

Recipharm Group General Terms and Conditions of Sale and Delivery

These general terms and conditions apply to assignments unless otherwise specifically agreed.

This Agreement applies to companies within Recipharm AB (publ) Group ("Recipharm").

Valid from October 2018.

1. Scope

Recipharm shall carry out the work specified in the offer to supply or specification and follow the terms and conditions of this agreement or any other agreements reached between the parties in writing. No other terms or conditions are accepted unless agreed in writing.

Recipharm's quotations, as defined in the offer, are valid for thirty (30) days from the date of the submission.

2. Implementation

Assignments entrusted with Recipharm will be implemented with due care and in all other respects in a professional manner and, where appropriate, in accordance with specifications, instructions and regulations agreed between the parties. In cases where no such agreement has been reached, Recipharm will use best practice and experience to carry out the assignment in accordance with current standard instructions.

Purchasing and warehousing of the necessary raw materials and packaging materials are to be handled by Recipharm, unless otherwise agreed.

The parties shall collaborate and consult with one another during the course of the assignment.

Customer is responsible, following consultation with Recipharm, for the packaging design including material selection, printed texts or any other aspect concerning the appearance of the packaging, unless otherwise agreed.

Customer shall provide to Recipharm all information and documentation required to carry out the assignment according to agreed provisions.

3. Intellectual property

Each party retains the copyright and all other intellectual property to everything that the party concerned has contributed with to the assignment (the "Enabling Technology").

Customer is responsible for ensuring that manufactured packaging; other results of the assignment; and the implementation of the assignment do not involve infringement of any third party's rights to patents, trademarks, design protection or other intellectual property. Customer undertakes to compensate Recipharm for any damage which Recipharm may suffer as a result of such infringement.

4. Development results

If agreed in a specific project assignment, Customer or a third party (if any) to be named to Recipharm by Customer will be entitled to any and all rights in the development results (however, excluding Enabling Technology) which are unrestricted in terms of time, territory and content.

5. Special equipment

Insofar as Recipharm is compelled to acquire special tools, etc., such as blister packing equipment, tablet stamping equipment, pressure rollers or similar in order to complete the assignment, Recipharm shall be entitled to charge the cost thereof to Customer without delay. Recipharm shall retain the right of ownership to tools acquired in this way, unless otherwise agreed upon.

6. Delivery conditions

Recipharm shall deliver the products to Customer Ex Works (Recipharm facility) according to current Incoterms.

If Customer shall supply raw materials or products to Recipharm facilities, the DDP (Recipharm facility) according to current Incoterms will be applicable.

7. Product quality

Quality and the allocation of responsibility between the parties is the task of Customer and shall be regulated by a quality agreement drawn up in writing between the Parties.

8. Inspection

Customer shall be entitled to visit areas of Recipharm facilities where development, production or handling of Customer's products take place in order to carry out audits; once every third year, free of charge.

In case of additional audits Customer shall bear the expenses which may arise in conjunction therewith. Access to the premises may be restricted by safety regulations issued by the authorities or by Recipharm and by general reasons of confidentiality.

9. Quantity

Recipharm reserves the right to supply up to 10 percent above or below the agreed quantity.

10. Delivery schedule

If Customer fails to supply raw materials or products in accordance with the agreed delivery schedule, Recipharm shall be entitled to charge the cost of purchased material to Customer immediately and is no longer bound by the agreed price for the assignment or may, after due notice, withdraw from the agreement on the grounds that the assignment cannot be completed. If, in conjunction with successive deliveries, Customer has not drawn the total annual order quantity within one year of the order confirmation, Recipharm shall be entitled to charge materials and other costs incurred to Customer.

11. Delivery period and delays

Unless otherwise agreed in writing, the delivery period shall be counted on the basis of the latest of the following dates:

- The date upon which the agreement is entered into;
- The date upon which Recipharm receives any payment which, pursuant to the agreement, is to be made prior to the start of manufacture; or
- The date upon which Recipharm receives such drawing, samples, models, templates or tools as Customer is required to place at Recipharm's disposal pursuant to the agreement and which Recipharm has approved.

The agreed delivery period assumes, in cases where Customer is to provide materials for use in manufacture, that such materials are available at Recipharm in the quantities and at the times specified by Recipharm.

If Recipharm finds itself unable to meet the agreed delivery period or should delay seem likely on the part of Recipharm, Recipharm shall inform Customer thereof in writing without delay and state the reason for the delay and, insofar as possible, the date on which delivery can be expected.

12. Price

Customer shall pay to Recipharm the price specified in the order confirmation document.

If the parties have reached agreement concerning any change in the assignment and should this involve increased production costs, Recipharm shall be entitled to adjust the price accordingly. Likewise, Recipharm shall be entitled to adjust the price if the cost of production has increased by more than 5 percent as a result of rising raw material prices, exchange rate fluctuations or other factors outside the control of Recipharm.

If the agreement concerns successive deliveries for more than one year after the time the contract is entered into, Recipharm shall be entitled to adjust the price for each new 12-month period if wage increases and other factors lead to increased production costs.

13. Conditions of payment and invoicing

Payment is to be made as invoiced. Payment shall be made not later than 30 days after the date of the invoice. Value Added Tax and other taxes and charges will be added.

14. Late payment

If Customer fails to pay at the proper time, Recipharm shall be entitled to penalty interest according to local interest rate Act. Recipharm shall, in conjunction therewith, also have the right to suspend the assignment and delay delivery by informing Customer in writing thereof until such time as Customer has paid any outstanding claims and provided satisfactory collateral for future payment for Recipharm's continued work.

If Customer has still failed to effect payment more than 30 days after being called upon by Recipharm to pay a sum due, Recipharm shall be entitled to cancel the assignment with immediate effect by informing Customer thereof in writing.

Recipharm Group General Terms and Conditions of Sale and Delivery

These general terms and conditions apply to assignments unless otherwise specifically agreed.

This Agreement applies to companies within Recipharm AB (publ) Group ("Recipharm").

Valid from October 2018.

15. Liability for faults and defects

Should faults arise despite the fact that manufacture is carried out in accordance with the provisions of section 2 above concerning the completion of the assignment, Recipharm shall inform Customer of the fault and, in consultation with Customer, take the appropriate measures to prevent the fault arising again. In such cases, the Customer is responsible for any additional costs incurred. Recipharm shall be responsible for faults and defects only in the manufacture of the product, but this liability is limited to such cases where the fault or defect has been caused by negligence on the part of Recipharm or its employees. Recipharm is not liable for faults or defects that are attributable to material provided by Customer. Recipharm liability to pay damages does not include compensation for loss of production, loss of profits or other indirect or consequential damage.

Unless Recipharm can be found to be guilty of gross negligence, Recipharm's liability shall be limited to a sum corresponding to 50 % of the agreed price for the assignment, in case of a project; and in case of a supply assignment, a sum corresponding to 50 % of the turnover reasonably received per annum under the supply agreement, not including any charges for special equipment.

16. Returns

Returns shall be inspected without undue delay and not later than 2 weeks after Customer has found, or should have found, a fault in a product delivered. If there is reason to assume that the fault may involve a risk of injury, the return shall be handled immediately. If Customer fails to submit the claim within the time stated in this paragraph, he forfeits the right to any compensation resulting from the fault concerned.

17. Product liability

Customer shall hold Recipharm harmless insofar as Recipharm is made liable toward a third party for damage to fixed or movable property or injury to persons unless it has been shown that Recipharm has been negligent.

Recipharm shall not be liable in any situation for loss of production, loss of profits or other consequential economic damage. These limitations in Recipharm's liability shall not apply if Recipharm has been guilty of gross negligence. Should a third party submit a claim to Recipharm or Customer for compensation for loss or damage as referred to in this section, the opposite party shall immediately be informed thereof. Recipharm and Customer shall be entitled to intervene in the proceedings of a court of law or arbitration tribunal which is considering a claim for compensation against either of them, if the claim is based on damage or loss which is alleged to have been caused by the goods delivered. The parties are required to take out and maintain satisfactory product liability insurance. Customer may not supply the products to the USA and Canada without special agreement being reached between the parties first.

18. Insurance

Customer and Recipharm shall keep their own property and material insured throughout the time that such property is in the possession of the opposite party.

19. Confidentiality

Neither party may, without the consent of the opposite party, make documents available to a third party or in any other way reveal information which is protected pursuant to the applicable Act concerning company secrets, except insofar as is required for the completion of the assignment. The party shall ensure that confidentiality is observed by requiring employees to sign a confidentiality agreement and by other suitable measures. Confidentiality does not apply to such information as the party can prove became known to him in a manner other than through the assignment or which is common knowledge. The confidentiality obligation shall remain in force even if the agreement has ceased to be valid in other respects.

20. Termination

Either Party may terminate the agreement with six (6) months notice. The agreement may be terminated immediately by either Party in the event of a material breach by the other Party, where such breach is not capable of cure and measures to initiate a cure has not begun within thirty (30) days after notice of such breach. Immediate termination is allowed if the other Party shall file in any court or agency, pursuant to any statute or regulation of any country, a petition in bankruptcy or insolvency.

Each Party shall immediately pay to the other Party all undisputed sums which at the date of termination that are due and payable to the other Party under this agreement or project; furthermore, immediately cease all use of any property of the other Party, including any intellectual property rights of the other Party under this agreement or project.

21. Force Majeure

The following circumstances constitute grounds for release if they prevent the completion of the agreement or make it unduly difficult.

Labour conflict and any other circumstance beyond the control of the parties, such as fire, war, general mobilisation or unforeseen call-up of military forces to a corresponding extent, requisition, confiscation, currency restrictions, riot and insurrection, scarcity of transport, general scarcity of goods, restrictions in terms of fuels, and defects or delays in deliveries from sub-contractors which are caused by such events.

Circumstances which have already occurred when the agreement is entered into do not constitute grounds for release unless their effect on the completion of the agreement could not have been foreseen at the time. Should either party wish to invoke grounds for release, he shall inform the other party in writing without delay of its occurrence and likewise of its termination.

If the completion of the contract is delayed by more than six months by any of the above grounds for release, either party shall be entitled to cancel the agreement by informing the opposite party thereof in writing, without the impediment of any of the other provisions contained herein.

22. Disputes and applicable law

In case of disputes arising out of this agreement the parties submit to the competent court of the town where the applicable Recipharm company is registered.

Notwithstanding the above, a party shall be entitled to bring an indisputable overdue claim for payment relating to the assignment before a court of law.

Any disputes arising from the agreement shall be governed by the laws of the country of the applicable site within Recipharm Group.