

## 1. SCOPE OF APPLICATION

**1.1** Unless otherwise agreed these General Sales Conditions ("GSC") shall apply to the sales of any products, active pharmaceutical ingredient, chemicals, raw materials, intermediates, substances, components, compounds and to the performance of any services (collectively "**Products**") offered or provided by PolyPeptide and any entity of the PolyPeptide group ("**PolyPeptide**") to any customer ("**Customer**"), and more generally to the relationship between PolyPeptide and the Customer, notwithstanding any terms of the Customer's general conditions of purchase. In the absence of any written rejection from the Customer prior to the Delivery of the Products, the Customer is deemed to have read and fully accepted these GSC.

**1.2** For the purpose of the GSC, "PolyPeptide" means PolyPeptide Laboratories France SAS and/or any company directly or indirectly controlled by PolyPeptide Laboratories France SAS, or under the same control, where "control" means the power, direct or indirect, to direct or cause the direction of the management and policies of such entity, whether by contract, through the ownership of a significant percentage of the shares of the company, through the by-laws or otherwise.

**1.3** These GSC, together with the specific conditions contained in any order confirmation from PolyPeptide ("**Order Confirmation**") and only such other documents, as are specifically incorporated into this Order Confirmation by express reference, constitute the entire agreement between the Purchaser and PolyPeptide, and supersede, in their entirety, any other conflicting terms and conditions proposed orally or in writing by the Purchaser. No terms and conditions contained in any document of the Purchaser shall be binding upon PolyPeptide, even if they have not been rejected by PolyPeptide. However, special provisions or specific terms agreed expressly in writing by the Purchaser and PolyPeptide, which may be in contradiction with the GSC, shall prevail over the corresponding GSC provisions.

**1.4** Except as may be otherwise specified in writing, documentation, catalogues, price lists and estimates of PolyPeptide are for information purpose only and cannot be considered as binding. PolyPeptide's offers and quotations are not binding until the issuance of an Order Confirmation signed by a representative of PolyPeptide.

**1.5** No additions to, amendment of or variations from the terms hereof made by the Purchaser shall be binding upon PolyPeptide, unless expressly agreed in writing by PolyPeptide. Any change of scope requested by the Customer and agreed in writing by PolyPeptide may result in prices and timelines changes.

**1.6** The Purchaser's signature and return of the Order Confirmation or, in the alternative, the Purchaser's failure to reject it in writing within seven (7) days from receipt thereof, shall constitute the Purchaser's acceptance of the contractual terms defined herein.

**1.7** If individual terms of the GSC shall be determined to be void, unenforceable or illegal in whole or in part, or cannot be applied for any reason whatsoever, all other terms and conditions of the GSC will remain unaffected. The failure of PolyPeptide to enforce any of its rights shall not be deemed to be a waiver by PolyPeptide of such right.

## 2. PRICES AND PAYMENT TERMS

2.1 Unless otherwise agreed, all prices are net cash, and the Purchaser shall pay all taxes, costs and charges for transportation, insurance, shipping, custom clearance, storage, handling and similar items, including costs of destruction of any Product or unused materials. Any increase in any such charges that becomes effective after the date of Order Confirmation shall be borne exclusively by the Purchaser. Unless otherwise agreed, all prices are in Euro. For any purchase order which total amount is below 500 € (without taxes), PolyPeptide will charge and invoice the Purchaser with an additional 75 € for administrative and treatment costs.

2.2 Unless otherwise agreed, invoice payments shall be made net cash, without any deductions, within 30 days following the date of the corresponding invoice. If the Purchaser is subject to bankruptcy or insolvency proceedings, PolyPeptide shall not be bound by the period of payment stated above and payment shall be made in cash either prior to the dispatch of the Products or even prior to their manufacture, at PolyPeptide's sole choice.

2.3 If the Purchaser fails to pay any amount due on or before the due date, he shall pay to PolyPeptide, *ipso jure* and without prior notification, in addition to any amount due (i) an interest at EURIBOR + 3 % at the date of the invoice, beginning from the due date, and (ii) a lump sum amount of € 40 for administrative costs, such payment obligations being without prejudice to any other rights of PolyPeptide.

2.4 In case of delay in the payment or in the execution of any of its obligations by the Purchaser, PolyPeptide shall have the right to terminate the contract or to retain that portion of the contract which was not yet performed, without the Purchaser's prior consent; it shall also result in all sums due which are to be paid by the Purchaser, even those which have not yet matured, becoming immediately payable without notification on the part of PolyPeptide.

2.5 PolyPeptide shall have the right to compensate the Purchaser's debts and/or to use payments for the settlement of the invoices which have been outstanding for more than thirty (30) days plus any interest on arrears and costs accrued thereon, in the following order: costs, interests, invoiced amounts.

2.6 The Purchaser shall not be entitled either to withhold payments or to proceed to any compensation even in case of dispute with PolyPeptide. In the event of payment delay, the Purchaser shall not be entitled to take any step which may affect the Products.

2.7 PolyPeptide has selected and qualified suppliers in order to ensure its sourcing. In the event the Purchaser would require PolyPeptide to select and qualify any additional supplier, PolyPeptide will be entitled to charge Purchaser with a lump sum of € 1000 per day of supplier audit and qualification services, which shall include the delivery of an audit report.

## 3. TRANSFER OF RISK AND DELIVERY

3.1 Except as may be otherwise specified in writing, the transfer of risks relating to the Products shall take place at PolyPeptide's plant just before loading ("**Delivery**"). Should the Purchaser fail to take Delivery of the Products at the agreed date, PolyPeptide may store the Products at the Purchaser's risks and expenses and, following a notification of their availability, invoice them as having been delivered.

**3.2** PolyPeptide will store the Products to be delivered to Purchaser for a period of 14 days following the date of release. Any storage exceeding this period of time will be invoiced separately by PolyPeptide to the Purchaser. Further, any exceeding storage of materials in relation with a change of the agreed delivery date or postponement or cancellation of production by the Purchaser will be charged separately by PolyPeptide to the Purchaser.

**3.3** Unless otherwise specified, the Products are sold Ex-Works PolyPeptide's plant in accordance with the EXW Incoterm (ICC's most recent version). The Purchaser shall be responsible to supply to PolyPeptide, sufficiently in advance in order to enable PolyPeptide to make the necessary shipping arrangements, all appropriate information including notably (a) marking and shipping instructions, (b) import certificates, (c) documents required to obtain necessary government licenses and any other documents prior to their shipment, and (d) the Purchaser's confirmation that it has caused the opening or establishment of a letter of credit (if required). If any such instructions, documents or confirmations are not so received or would require unreasonable expenses or delay on its part, then PolyPeptide may, at its sole discretion and without prejudice as to any other remedies, delay the time of shipment.

**3.4** Unless otherwise agreed between the parties, delivery times of PolyPeptide are indicative only and are not binding. Delays in delivery shall not entitle the Purchaser to claim damages or penalties and shall only entitle him to cancel the concerned purchase order of the Products not yet in the process of manufacture, but only after having sent to PolyPeptide a written notice of default giving PolyPeptide a reasonable period in order to remedy such delay. Without prejudice to liability limitations in Article 6 below, binding times for delivery expressly accepted by PolyPeptide shall only entitle the Purchaser to damages insofar as PolyPeptide has been fully informed in writing at the conclusion of the contract of the possible loss and damages consequent to delayed delivery and of a specific valuation of the different elements thereof.

#### **4. INSPECTION OF THE PRODUCTS – AUDIT RIGHT**

**4.1** Upon Delivery of the Products, the Purchaser shall carry out a complete visual inspection of the Products in order to check their packaging, their weight and quantity. The Purchaser shall also, within a period of sixty (60) days following Delivery of the Products, check their conformity to the agreed specifications (if any). Any apparent damage to the packaging of the Products shall be immediately communicated to PolyPeptide by email. Any apparent damage to the Products themselves, or any non-conformity or shortage of quantities shall be communicated promptly to PolyPeptide by email. The Products shall be considered as accepted upon delivery to the Purchaser, if the Purchaser fails to make any comments in writing in respect thereof not later than five (5) days after their Delivery, and in any case before the Products undergo any further processing. No claim shall be accepted by PolyPeptide in respect to any defect, deficiency, non-conformity, shortage in quantity and/or failure of the Products to meet the specific terms of the order which a reasonable inspection should have revealed but for which said inspection was not made or was not made properly. Further, no claim shall be accepted by PolyPeptide after 6 months following Delivery of the Products. In case of claim by the Purchaser, the Purchaser shall allow PolyPeptide or its representative to conduct an inspection of the Products.

**4.2** Once per calendar year, the Purchaser shall have the right, during normal business hours and upon a reasonable prior notice of at least two months, to have two employees or representatives conducting a compliance inspection and/or audit of PolyPeptide's facilities, to ensure proper performance by PolyPeptide of its obligations. Such inspection and audit shall not unreasonably interfere with the operations of PolyPeptide. For the avoidance of doubt, such right of the Purchaser shall not allow any audit of PolyPeptide's financial books or accounting records.

## 5. LIMITED WARRANTIES

5.1 PolyPeptide only warrants that the Products will comply with the agreed specifications contained in the Order Confirmation (if any). PolyPeptide makes no representations and no other warranties, whether express or implied, of merchantability, fitness for purpose, or any possible future use of the Products or otherwise. Unless otherwise agreed, PolyPeptide's warranty shall be in any case limited to a period of 6 months after Delivery.

5.2 The Purchaser shall have communicated to PolyPeptide all necessary information to ensure the adequate elaboration of the specifications contained in the Order Confirmation and the proper transformation and/or the final use of the Products. The Purchaser recognizes that PolyPeptide's obligation of conformity is fully satisfied when these specifications have been met at the time of Delivery.

5.3 Any technical advice provided by PolyPeptide, before and/or during the use of the Products, whether provided verbally or in writing or by way of trials, is given in good faith but without any warranty on the part of PolyPeptide. PolyPeptide's advice shall not release the Purchaser from his duties to test the Products as to their suitability for their intended processes and uses. The use and processing of the Products are undertaken by the Purchaser at its sole risk.

5.4 For research and/or development services to be performed by PolyPeptide, PolyPeptide only warrants (i) that the work will be conducted in a professional manner with normal skill and care and (ii) that PolyPeptide will use good faith efforts to perform the work in accordance with the agreed time schedule. However, since such services are of developmental nature, there can be no guarantee that the work will be successfully completed, or that the Products and/or the deliverables will be in full conformity with the agreed specifications, or that the Work will be completed within a specified time frame, despite PolyPeptide's good faith efforts to do so.

## 6. LIABILITY AND LIABILITY LIMITATIONS

6.1 The Products shall be intended for professional use only and PolyPeptide shall not accept any liability for damage caused by the end-products incorporating any Products and that may be used by the Purchaser and/or its own customers. Unless otherwise agreed, Products not manufactured under GMP conditions shall not be used for human use. Products manufactured under GMP conditions or for cosmetic purposes might be used by the Purchaser for human use, under Purchaser's sole responsibility and liability.

6.2 The Purchaser cannot invoke the liability of PolyPeptide for the indemnification of direct and/or indirect damages which are caused by the transportation, storage or use of the Products, whether in combination with other substance or not, contrary to the specifications or to the intended use of the Products. The Purchaser accordingly waives any right of action against PolyPeptide and/or PolyPeptide's insurers and shall obtain a similar waiver of recourse from its own insurers.

6.3 The Purchaser hereby declares that he will carry all statutory tests and also all tests he considers useful and that he will make all decisions relating to the uses of the Products. In case of doubt, it is recommended for the Purchaser to request PolyPeptide's advice. However, PolyPeptide's advice can only reflect PolyPeptide's own experience and is given for information purpose only. As such, it can in no way involve any liability of PolyPeptide.

**6.4** The Purchaser shall indemnify, defend and hold harmless PolyPeptide and its officers, directors, employees, shareholders, agents, successors and assigns from and against any and all obligations, claims, costs, loss, damages, attorney's fees and liabilities in any way arising from or relating to any breach of this contract by the Purchaser and/or any representation or warranty made by the Purchaser, including without limitation, any matter asserted by any participant in any clinical trial of the Purchaser's end products.

**6.5** Hidden defects must be notified in writing to PolyPeptide immediately upon discovery, but in any event no later than six months after Delivery, the Purchaser having in any case the obligation to inspect the Products carefully and thoroughly upon delivery and before use.

**6.6** If PolyPeptide recognizes that the Products are defective, then PolyPeptide is exclusively obliged, at its sole discretion, either (i) to reprocess, replace or reimburse such Products, or (ii) if the price has not already been paid by the Purchaser, to reduce such price or to cancel the said contract, or (iii) if the price has already been paid by the Purchaser to reimburse the Purchaser for such price. The Purchaser is not entitled to delay the payment of any invoice owed because of an alleged or proved non-conformity of the Products. In any case, the Purchaser must fulfill its obligation of mitigation of any potential or existing damage.

**6.7** IN ANY EVENT, POLYPEPTIDE SHALL NOT BE LIABLE FOR ANY LOSS OF PRODUCTION, LOSS OF PROFIT OR REVENUE AND/OR ANY OTHER INCIDENTAL OR CONSEQUENTIAL OR SPECIAL LOSS OR DAMAGE DIRECTLY OR INDIRECTLY SUFFERED BY THE PURCHASER OR BY ANY OTHER PERSON WHATSOEVER, WHETHER IN CONTRACT OR IN TORT. NOTWITHSTANDING ANY OTHER TERMS AND CONDITIONS, THE LIABILITY OF POLYPEPTIDE FOR ANY PURCHASE ORDER IS IN ANY CASE LIMITED TO THE PRICE TO BE PAID TO POLYPEPTIDE UNDER SUCH PURCHASE ORDER. AS A CONSEQUENCE THE PURCHASER WAIVES ANY SUCH RIGHT OF ACTION AGAINST POLYPEPTIDE AND POLYPEPTIDE' INSURERS AND INTEND TO OBTAIN A SIMILAR WAIVER OF RECOURSE FROM ITS OWN INSURERS.

## **7. RETENTION OF OWNERSHIP**

**7.1** The supplied Products shall remain PolyPeptide's property until fulfillment by the Purchaser of all its payment obligations as described above.

As a consequence:

- a) If the Products are processed or combined by the Purchaser with other products belonging to him, then PolyPeptide has the entire ownership on the new products.
- b) If the Products are processed or combined by the Purchaser with other products belonging to other suppliers, then PolyPeptide has a joint ownership right in the whole value of the new products with such suppliers. In such case, PolyPeptide' ownership shall be calculated on the basis of the ratio of the invoiced value of the Products to the invoiced value of all Products which were used for manufacturing the new Products.

**7.2** As long as the Purchaser is not in default, and provided that it reserves its property rights, the Purchaser is exclusively entitled to resell the Products in the ordinary course of its business.

**7.3** The Purchaser's receivables arising out of the resale of the Products are exclusively assigned, for security purposes, to PolyPeptide. The Purchaser is entitled to collect the receivables from reselling, in case of doubts about the Purchaser's solvency and/or financial credibility, or if the Purchaser is in arrears on any of its payments. In the event PolyPeptide withdraws the direct debit authorization, the Purchaser is obliged (i) to inform its clients immediately about the assignment to PolyPeptide, (ii) to inform its clients immediately about the ownership of the



products by PolyPeptide, (iii) and to give PolyPeptide all information and documents necessary in order to establish and confirm PolyPeptide's rights with respect to third parties. The Purchaser shall be obligated to inform PolyPeptide without delay about any action or interest adversely affecting the Products undertaken by third parties.

7.4 The Purchaser shall have the sole liability for, and shall bear all risks and costs associated with the transfer of control of the Products, including loading, unloading, correct handling and suitable storage of the Products from Delivery. Moreover, the Purchaser undertakes (i) to take an "all risks" general liability insurance, at its cost, including coverage as to the deterioration and/or theft of all or a part of the Products and (ii) provide to PolyPeptide, at its request, a certificate confirming both such insurance coverage and the payment of the insurance premium related thereto.

## 8. CONFIDENTIALITY

8.1 All written or oral information disclosed or made available by PolyPeptide to the Purchaser, in particular regarding PolyPeptide's concepts, ideas, strategies, processes, specifications, documents, plans, drawings, calculations and any samples, specimen, including its know-how and intellectual property, and all commercial, technical and legal information of PolyPeptide ("**Information**") shall be treated as strictly confidential by the Purchaser and shall not be disclosed by the Purchaser to any third party without PolyPeptide's prior written consent. PolyPeptide's offers and quotations are part of the Information. Such Information shall be exclusively used by the Purchaser for the performance of the concerned purchase order and for no other project.

8.2 This confidentiality obligation of the Purchaser shall last during the performance of the concerned order and at least during ten (10) years following the date of disclosure to the Purchaser.

## 9. INTELLECTUAL PROPERTY

9.1 Unless otherwise agreed, PolyPeptide shall retain all intellectual property rights on any Information that may be implemented notably in connection with the Products, the provision of services or studies, research and development services, and any technical assistance provided to the Purchaser.

9.2 The rights of ownership and copyrights in any processes, formulations, designs, drawings, samples, trademarks, logos and other documents or Information delivered or disclosed to the Purchaser by PolyPeptide also remain the sole property of PolyPeptide, and the Purchaser shall not be entitled to put its trade name(s) and or trademarks on it. Such proprietary information shall not be disclosed by the Purchaser to third parties at any time without PolyPeptide's prior written approval.

9.3 Unless otherwise agreed between the parties, in the event Products are manufactured, transformed, mixed or blended by PolyPeptide according to processes, plans and/or instructions of the Purchaser, and third party rights (in particular rights arising out of patents or other protective rights) are infringed by such manufacturing, transformation or manipulation of the Products, the Purchaser shall indemnify and hold PolyPeptide harmless against such third parties claims.

## **10. FORCE MAJEURE**

**10.1** The party affected by an event of Force Majeure shall immediately notify the other party in writing of such event and supply the other party with useful information and evidence relating thereto, and particularly relating to the period of time for which its performance could be delayed.

**10.2** The following events are notably (but not exclusively) considered as events of Force Majeure: accident, fire, flood, storm, equipment breakdowns, delay in transportation, change of laws or regulations, orders or acts of any governmental agency or body, strikes, labor conflict, war, or any cause or event beyond the reasonable control of the concerned party, or rendering performance impracticable due to the occurrence of a contingency the occurrence of which was not reasonably foreseeable.

**10.3** If an event of Force Majeure affecting PolyPeptide occurs, PolyPeptide shall not be liable for any non-performance of its contractual obligations. PolyPeptide shall moreover be entitled to any additional time to perform as may be reasonably necessary.

**10.4** The Purchaser shall not be liable for any non-performance of its contractual obligations resulting from a Force Majeure event. The Products which the Purchaser fails to take delivery because of an event of Force Majeure, will be stored by PolyPeptide. However, if the Force Majeure event precluding the Purchaser to take Delivery of the Products lasts for more than thirty (30) days, PolyPeptide may, following a notification of their availability, invoice the Products as having been delivered. In any case, if an event of Force Majeure affects the Purchaser, invoice payments shall be made within sixty (60) days following the date figuring on the corresponding invoice.

**10.5** All events of Force Majeure which prevent the use of the Products or reduce the needs of the Purchaser for the Products does not entitle the Purchaser to suspend or delay payment of the Products or terminate in whole or in part the concerned Order(s).

## **11. CHANGES IN APPLICABLE LAWS AND REGULATIONS**

**11.1** The Purchaser is aware that the supply and/or the production of the Products by PolyPeptide may be subject to change in laws and regulations, which may result in additional costs for PolyPeptide. All these costs will be borne by the Purchaser, after prior notice by PolyPeptide informing the Purchaser about the change in regulation and the additional costs resulting therefrom.

**11.2** If as a result of the new laws and/or regulations, PolyPeptide cannot perform any order and or contract, PolyPeptide and the Purchaser will try to find in good faith a solution acceptable for both parties. If no agreement can be found between the parties within a period of two (2) months following the starting point of their discussion, PolyPeptide will be allowed to terminate immediately the order and/or contract by sending a notice of termination to the Purchaser. PolyPeptide will not be liable for any consequences of such termination.

## **12. TERMINATION**

**12.1** If the Purchaser fails to comply with any of his obligations or the present GSC, PolyPeptide shall be entitled, by written notice sent to the Purchaser and without prejudice to any other remedy, to terminate, at his option, the concerned contract or the order in whole or in part without any further liability or obligation. PolyPeptide shall further be entitled to recover from the Purchaser all costs incurred by PolyPeptide in respect thereof, and

indemnification for loss or damages incurred by PolyPeptide as the result of any late or non-performance by the Purchaser. PolyPeptide shall further be free from any existing exclusivity and/or confidentiality undertakings against the Purchaser.

**12.2** PolyPeptide is entitled to terminate any contract or order with immediate effect without any further obligation or liability if PolyPeptide has good reasons to believe that the Purchaser will be unable to normally execute its obligations.

### **13. APPLICABLE LAW – JURISDICTION**

**13.1** THE PRESENT GSC AND ANY CONTRACT AND ORDER SHALL BE EXCLUSIVELY GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF FRANCE. THE U.N. CONVENTION ON CONTRACTS FOR THE INTERNATIONAL SALE OF PRODUCTS OF 1980 SHALL NOT BE APPLICABLE.

**13.2** ANY AND ALL DISPUTES ARISING IN CONNECTION WITH AN ORDER OR CONTRACT SHALL BE EXCLUSIVELY SETTLED BY THE COMMERCIAL COURTS OF STRASBOURG, FRANCE. HOWEVER, POLYPEPTIDE RESERVES THE EXCLUSIVE RIGHT TO BRING ANY DISPUTE INVOLVING THE PURCHASER BEFORE THE COURTS OF PURCHASER'S JURISDICTION OF INCORPORATION.

### **14. LANGUAGE**

Unless otherwise agreed, should the Purchaser require the translation of any technical documents from the French, such as, but not limited to, specifications, instructions, standard operating procedures and protocols, reports, the cost of translation are not included in the price of PolyPeptide and will therefore be borne by the Purchaser. All documentation and submissions to regulatory authorities in support of the Purchaser's products are the sole responsibility of Purchaser.

### **15. ASSIGNMENT**

The Purchaser shall not transfer or assign any contract, order, or any right arising there from or any receivables due from PolyPeptide to any third party without the prior written consent of PolyPeptide.

### **16. HARDSHIP**

PolyPeptide shall have the right to terminate a contract or an order with immediate effect in case of material changes affecting significantly the commercial relationship between the parties and making the performance of the contract or order of no economic or financial interest for him.

### **17. CONTACT DETAILS**

PolyPeptide's contact details are: PolyPeptide Laboratories France SAS, 7 rue de Boulogne, 67000 Strasbourg (France) – Tel: + 33 (0)3 88 79 08 79 – Fax : + 33 (0)3 88 79 18 56.