

## **General Terms and Conditions of Business for Customers of ratiopharm Arzneimittel Vertriebs-GmbH (“ratiopharm”)**

### **1. General**

**1.1** ratiopharm shall make deliveries and provide its services based solely on the following General Terms and Conditions of Business unless otherwise agreed upon in the individual case in question between ratiopharm and the Customer.

**1.2** The German version of ratiopharm's General Terms and Conditions of Business shall apply even when the legal transaction in question has been concluded in a language other than German. Any version in another language shall be for information purposes only.

**1.3** Any terms of business employed by the Customer shall not be accepted unless ratiopharm has expressly consented to the application thereof in writing in the individual case in question.

### **2. Delivery Terms and Conditions**

**2.1** ratiopharm shall not be obliged to deliver when there are still receivables outstanding from the Customer from an earlier legal transaction.

**2.2** In the event of delivery being delayed due to circumstances attributable to ratiopharm, the Customer shall be entitled to declare its withdrawal from the agreement in writing after granting a grace period of at least 4 weeks. Such grace period shall start to run from the date on which the Customer's notice of withdrawal is received by ratiopharm. Delivery delays of up to 10 days must be accepted by the Customer anyway without giving rise to any claims for compensation or any right of withdrawal.

**2.3** If it has been agreed upon with the Customer that the item is to be called by the Customer within a certain period of time, and if this call date has been exceeded, then ratiopharm shall be entitled to withdraw from the agreement, in full or in part and without granting any grace period, and claim compensation up to the amount of the production costs at least.

**2.4** Quotes issued by ratiopharm shall be subject to confirmation. They shall only become binding once a written order confirmation is sent by ratiopharm (by fax, email or post). Unless otherwise agreed to the contrary in writing, delivery terms shall be EXW ratiopharm, Vienna (Austria) pursuant to the latest version of the ICC INCOTERMS.

**2.5** In Austria, ratiopharm shall only deliver medicinal products to parties entitled to acquisition pursuant to Section 57 of the Austrian Medicinal Products Act. By ordering the medicinal products, the Customer declares that it is authorised under the Austrian Medicinal Products Act and that it has fulfilled all obligations arising thereunder with respect to the documentation of storage and supply in accordance with the applicable laws, in particular with Section 22 of the Regulation on Operating Instructions for Medicinal Products and Section 8 of the Pharmacy Working Regulations. Ratiopharm hereby reserves the right to verify information and/or reject orders. The Customer shall be required to provide ratiopharm with written proof of its eligibility to acquire immediately upon request and to provide copies of the relevant documentation.

### **3. Defect Notifications**

**3.1** The Customer shall be required to inspect the item immediately following receipt and to notify ratiopharm of any discernible defects within eight days, at the latest, in writing and with specific details. Otherwise the item supplied shall be deemed approved. Where ratiopharm determines that an item reported by the Customer is indeed defective, a replacement item free from defects shall be sent only in exchange for the return of the defective item.

**3.2** Only those defects which could not be discovered within the period specified in clause 3.1, in spite of careful examination, shall be exempt from the Customer's obligation to notify. Such defects shall be deemed to have been approved if not reported to ratiopharm by the Customer in writing immediately following their discovery, but no later than within 60 days following the item's arrival at the agreed destination, with precise details of the defect.

**3.3** The assertion of warranty claims or claims for compensation, and the right to avoidance on the grounds of error due to defects shall be excluded in cases of approval in accordance with clauses 3.1 and 3.2. The defect complaint must be verifiably attributable to ratiopharm.

**3.4** At ratiopharm's request, the Customer shall be required to send ratiopharm samples of the defective item or equivalent evidence of the defective nature thereof at its own expense.

**3.5** After a defect is determined by the Customer, any further use of the item, in particular further distribution thereof or any (further) handling or processing shall be prohibited without ratiopharm's express, written consent otherwise all claims shall be forfeited.

**3.6** Items about which a complaint has been made may only be returned upon request or with ratiopharm's prior written consent. Acceptance of such returns shall not constitute any acknowledgement of the claimed defects.

**3.7** Unless otherwise agreed to the contrary, notices of defects made by the Customer shall not release it from its payment obligations.

### **3.8 Returns**

Subject to the Purchaser's other rights under point 3 herein, expired medicinal products shall be taken back for up to 6 months following the expiry date visible on the packaging in exchange for a credit for the invoice value of the delivery, less 40%. Returns of medicinal products past their expiry date shall be accepted once a calendar quarter and must be made to the warehouse specified on the delivery note. The following shall be excluded from this right to return: narcotics and psychotropic substances; serums and vaccines; refrigerated items; oncological drugs; unregistered items supplied upon clinic request; packaging that has become unsightly during storage; medicinal products marked as "no longer available" in the product directory; packaging provided free of charge (e.g. medical samples, clinical trial samples etc.). Ratiopharm shall not accept any liability for goods returned outside these regulatory guidelines. In particular, ratiopharm hereby reserves the right to refuse to accept such returns or to destroy such goods without replacement.

## **4. Warranty and Liability**

**4.1** ratiopharm hereby warrants that the products it supplies comply with all applicable Austrian and EU rules governing medicines and have all the characteristics generally required.

**4.2** In the case of a justified defect notice submitted correctly, ratiopharm hereby reserves the right to either grant an appropriate price discount, rectify the defect or provide a replacement, or to take back the defective item in exchange for reimbursement of the purchase price. Throughout the entire duration of the warranty period, the onus shall be on the Customer to prove that the item was already defective at the time of delivery.

**4.3** Any claims by the Customer against ratiopharm for compensation shall be limited to the invoice value of the item about which a complaint was made. In any case, ratiopharm's liability shall be limited, insofar as legally permissible, to cases of wilful acts or gross negligence on its part or attributable to it. Ratiopharm's liability for lost profit, indirect damages or consequential damages shall be excluded in all cases. In the case of injury to life, limb or health caused by, or attributable to, ratiopharm, or in cases covered by the Product Liability Act or Austrian Medicinal Products Act, the statutory liability shall apply.

**4.4** The limitation period for compensation claims, regardless of the legal grounds thereof, shall be one year. This shall not apply if ratiopharm can be accused of wilful acts or gross negligence, or where the latter are attributable to it, or in the event of culpably caused injury to life, limb or health. The limitation period shall commence upon delivery of the goods. Otherwise, the statutory provisions regarding the start of the limitation period and the suspension and recommencement of deadlines shall remain unaffected.

**4.5** The Purchaser shall be required to pass ratiopharm's liability limitations, as stated herein, on to its own customers to ensure that the limitation of liability is guaranteed through to the end customer.

## **5. Retention of Title**

**5.1** Ratiopharm shall retain ownership of the goods supplied until such time as the purchase price has been paid in full, including all ancillary costs. Invoking the retention of title shall only involve a withdrawal from the agreement where this has been expressly declared.

**5.2** The Customer shall be entitled to resell the item delivered to it by ratiopharm during the ordinary course of business. The Customer hereby assigns all claims arising for it against a third party due to the resale to ratiopharm up to the invoice amount. Ratiopharm hereby accepts this assignment. The Customer shall be entitled to collect on the claim after the assignment. Ratiopharm hereby reserves the right to collect on the claim itself as soon as the Customer fails to properly fulfil its payment obligations and falls into payment arrears.

**5.3** The Customer shall not be entitled to pledge goods under retention of title or to assign them as security. In the case of court-ordered pledging of these goods, the Customer must notify ratiopharm thereof immediately and support the latter in invoking its retention of title accordingly.

## **6. Reporting Requirements (Pharmacovigilance, Quality Defects)**

The Customer shall report to ratiopharm any indications during the course of its business of (i) suspected side effects or (ii) off-label use, or (iii) lack of expected efficacy, or (iv) inadequate withdrawal periods, or (v) frequently observed improper use and serious abuse, or (vi) quality defects in medicinal products.

## **7. Non-Assignment Clause and Ban on Offsetting**

The Customer shall only be entitled to assign rights and obligations, as well as claims – whether in full or only in part – and to pledge to third parties with ratiopharm’s prior written consent. This shall not include the Customer’s cash receivables. The Customer shall be prohibited from offsetting counterclaims against ratiopharm’s claim for the purchase price except where such has been expressly consented to by ratiopharm in writing.

#### **8. Reduction by More than Half**

The legal remedy of reduction by more than half (laesio enormis) shall not be available to the Customer.

#### **9. Applicable Ethical Standards, Anti-Corruption**

**9.1** The Customer understands that, as a group company of Teva Pharmaceutical Industries Ltd, ratiopharm must comply with various anti-corruption laws, in particular the Foreign Corrupt Practices Act (FCPA) in the USA and the UK Bribery Act 2010 in the United Kingdom, jointly referred to hereinafter as the “anti-corruption laws”. All of the anti-corruption laws and principles applicable to ratiopharm prohibit the payment, offering, agreeing to or authorising, the payment or transfer of benefits or perks of any kind that might constitute corruption, directly or indirectly, to a Public Official (Section 74 (1) 4a of the Austrian Criminal Code) or any other person when it is known that all or part of a payment, benefit or perk will be offered, given, granted or forwarded to a Public Official. Bribery within business transactions through the payment or transfer of benefits or perks, directly or indirectly, to a private individual with the intention of obtaining or retaining business or a commercial advantage, or of unduly influencing the recipient’s conduct, is also prohibited.

**9.2** Within the framework of the legal relationship with ratiopharm, the Customer shall be required to comply strictly with the applicable Austrian anti-corruption laws and not to undertake any activities whatsoever which might result in ratiopharm directly or indirectly breaching the applicable Austrian anti-corruption laws.

The Customer shall be obliged to inform ratiopharm immediately if it is found guilty of breaching the FCPA or other anti-corruption laws in any state by a government authority or a court.

The Customer hereby warrants that no benefits have been or shall be used or accepted by it within the framework of the valid business relationship with ratiopharm and that it has not undertaken, and shall not undertake, any actions that might breach the applicable Austrian anti-corruption laws.

**9.3** The Customer hereby confirms that all payments and remuneration offered to ratiopharm within the framework of the valid business relationship with the Customer represent the appropriate market value that is customary in that location for the goods supplied and the services rendered, and that these payments as such have not unlawfully induced the Customer to perform an official act for ratiopharm’s benefit that would be illegal or immoral or which would constitute a breach of fiduciary duty or other obligations.

**9.4** Ratiopharm shall be entitled to terminate a contractual relationship or legal relationship with the Customer, and all payments connected therewith, or to declare its withdrawal from said agreement where it has reason to believe, in good faith, that the Customer, or one of its employees, has breached statutory anti-corruption provisions or the present clause 9.

#### **10. Final Provisions, Applicable Law and Court of Jurisdiction**

**10.1** Austrian law shall apply to the exclusion of any provisions regarding selection of the proper law. Application of the United Nations Convention on the International Sale of Goods (Federal Law Gazette 1988/96) is hereby expressly excluded.

**10.2** The courts of Vienna, Austria, where ratiopharm is headquartered, shall have jurisdiction. Ratiopharm shall be entitled, however, to transfer jurisdiction to a different venue, e.g. in the Customer’s location.