

General Terms and Conditions of Business of Fibona Health Products GmbH, Wiesbaden (“Seller”)

Art. 1 Scope of Validity

- (1) The Seller’s deliveries, services and offers shall be governed by these Terms and Conditions of Business (“Terms and Conditions”) only. They shall therefore also apply in the case of all future business relations even if they should not be expressly agreed once more. Any terms and conditions of the buyer that conflict with or deviate from these Terms and Conditions shall not apply unless the Seller has expressly agreed in writing that they shall apply. The Seller’s Terms and Conditions shall apply even if the Seller effects delivery without reservation to the buyer despite being apprised of terms or conditions of the buyer that conflict with or deviate from the Seller’s own Terms and Conditions.
- (2) All the agreements made between the Seller and buyer for purposes of execution of a contract shall be as set forth in writing in such contract.

Art. 2 Offers and Conclusion of Contracts

- (1) The Seller’s offers are without engagement or obligation on the Seller. Declarations of acceptance and all orders shall only be legally valid if confirmed by the Seller in writing, including also by telefax/teleprinter.
- (2) Drawings, illustrations, dimensions, weights or other performance data shall only be binding if expressly agreed in writing as being so.
- (3) The Seller’s sales personnel are not authorised to make any additional oral agreements or to give any undertakings or warranties by word of mouth above and beyond the content of the written contract.
- (4) The Seller reserves all rights of title and copyright to illustrations, drawings, calculations and other documents.

Art. 3 Advice

Any and all advice of the Seller, especially in respect of technical applications, is given without any obligation.

Art. 4 Prices and Terms of Payment

- (1) Unless indicated otherwise in the order confirmation, the Seller’s prices are quoted “ex works”, exclusive of packing; packing will be charged for as a separate item.
- (2) The Seller’s prices are quoted exclusive of value added tax (VAT); VAT will be charged at the statutory rate in force on the day of invoicing and will be shown on the invoice as a separate item.
- (3) Cash discount may only be taken by express written agreement.
- (4) Unless indicated otherwise in the order confirmation, the purchase price is due and payable net (without deduction) within 30 days from date of invoice. The statutory provisions governing the effects of any delay in payment shall apply.
- (5) Payments shall only be deemed to have been made when the Seller is able to dispose of the payment amount.

- (6) The buyer shall only have the right of offset if his own counterclaims have been finally and absolutely established at law, are undisputed or have been recognised by the Seller. The buyer shall only be entitled to exercise a withholding right insofar as his counterclaim is based on the same contractual relationship.

Art. 5 Time of Delivery and Performance

- (1) Delivery times or periods, which may be agreed firm or without engagement, shall only be valid if agreed in writing.
- (2) Even where firm delivery times or periods have been agreed, the Seller may not be held responsible for any delays in delivery or performance caused by circumstances of a force majeure nature or other or events which significantly impede or render impossible the Seller's ability to deliver, including, but not limited to, strikes, lockouts, orders of official bodies etc.; this shall also apply where the Seller's suppliers or their suppliers are affected by such circumstances or events. In any such case, the Seller shall be entitled to postpone delivery or performance by the duration of the impediment plus a reasonable restarting-up time or to repudiate the contract in respect of the whole or any part of the contract not yet fulfilled.
- (3) Should the impediment last for longer than three months, the buyer shall, after the allowance of additional reasonable time, have the right to repudiate the contract in respect of any part of the contract which has not yet been fulfilled. An extension of the delivery time or release of the Seller from his obligations shall not give rise to any claims for damages on the part of Buyer. The Seller may plead circumstances or events of the aforesaid kind only if he informs the buyer thereof without delay.
- (4) Where the Seller is responsible for failure to comply with firmly agreed periods or dates or is in delay, the buyer shall be entitled to damages for default in an amount of 1/2 % for each full week of delay, though in an amount of altogether at most 5 % of the invoice value of the deliveries or services with which the Seller is in default. All other claims are barred except where the Seller's default or delay is due to at least gross negligence on the part of the Seller.
- (5) The Seller shall have the right to make part-deliveries and part-performance.
- (6) Compliance by the Seller with his delivery and performance obligations shall be dependent on timely and proper fulfilment by the buyer of his own obligations.
- (7) Should the buyer fall into delay with acceptance of delivery, the Seller shall have the right to claim compensation for any loss or damage incurred by him; as soon as the buyer falls into delay with acceptance, the risk of accidental deterioration and accidental loss shall pass to the buyer.

Art. 6 Passing of Risk

The risk shall pass to the buyer as soon as the consignment has been handed into the custody of the person performing transport or has left the Seller's warehouse for purposes of shipment. If shipment should be impossible through no fault of the Seller, the risk shall pass to the buyer on the Seller notifying him of readiness for dispatch.

Art. 7 Warranty

- (1) The buyer must notify the Seller of any defects without delay in writing, and in all cases within one week from receipt of the goods at the latest. Defects which even on careful examination or inspection cannot be discovered within the said period must be notified to the Seller in writing as soon as they are discovered.
- (2) In the event of any notice from the buyer that the products are not of the warranted nature, the buyer must send back the defective goods to the Seller for purposes of examination. The Seller will deliver defect-free replacements to the buyer without delay and free of charge.

- (3) The buyer only shall have warranty claims against the Seller; such claims are non-assignable.
- (4) The foregoing shall be without prejudice to liability for culpable injury or damage to life, limb or health; the same shall also apply to mandatory liability under the German Product Liability Act.
- (5) Except as provided otherwise above, all liability is excluded.
- (6) The period of limitation for claims for defects shall be 12 months, calculated from the time of passing of risk. Changes, supplements and modifications are only valid when agreed in written form.

Art. 8 Reservation of Ownership and Title

- (1) Until such time as all claims which the Seller may have against the buyer, whether now or in future and irrespective of the legal grounds on which they have arisen (including all claims on current account), have been fulfilled, the Seller shall be granted the following securities which he shall, on request, have a duty to release if and insofar as their value sustainedly exceeds the value of his claims by more than 10 %; the choice of which securities are released shall lie with the Seller.
- (2) The goods shall remain the property of the Seller. Any processing or transformation of the goods by the buyer shall always be deemed done on behalf of the Seller as manufacturer, though without giving rise to any obligations for the Seller. If an item of sale is processed together with other items not belonging to the Seller, the Seller shall have co-title to the new item so created in the same proportion as that between the item of sale (total invoice amount including VAT) and the other items at the time of processing. In all other respects, the same shall apply to the new item created by processing as to the item of sale supplied subject to the Seller's reservation of title.
- (3) If the item of sale is inseparably mixed with other items not belonging to the Seller, the Seller shall have co-title to the new item so created in the same proportion as that between the value of the item of sale (total invoice amount including VAT) and the other items at the time of mixing. Should mixing be done in such wise that the Seller's item of sale is to be seen as the main item, it is agreed that the buyer shall assign co-title thereto in a proportionate amount to the Seller. The buyer shall preserve the item to which the Seller has sole title or co-title on the Seller's behalf.
- (4) The buyer shall have the right to process or resell items which are subject to the Seller's reservation of title ("reserved goods") in the ordinary course of his business and for as long as he is not in default. The reserved goods may not be given in pledge or transferred by way of security. The buyer hereby already assigns to the Seller as security the whole of his claims (including all claims on current account) arising from resale of the reserved goods or on any other legal grounds relating to the reserved goods (e.g. insurance, tort). The Seller hereby revocably authorises the buyer to collect the claims assigned to the Seller in his own name but for the Seller's account. This authority to collect may only be revoked if the buyer fails to fulfil his payment obligations in the due manner and in particular if a petition for the opening of composition or bankruptcy proceedings is filed or if the buyer ceases payments. In any such case, however, the Seller may demand that the buyer inform him of the assigned claims and the names of the persons or parties by whom they are owed, provide him with all information necessary for collection, furnish the appurtenant documents to him, and inform the owing parties (third parties) of the assignment.
- (5) In the event of any encroachment on the reserved goods, and in particular seizure of them, by any third party, the buyer shall draw attention to the Seller's title and inform the Seller immediately so as to enable him to assert his rights of title and ownership. Should the third party be unable to compensate the Seller for any court or out-of-court costs incurred by the Seller in this connection, the buyer shall be liable for such costs.
- (6) In the case of any breach of contract by the buyer – in particular any delay in payment – the Seller shall have the right to repossess the reserved goods or, as the case may be, to demand assignment to him of the buyer's claims to repossession against third parties. The repossession of

reserved goods by the Seller shall not be deemed as constituting any repudiation of the contract. The Seller shall, after repossessing reserved goods, have the right to resell them; the sale proceeds shall, after the deduction of reasonable selling costs, be credited towards the buyer's debts.

Art. 9 Non-disclosure

Unless expressly agreed otherwise in writing, all information furnished to the Seller in connection with orders shall be deemed confidential. Where the Seller provides the Buyer with his own evaluations or scientific documents relating to the goods, the buyer may make the same available to third parties only with the Seller's written consent.

Art. 10 Limitation of Liability

Except in cases of deliberate intent or gross negligence, all claims for compensation or damages against Seller and/or his servants or assistants on grounds of breach of contract, culpa in contrahendo and tort shall be barred. This shall also apply to claims for compensation or damages for non-performance, though only insofar as such claims relate to compensation for indirect or consequential loss or damage, except in cases where liability is based on a warranty intended to protect the buyer from the risk of such harm. All liability shall be limited to the amount of loss or damage foreseeable at the time of conclusion of contract. All of the foregoing shall be without prejudice to the Seller's liability under the German Product Liability Act and other claims on grounds of producer liability.

Art. 11 Applicable Law, Legal Venue, Partial Invalidity

- (1) Where Buyer is a registered trader, the Seller's place of business shall be the legal venue for all disputes arising from or in connection with the contractual relationship between the parties hereto. This shall also be the case where the buyer has no place of general jurisdiction in the Federal Republic of Germany. The Seller shall, however, also have the right to bring legal action against the buyer at the court having jurisdiction for his place of domicile.
- (2) The law of the Federal Republic of Germany shall apply; application of the UN Convention on Contracts for the International Sale of Goods is barred.
- (3) Unless indicated otherwise in the order confirmation, the place of performance shall be the Seller's place of business.
- (4) Should any of the provisions of these Terms and Conditions or any provision in any other agreement be or become invalid, this shall have no effect on the validity of all other provisions or agreements.

Fibona Health Products GmbH

Valid: July 2006