force majeure**

Events of force majeure, operational breakdowns, shortages of raw materials, energy, or manpower, strikes, Lockouts, and other unforeseeable events, no matter whether they occur on the side of ORPEGEN Peptide Chemicals or its suppliers, discharge ORPEGEN Peptide Chemicals from its contractual obligation for the duration of the disturbance and to the extent of its effect plus an appropriate recommissioning period.

## **§ 8 The customer's duty to co-operate**

- 8.1 Customers must ensure that all documents necessary for carrying out the order are submitted to ORPEGEN Peptide Chemicals in good time, without being especially requested by the latter to do so, and inform ORPEGEN Peptide Chemicals of any and all occurrences and circumstances which may be relevant in connection with carrying out the Order.
- 8.2 Customers shall instruct ORPEGEN Peptide Chemicals particularly about hazards that might be connected with the substances to be examined, about existing public and corporate security standards and related protected corporate interests which ORPEGEN Peptide Chemicals must observe while carrying out the order.

## **§ 9 Protection of work and research results**

- 9.1 Isolated, modified, or synthesised substances produced as the goal of the order will be sent to the customer as provided in the order together with the research report. ORPEGEN Peptide Chemicals shall guarantee confidentiality in connection with research results.
- 9.2 Customers guarantee and warrant that they will use any opinion, draft, drawing, and advice given or produced by ORPEGEN Pharma within the framework of an order for their own purposes only.
- 9.3 Possible author's copyrights in results are the property of ORPEGEN Peptide Chemicals exclusively. The publication of ORPEGEN Peptide Chemicals' research results and each other form of dissemination of these results or parts thereof (e.g. by way of quotation in advertising) through the customer shall only be permitted with ORPEGEN Peptide Chemicals' prior written consent.
- 9.4 Any research result compiled by ORPEGEN Peptide Chemicals may be published scientifically by the customer only or on his behalf. Any text for any form of scientific publication for any type of medium shall be agreed in writing with ORPEGEN Peptide Chemicals. The latter designates the principal author, the customer designates co-authors. ORPEGEN Peptide Chemicals must be credited with being the originator of research results.

Deviations from authorship provisions are possible, but must be agreed in writing. Basically, ORPEGEN Peptide Chemicals offers to assume responsibility for each scientific publication in each medium. Should ORPEGEN Peptide Chemicals be commissioned to publish results, this performance shall be remunerated separately by the customer in addition to the research order.

## **§ 10 Warranty**

ORPEGEN Peptide Chemicals guarantees and warrants the quality of its products according to accompanying analysis certificates within the framework of ORPEGEN Peptide Chemicals' specification. This specification is based on the analytical methods and procedures of ORPEGEN Peptide Chemicals.

## **§ 11 Remedy of defects and liability**

11.1 Customers shall immediately, not later, however, than within a period of 30 days from receipt of delivery or completion of performance examine the same as to possible defects and give a notification of defect to ORPEGEN Peptide Chemicals within the same term in writing. Otherwise, customers will lose warranty rights. In so far as it is about a hidden defect, the following, apart from the time limit for claims commencing on the date of detection, applies:

Notifications of defect are no longer permissible as soon as a re-examination of the delivery or performance under objection is no longer possible. All warranty claims become statute-barred one month after written repudiation of the notification of defect at the latest. Apart from that, relevant statutory limitation rules apply.

In founded cases, our liability shall be restricted to the replacement of products delivered by us. We reject any liability for damages caused by improper storage or treatment. Nor can we accept damage claims due to delayed or unexecuted delivery by forwarders. Each cancellation requires our consent. We reserve the right to charge a fee for taking back and second analyses when goods are returned due to erroneous orders.

11.2 ORPEGEN Peptide Chemicals shall carry out research work using its equipment, methods, and knowledge and employing any proper care it deems necessary for achieving the goal of the order in keeping with the latest scientific developments. However, ORPEGEN Peptide Chemicals shall not warrant or be liable for the full achievement of the initially defined order goal. If the order goal cannot or only partially be achieved for reasons ORPEGEN Peptide Chemicals is not answerable for or if the customer subsequently changes the scope of the order, the latter shall not be entitled to reduce the remuneration agreed.

11.3 The correctness of all results presented in the research report is warranted in accordance with the state of scientific research at that time. Any consequential liability of ORPEGEN Peptide Chemicals from further exploitation of research results by the customer shall be excluded.

11.4 ORPEGEN Peptide Chemicals shall be liable for damages, irrespective of the legal ground, under § 6 only.

11.5 Should the claim for compensation für damage asserted be rejected in writing, the claim for damages will lapse if no action has been instituted within 6 months from this written rejection. The customer's right to lodge an objection against a bar to the Claim for damages due to lapse of time stays unaffected.

## **§ 12 Storage of samples**

If nothing else has been agreed in writing, samples provided by customers for examination purposes shall be stored with ORPEGEN Peptide Chemicals for a maximum of three months in so far as their condition permits such keeping. After this period, the samples, at ORPEGEN Peptide Chemicals' option, will be destroyed by the latter or returned to the customer for disposal. Such returns of samples are charged to the customer.

ORPEGEN Peptide Chemicals retains retention samples of Bach product delivery for ten years.

## **§ 13 Confidentiality**

13.1 ORPEGEN Peptide Chemicals is obliged to make the subject matter and all results produced in connection with the order available to the customer and to refrain, without consent of the latter, from publishing or disclosing them to third parties.

13.2 Should the handling of a customer's order lead to independent inventions by ORPEGEN Peptide Chemicals, the customer, when applying for a patent, shall allow for ORPEGEN Peptide Chemicals as the inventor. ORPEGEN Peptide Chemicals agrees to transfer such inventor's rights to the customer against a fee to be negotiated separately or continuous payment of a compensation for use.

#### **§ 14 Governing law, place of performance, legal venue**

Any contract and all performance and matters connected with it shall be governed exclusively by the laws of the Federal Republic of Germany. The place of performance and legal venue shall be Heidelberg, Federal Republic of Germany.

#### **§ 15 Partial invalidity**

Should individual provisions of these business terms, wholly or in part be legally invalid or impractical or lose their validity or practicability later on, this will not affect the validity of the remainder of provisions. In such a case, relevant statutory provisions shall apply as a Supplement.