

General Terms and Conditions of Gelpell AG

I. General/Scope of Application

The following General Terms and Conditions (hereinafter referred to as the "GTC") in the version valid at the time of order apply on the exclusive basis for business relationships between Gelpell AG (hereinafter referred to as "Gelpell") and the customer. The GTC are an integral part of the contract concluded with a customer for the delivery of commodities ("Goods"). The GTC also apply if Gelpell and a customer conclude a contract for the delivery of goods to be manufactured or produced, under which a customer has to provide a substantial part of the materials required for the manufacture or production. Deviating terms and conditions shall only apply if and to the extent of their confirmation in writing by Gelpell. Should general terms and conditions of a customer contradict these terms and conditions, the terms and conditions stipulated in this document prevail, unless Gelpell has expressly agreed in writing to the customer's terms and conditions.

The current and binding version of the GTC is published on www.gelpell.com. In addition, a printed version of the GTC can be obtained upon request.

Any communications, declarations, notifications, etc. must be made exclusively in German or English. Notifications made by e-mail shall comply with the requirement of the written form. A signature is not required for compliance with the written form, unless the parties agree otherwise.

II. Contract Conclusion

1. A contract between Gelpell and a customer is only signed upon a placement of an order for the delivery of Goods or a written order confirmation by Gelpell.
2. Amendments and special agreements shall be valid subject to a written confirmation by Gelpell. Verbal supplementary agreements cease to exist.
3. A customer shall provide Gelpell with all required data relevant to the order. Gelpell is generally not obliged to check the data, information or other provisions provided by a customer for completeness or correctness.
4. Where the deliverables of Gelpell require collaborative actions of a customer, the latter shall provide them in good time and at their own expense. Should a customer fail to properly or timely fulfil his duty with regard to collaborative actions, Gelpell shall be entitled to invoice the customer for additionally incurred expenses.
5. In the event of cancellation of an order by a customer, the customer shall immediately inform Gelpell of the reasons for cancellation. Gelpell reserves the right to refuse the cancellation. In the event a cancellation can be approved, Gelpell shall be authorised to claim for compensation from a customer in the amount of 10% of the contract amount. A lodging of a higher cost claim shall be possible subject to appropriate evidence.

III. Quote

1. Gelpell's quotes are non-binding, unless otherwise specified. Any documents provided with quotes, such as images, dimension and weight specifications, including sizes and enclosed samples, are only binding insofar as they are expressly designated as binding (and remain the property of Gelpell; they are to be returned at Gelpell's request). The right to deviate from the versions is expressly reserved.
2. A written order confirmation by Gelpell is the determining factor for the scope of order.
3. All product descriptions, images, photos, text and media data are subject to Gelpell's sole right of use. The products contained in the sales documents and on the website www.gelpell.com are legally protected; post-production and imitation of these products is prohibited and will be prosecuted.

IV. Prices / Terms of Payment

1. Unless otherwise expressly confirmed in writing by Gelpell, the prices are generally ex works. The INCOTERMS 2020 apply.
2. All prices shown are net prices excluding statutory taxes (in particular, sales tax and VAT) and packaging expenses. Statutory taxes (in particular sales tax and VAT) are shown separately on the invoice on the day of invoicing. Furthermore, in accordance with the general trade practice, shipping and transport packaging can also be charged separately.
3. Price deviations or subsequent charges that arise during customs clearance as a result of 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 calculation of taxes (in particular sales and VAT) is the responsibility of the customer.
4. Invoices are to be paid net within 30 days of invoicing, without discount or other deductions. Different payment deadlines have to be approved in writing by Gelpell. In the event of default in payment or deferral, Gelpell is entitled to charge interest at the statutory rate of 5%, as well as overdue fines; the right to claim further damages remains reserved.
5. Payments made shall be initially offset against costs incurred, then against accrued interest and finally against the main claim.
6. Missing or late payments release Gelpell from delivery obligations and/or adherence to delivery schedule.
7. If there has been a significant increase in material or production costs by the time of delivery, Gelpell is entitled to adjust the prices specified in the order confirmation.
8. Depending on the credit rating, subject matter of the contract and the volume of the contract, Gelpell reserves the right to use a method of payment that differs from Section 4 or advance payment for the provision of additional security. In the event of initial orders exceeding 50,000 CHF, a customer shall pay a 50% deposit, under any circumstances, payable within 15 days of the invoice date (invoice down payment).
9. In the event of any significant deterioration in customer's financial situation after the conclusion of the contract, the customer must inform Gelpell immediately. If Gelpell becomes aware of such circumstances after the conclusion of the contract, Gelpell is entitled, at their option, to request either advance payment or an adequate security deposit.

V. Scope of Delivery / Delivery Schedule

1. The scope of delivery is bindingly stipulated in the Order Confirmation (Section III, 2). Deviations from the agreed scope of delivery shall be permitted for delivery by Gelpell with the allowable deviation of 10%. The delivery price shall increase or decrease accordingly.
2. Gelpell is entitled to make partial deliveries unless otherwise specified. Should this be the case, partial invoices can be issued.
3. Deviations due to general trade practice and legal regulations are permissible as long as they do not impair the usability for the contractually intended purpose. The following deviations from the agreed quality are common and do not represent a defect in the delivered products:

Soft Gelatin Capsules (Softgels)

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

Hard Gelatin Capsules (HGC)

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

Gel Coated Pellets

- ❖ Bubbles in gelatin $\leq 0.02\%$ of the amount delivered

4. Customer-Supplied Materials: If raw materials or raw and packaging materials are to be provided for an order, a customer will receive from Gelpell with the order confirmation a request to deliver such materials to a specified place and date. The delivery of customer-supplied materials shall be under DDP Incoterms 2020 terms (delivered duty paid) to the specified place and on the stipulated date. A timely delivery of customer-supplied materials is the responsibility of the customer. A customer shall be responsible for the insurance of customer-supplied materials against common risks as long as the materials 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 shall assume no responsibility for damage or delays as a result of late delivery. In the event a customer fails to deliver customer-supplied starting materials on the agreed date, Gelpell shall be entitled to demand lump sum compensation from the customer for each week or part thereof:

Commenced week of delay:	Lump-sum compensation in % of the net sales price to the customer of the goods to be produced with the starting materials that have not been delivered
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%

The right to claim further damages remains reserved.

5. Gelpell shall only perform a visual inspection of customer-supplied materials. The customer is liable for deviations in the condition (quality or quantity). This also applies in cases when customer-supplied materials affect the end product or cause damage to Gelpell's facilities or production stoppages and the associated additional costs (consequential damage).
6. Gelpell must be notified of any third-party rights to customer-supplied materials without being requested to do so. A customer shall hold Gelpell harmless due to third party claims regarding customer-supplied materials.
7. Gelpell shall not be liable for the correctness of the values, requirements, circumstances and assumptions communicated to Gelpell by a customer. A customer is solely responsible for the information that is attached to the packaging at the request of the customer in addition to the standard information. If Gelpell is not the final distributor of a product, there is no obligation for Gelpell to check whether the information provided by a customer and to be printed on the packaging meets legal requirements. A customer may only use the Gelpell logo and trademarks on the packaging subject to prior written consent of Gelpell.
8. Delivery Schedule: The information about the delivery schedule in quotes is generally non-binding, unless a binding delivery date has been promised. This being the case, the delivery period begins at the end of the day of a written order confirmation and after the delivery of customer-supplied starting materials, and the receipt of all technical information, manufacturing instructions, formulations, documents, etc. to be provided by the customer. The provision from Section IV, 6 remains reserved. The delivery period is met as soon as Gelpell has notified a customer that the shipment is ready for dispatch.
9. Gelpell shall only be liable for delays in deliveries or services in the context of gross negligence or willful misconduct. Consequential claims shall arise if a customer has unsuccessfully set up for Gelpell a grace period of 30 days. A customer can demand reimbursement of costs up to the amount of the order value.

VI. Shipping / Transport /Packaging

1. Unless otherwise expressly agreed, the transfer of risk takes place with delivery ex works (Incoterms 2020). If a customer does not accept the goods, the risk passes at the point in time at which the customer does not fulfil his obligation to accept the delivery.
2. All shipping, transportation and packaging costs shall be paid by a customer.
3. It is customer's responsibility to take out transport insurance.
4. A customer shall be responsible for the selection of suitable packaging materials and the type of transport packaging. Should a customer fail to provide any information, Gelpell shall use standard transport packaging.

VII. Testing and Acceptance

1. The deliveries from Gelpell shall be stored and checked immediately upon arrival of goods by the customer in suitable premises or in accordance with the storage conditions specified by Gelpell.
2. A customer must report of any defects in writing to Gelpell immediately, but no later than 7 days after the delivery.
3. If a delivery is damaged or lost in transit, a customer must immediately arrange for the responsible carrier to draw up a formal statement of facts at his own expense. If a customer fails to check the goods in a timely manner, the delivery is deemed to have been approved.
4. In the event of significant defects, a customer must set Gelpell a reasonable deadline to remedy the defects (min. 30 days). Subsequently, a joint acceptance test shall take place.
5. If a customer does not pick up 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 request payment for the goods or, after a reasonable grace period, to withdraw from the contract and claim compensation for non-performance.

VIII. Warranty

1. Gelpell's warranty obligation shall be limited to defects in starting and raw materials, which Gelpell is obliged to provide according to the scope of order. The warranty period ends at the latest after 3 months, calculated from the date of delivery. If a delivery is delayed due to reasons for which Gelpell is not responsible, the warranty period shall end, at the latest, three months after readiness for dispatch, which has been notified to a customer. A written notification of defects and the proper handling of the delivered goods by a customer are a prerequisite for warranty claims (Section VII, 1).
2. The nature and extend of remedial actions in the event of defects shall be at the discretion of Gelpell. Gelpell has the right to improvement/rectification.
3. Warranty claims shall not be considered when customer-supplied or starting materials have broken or shrunk during subsequent processing or if there are minor deviations and the intended use of the manufactured goods by a customer is not impaired.
4. In the event of minor deviations in individual products that have affected other, originally undamaged, goods, warranty claims shall be considered only with regard to goods that have been actually impaired.

IX. Liability

1. Gelpell shall be only liable for direct damage in the event of intent, gross negligence or culpable breach of any essential contractual obligation.
2. Any liability for consequential damage (loss of production, machine failure, loss of profit, loss of income, loss of use, etc.) shall be excluded.
3. In the event of claims arising from product liability that are asserted against a customer by buyers of the final products, the customer must indemnify Gelpell, provided that the cause is not predominantly culpable behaviour on the part of Gelpell and the liability is provided for by law.
4. Insofar as Gelpell is liable, the liability for late or non-conforming delivery is 0.5% for each full week, but no higher than 5% of the net purchase price for late or non-delivered goods, and in the case of liability for the delivery of goods that do not conform to the contract and / or defective goods shall be limited 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 provided a customer has ensured that such data can be restored from other information material through reasonable effort. In particular, a customer is obliged to back up data and programs regularly, at least once a day, in machine-readable format at application-appropriate intervals, thus to ensure that they can be restored with reasonable effort.
6. Gelpell shall assume no liability for loss or damage to customer-supplied materials (except for gross negligence or intent)
7. If an event occurs which is beyond Gelpell's scope of influence (the so-called force majeure), Gelpell shall assume no liability or responsibility for the non-fulfilment or delayed performance of any obligations arising from these terms and conditions and the relevant contract terms. An event outside the scope of influence may occur, for example, in the following cases:

In the event of strikes, lockdowns or other industrial acts by third parties, invasions, terrorist attacks, war, fire, explosions, storms, floods, earthquakes, epidemics, pandemics, other natural disasters, or the failure of public or private communication networks or the usability of the railway, shipping, air or motorised routes or other means of public or private transport.

X. Retention of Title

1. Gelpell shall retain ownership of the entire delivery until full payment has been made. Upon conclusion of the contract, a customer simultaneously authorises Gelpell for the retention of title entered in official registers at his own expense in order to secure the claims and to fulfil all related formalities.
2. Until a full payment is made, a customer may neither pledge the delivered goods, nor transfer them to third parties as security, unless Gelpell has given express written relevant consent. Furthermore, Gelpell shall be entitled to suspend the fulfilment of their obligations if there are indications that a customer may not fulfil his obligations, in particular, that he will not be able to pay the agreed price on time.
3. A customer shall be obliged to take all reasonable measures so that Gelpell's claims to their property are not impaired. A customer shall be obliged to insure the delivered items against theft, breakage, fire, floods and other risks in favour of Gelpell at his own expense.

XI. Assignment of Rights

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

XII. Confidentiality and Copyright Protection

1. A customer is not entitled to disclose information received from Gelpell (in particular manufacturing and trade secrets) that are not known from generally accessible sources to third parties. A customer shall make every reasonable effort to prevent third parties from accessing this information. Express reference is made to the provisions of the articles regarding a violation of manufacturing or trade secrets (Art. 162 German Criminal Code (StGB) and Art. 6 German Fair Trade Practices Act (UWG).
2. All documents, in particular drawings, images, formulations, etc., remain the property of Gelpell; these enjoy copyright protection and may not be made accessible to third parties and may only be used within the scope of contract. The same also applies to all documents, drawings, images, etc. created by Gelpell that arise in connection with the fulfilment of the obligation under a contract between Gelpell and a customer.
3. All documents, such as drawings, images, formulations, etc., which Gelpell has enclosed to quotes without a contract being concluded, must be returned to Gelpell immediately upon expiration of the acceptance period and without further requests. In any case, such documents have to be treated as strictly confidential and may not be made accessible to third parties.

XIII. Place of Jurisdiction and Applicable Law

The place of jurisdiction for all disputes arising out of or in connection with mutual contractual relationship is St. Gallen. Swiss law shall be applicable in international relations with the exclusion of the provisions of the Vienna Sales Convention. Gelpell shall be entitled to sue a customer at his registered place of business.

XIV. Severability Clause

Should any provision of these General Terms and Conditions or the Contract be ineffective, the remaining provisions shall remain in effect. The provision that come as close as possible to the economic content of the ineffective provision shall be applied instead. This applies accordingly to any gaps in these General Terms and Conditions or the Contract.