

General Terms and Conditions Gelpell AG

I. General/Scope

The business relationship between Gelpell AG (hereinafter "Gelpell") and the customer shall be governed exclusively by the following General Terms and Conditions (hereinafter "GTC") in the version valid at the time of the order. The GTC are an integral part of the contract concluded with the customer for the delivery of movable goods ("goods"). The GTC shall also apply if Gelpell and the Customer conclude a contract for the delivery of goods to be manufactured or produced, in which the Customer has to provide a significant part of the materials required for the manufacture or production. Deviating terms and conditions shall only apply if and insofar as they have been confirmed in writing by Gelpell. Should the customer's general terms and conditions of business contradict these terms and conditions, these present terms and conditions shall take precedence unless Gelpell has expressly agreed to the customer's terms and conditions in writing.

The current and binding version of the GTC is published at www.gelpell.com. A printed version of the GTC can also be obtained on request.

All communication, declarations, notifications, etc. must be made exclusively in German or English. Communications made by e-mail fulfill the written form requirement. A signature is not required to comply with the written form requirement, unless the parties agree otherwise.

II. Conclusion of contract

1. A contract between Gelpell and the customer is only concluded after the customer's order by the delivery of the ordered goods or the written order confirmation by Gelpell.
2. Amendments and special agreements shall only be valid if confirmed in writing by Gelpell. Verbal amendment to agreements are not permitted.
3. The customer shall provide Gelpell with all facts relevant to the execution of the order in full. Gelpell is generally not obliged to check data, information or other services provided by the client for completeness and correctness.
4. To the extent that the customer's cooperation is required for the performance of Gelpell's services, the customer shall provide such cooperation in good time and at its own expense. If the customer does not fulfill his obligations to cooperate properly or on time, Gelpell shall be entitled to charge him for the additional expenses incurred as a result.
5. If the order is canceled by the customer, the customer must inform Gelpell immediately of the reasons for this. Gelpell reserves the right to refuse to accept the cancellation. If Gelpell agrees to cancel the order, Gelpell may charge the customer compensation amounting to 10% of the final sum. The assertion of higher costs is possible against appropriate proof.

III. Offer

1. Gelpell's offers are made without obligation unless otherwise specified. Any documents enclosed with the offers, such as illustrations, dimensions and weights, as well as sizes and enclosed samples, are only binding if they are expressly designated as binding (and remain the property of Gelpell; they must be returned to Gelpell on request). We expressly reserve the right to make deviations in the execution.
2. The written order confirmation by Gelpell shall be decisive for the scope of the order.
3. All product descriptions, images, photos, text and media data are the sole property of Gelpell. The products contained in the sales documents and on the website www.gelpell.com are legally protected; reproduction and imitation of these products are prohibited and will be sanctioned.

IV. Prices / Terms of payment

1. Unless otherwise expressly confirmed in writing by Gelpell, prices are always ex works. The INCOTERMS 2020 shall apply.
2. All prices shown are net prices excluding statutory taxes (in particular sales tax and VAT) and packaging costs. Statutory taxes (in particular sales tax and VAT) are shown separately on the invoice on the day of invoicing. The customary shipping and transport packaging may also be charged separately.
3. Price deviations or additional charges resulting from customs clearance due to product-related import taxes and duties and bank charges shall be borne by the customer. In the event of further processing or resale of the delivered product, the customer shall be responsible for calculating the tax (in particular sales tax and VAT).
4. Invoices are payable 50% upon order confirmation by Gelpell and 50% upon delivery, without discount and without other deductions. Deviating payment terms must be approved by Gelpell in writing. In the event of late payment or deferment of payment, Gelpell shall be entitled to charge interest at the statutory rate of 5% as well as reminder fees; Gelpell reserves the right to claim further damages.
5. Payments made are first offset against costs incurred, then against accrued interest and finally against the principal claim.
6. Failure to pay or failure to pay on time shall release Gelpell from its delivery obligations or compliance with delivery dates.
7. If a significant increase in material or production costs has occurred by the time of delivery, Gelpell shall be entitled to adjust the prices contained in the order confirmation.
8. Depending on the creditworthiness, subject matter of the contract and contract volume, Gelpell reserves the right to choose a method of payment that deviates from Clause 4 above or to provide additional security for the advance payment. For initial orders, the Client shall in any case make a down payment of 100%, payable within 15 days of invoicing (invoice down payment).
9. the customer must inform Gelpell immediately of any significant deterioration in the customer's financial circumstances occurring after conclusion of the contract. If Gelpell becomes aware of such circumstances after conclusion of the contract, Gelpell shall be entitled, at its discretion, to demand either advance payment or a corresponding security deposit.

V. Scope of delivery / delivery period

1. The scope of delivery is bindingly specified in the order confirmation (Clause III, 2). Deviations from the agreed scope of delivery are permissible with a tolerance of 10% in the case of delivery by Gelpell. The delivery price shall be increased or reduced accordingly.
2. Gelpell shall be entitled to make partial deliveries unless otherwise agreed. In this case, partial invoices may be issued.
3. Customary deviations and deviations that occur due to legal regulations are permissible insofar as they do not impair the usability for the contractually intended purpose. The following deviations from the agreed quality are customary and do not constitute a defect in the delivered products:

For soft gelatine capsules (SGC)

- ❖ Leakage $\leq 0.02\%$ of the delivered quantity
- ❖ Flat (empty) capsules $\leq 0.02\%$ of the delivered quantity
- ❖ Bubbles in gelatine or filling material $\leq 0.02\%$ of the delivered quantity
- ❖ Deformed capsules $\leq 4\%$ of the delivered quantity

For hard gelatine capsules (HGC)

- ❖ Open capsules $\leq 0.02\%$ of the quantity supplied
- ❖ Flat (empty) capsules $\leq 0.02\%$ of the delivered quantity
- ❖ Segregation of the filling material $\leq 0.02\%$ of the delivered quantity
- ❖ Depressed or empty capsules $\leq 4\%$ of the delivered quantity

For Gelpell

- ❖ Bubbles in the gelatine $\leq 0.02\%$ of the delivered quantity

4. materials provided by the customer (CSM): If raw materials or raw and packaging materials are to be provided for an order, the customer shall receive a request from Gelpell with the order confirmation to deliver these materials to a specified place and date. The delivery of materials provided shall be free domicile (DDP Incoterms 2020) to the specified place and date. The timely delivery of materials to be provided is the responsibility of the customer. The Customer shall be responsible for insuring the materials provided against the usual risks as long as the materials provided are in Gelpell's possession up to the point in time at which they have been processed or treated by Gelpell in the manufacturing process. Gelpell accepts no responsibility for damage or delays resulting from late delivery. If the customer does not deliver the basic materials to be provided by him on the agreed date, Gelpell shall be entitled to demand lump-sum compensation from the customer for each week of delay commenced:

Started week delay	Flat rate compensation in % of the net sales price to the customer of the goods to be produced with the undelivered basic materials
1	0.0%
2	0.5%
3	1.0%
4	2.0%
5	3.0%

6	4.0%
7	5.0%
8	6.0%
9	7.0%
10	8.0%
11	9.0%
12	10.0%

We reserve the right to claim further damages.

5. Gelpell shall only carry out a visual inspection of materials provided. The customer shall be liable for any deviations in quality or quantity. This shall also apply in cases in which the defective materials provided affect the end product or damage is caused to Gelpell's equipment or production downtimes and the associated additional costs are caused (consequential damages caused by defects).
6. Any third-party rights to materials provided shall be notified to Gelpell without being requested to do so. The customer shall indemnify Gelpell against any third-party claims to the materials provided.
7. Gelpell shall not be liable for the correctness of the values, requirements, conditions and assumptions transmitted to Gelpell by the customer. The Customer shall be solely responsible for information that is provided at the Customer's request in addition to the usual information on the packaging. If Gelpell is not the final distributor of a product, Gelpell is under no obligation to check whether the information provided by the customer and to be printed on the packaging meets the legal requirements. The Customer may only use Gelpell's logo and trademarks on the packaging with Gelpell's prior written consent.
8. Lead times: Information on lead times in offers is generally non-binding, unless a binding lead time has been promised. In this case, the lead time shall commence at the end of the day of the written order confirmation and after delivery of the raw materials to be provided and receipt of all technical information, manufacturing instructions, recipes, documents, etc. to be supplied by the customer. The provision in Clause IV, 6 remains reserved. The lead time shall be deemed to have been met as soon as Gelpell has notified the Customer that the goods are ready for dispatch.
9. Gelpell shall only be liable for delays in deliveries or services in the event of gross negligence or intent. Any resulting claims shall only arise if the customer has unsuccessfully granted Gelpell a grace period of 30 days. The customer may demand reimbursement of costs up to a maximum of the order value.

VI. Shipment / transportation / packaging

1. Unless expressly agreed otherwise, the transfer of risk shall take place upon delivery ex works (Incoterms 2020). If the customer does not accept the goods, the risk shall pass at the time at which the customer does not fulfill his obligation to accept the goods.
2. All shipping, transportation and packaging costs are to be paid by the customer.
3. The customer shall be responsible for taking out transport insurance.
4. The customer shall be responsible for the choice of suitable material and type of transport packaging. If the Customer does not provide any information, Gelpell shall use standard commercial transport packaging.

VII. Inspection and approval

1. The deliveries from Gelpell shall be stored and inspected by the customer immediately after arrival of the goods in suitable rooms or in accordance with the storage conditions specified by Gelpell.
2. The customer shall report defects to Gelpell in writing immediately, but no later than 7 days after delivery.
3. In the event of damage to or loss of the delivery during transportation, the customer shall immediately arrange for the responsible carrier to record the facts at his own expense. If the customer fails to inspect the goods in due time, the delivery shall be deemed approved.
4. If significant defects are identified, the customer shall set Gelpell a reasonable deadline to rectify the defects (at least 30 days). A joint acceptance test shall then take place.
5. If the customer does not collect the goods ready for dispatch at the agreed time, Gelpell shall be entitled to store the goods at the customer's expense and risk and to demand payment for the goods or to withdraw from the contract after expiry of a reasonable grace period and to claim damages for non-performance.

VIII. Warranty

1. Gelpell's warranty obligation shall be limited to defects in materials and raw materials which Gelpell is obliged to provide according to the scope of the order. The warranty period shall end no later than 3 months after the date of delivery. If the delivery is delayed for reasons for which Gelpell is not responsible, the warranty period shall end no later than three months after readiness for shipment, of which the customer has been notified. In any case, warranty claims are subject to a written notice of defects and the proper handling of the delivered goods by the customer (Section VII, 1).
2. It shall be at Gelpell's discretion which type of defect rectification is applied in the event of defects being identified. Gelpell has a right to rectification/subsequent performance.
3. Warranty claims shall not be considered if the materials or raw materials to be provided have broken or shrunk during subsequent processing as is customary in the trade or if there are minor deviations and the intended use of the manufactured goods by the customer is not impaired as a result.
4. In the case of minor deviations in individual products which have affected other - originally undamaged - goods, warranty claims shall only be considered in relation to the goods actually affected.

IX. Liability

1. Gelpell shall only be liable for direct damages in the event of intent, gross negligence or culpable breach of a material contractual obligation.
2. Any liability for consequential damages (loss of production, machine breakdowns, loss of profit, loss of revenue, loss of use, etc.) is excluded.
3. In the event of product liability claims asserted against the customer by purchasers of the end products, the customer shall indemnify Gelpell insofar as Gelpell is not predominantly at fault and liability is provided for by law.
4. If Gelpell is liable, the liability for late or non-delivery shall be limited to 0.5% for each full week, but to a maximum of 5% of the emergency purchase price of the goods delivered late or not at all, and in the case of liability for delivery of non-conforming and/or defective goods to the net purchase price of the goods concerned.
5. Gelpell shall only be liable for the restoration of data in accordance with the above provisions if the customer has ensured that this data can be restored from other data material with reasonable effort. In particular, the customer is obliged to regularly back up data and programs in machine-readable form at intervals appropriate to the application, at least once a day, and thus to ensure that they can be restored with reasonable effort.
6. Gelpell accepts no liability for loss of or damage to materials provided (except in cases of gross negligence or intent).
7. In the event of an event beyond Gelpell's control (so-called force majeure), Gelpell assumes no liability or responsibility for the non-performance or delayed performance of any obligations under these GTC and the contractual terms based thereon. An event beyond the control of Gelpell shall be deemed to exist, for example, in the following cases:

Strikes, lockouts or other industrial actions by third parties, invasions, terrorist attacks, war, fire, explosions, storms, floods, earthquakes, epidemics, pandemics, other natural disasters, or the failure of public or private communications networks or the usability of rail, shipping, air, motor vehicle routes or other means of public or private transportation.

X. Retention of title

1. Gelpell shall retain title to the entire delivery until full payment has been made. Upon conclusion of the contract, the customer simultaneously authorizes Gelpell to have the reservation of title entered in official registers at his own expense to secure the claims and to fulfil all formalities in this regard.
2. Prior to full payment, the customer may neither pledge the delivered goods nor transfer them to third parties as security, unless Gelpell has given its express written consent. In addition, Gelpell shall be entitled to suspend the performance of its obligations if there are indications that the customer will not fulfill its obligations, in particular that it will not be able to pay the agreed price on time.
3. The customer shall be obliged to take all reasonable measures to ensure that Gelpell's claims to its property are not impaired. The customer shall be obliged to insure the delivered items against theft, breakage, fire, water and other risks at his own expense for the benefit of Gelpell.

XI. Assignment of rights

The customer may not transfer his contractual rights arising from the contractual relationship with Gelpell, in particular any claims, to third parties without the express written consent of Gelpell.

XII. Confidentiality obligation and copyright protection

1. The customer shall not be entitled to disclose to third parties any information received from Gelpell (in particular manufacturing and business secrets) which is not known from generally accessible sources. The customer shall make all reasonable efforts to prevent third parties from gaining access to such information. Express reference is made to the provisions of the articles relating to the infringement of manufacturing or business secrets (Art. 162 StGB and Art. 6 UWG).
2. All documents, such as in particular drawings, illustrations, recipes, etc. shall remain the property of Gelpell; these shall enjoy copyright protection and may not be made accessible to third parties and may only be used by Gelpell itself to the extent provided for in the contract. This shall also apply to all documents, drawings, images, etc. created by Gelpell in connection with the fulfillment of an obligation under a contract between Gelpell and the customer.
3. All documents, such as in particular drawings, illustrations, recipes, etc., which Gelpell has enclosed with offers without a contract being concluded, must be returned to Gelpell immediately and without further request after expiry of the acceptance period. They must be treated as strictly confidential in all cases and may not be made accessible to third parties.

XIII. Jurisdiction and applicable law

The place of jurisdiction for all disputes arising from the mutual contractual relationship is St. Gallen. Swiss law shall apply, excluding the Vienna Sales Convention in international relations. Gelpell shall be entitled to sue the customer at the customer's domicile.

XIV. Severability clause

If a provision of these General Terms and Conditions or of the contract is invalid, the remaining provisions shall remain valid. The invalid provision shall be replaced by a provision that comes as close as possible to the economic content of the invalid provision. This applies accordingly to any loopholes in these General Terms and Conditions or the contract.