

Medichem

The following terms and conditions of purchase, as the same may be amended by Medichem, S.A. and its affiliates ("Medichem") from time to time at its sole discretion (the "Medichem Standard Terms and Conditions of Purchase") shall apply to all purchases of any goods or materials ("Product") from suppliers ("Supplier"), arising out of purchase orders ("Purchase Order") issued by Medichem and confirmed by Supplier.

Each Purchase Order confirmation shall be deemed an acknowledgement and acceptance by Supplier of Medichem Standard Terms and Conditions of Purchase then in effect as the same relate to such Purchase Order and Supplier's agreement to comply with Medichem Standard Terms and Conditions of Purchase. The terms and conditions set forth herein are hereby incorporated to any and all Purchase Orders issued by Medichem and can also be found at www.medichem.es

Obligations of Supplier

1. Price. Purchase Orders shall be invoiced at the prices in effect at the time the Purchase Order is issued by Medichem.

2. Delivery. Supplier shall deliver the Products ordered to the address specified in the Purchase Order according to the Incoterm set forth in the same and in accordance with and subject to Medichem Standard Terms and Conditions of Purchase. If Product is incorrectly delivered Supplier shall be held responsible for any additional expense incurred in delivering the Product to the place of delivery specified in the Purchase Order or subsequently indicated by Medichem. Time shall be of essence in relation to the performance of any and all Supplier's obligations pursuant to any Purchase Order.

Medichem shall be entitled to cancel any Purchase Order which is not delivered on due date.

3. Passing of Title; Risk of Loss. Title to and risk of loss for Products delivered to Medichem will pass when delivered according to the Incoterm set forth in the Purchase Order. Supplier warrants title to all Products sold and services supplied. Upon consummation of the transactions contemplated hereby, Medichem will have acquired good and marketable title to the goods, free and clear of liens.

4. Warranty. Supplier warrants to Medichem that the Product shall be manufactured in compliance with current Good Manufacturing Practices (cGMP), where applicable, and Supplier standard operating procedures. Supplier warrants that all Products will conform with all written proposals and descriptions as well as any specifications, samples, or models furnished by Supplier and approved by Medichem. Supplier further warrants that all goods shall be merchantable and fit for their intended purpose and shall be new, not refurbished or reconditioned. The foregoing warranties are in addition to and not in lieu of any other warranties, implied or express.

5. Replacement of defective Product. Medichem shall visually inspect all such deliveries upon their receipt and shall report any readily discernible defects to Supplier within ninety (90) days of receipt of the Product. Medichem will report to Supplier any defects not readily discernible within sixty (60) days of Medichem's discovery of the same. In case of a claim for defects in any Product, Supplier shall without charge promptly replace the defective Product.

If Supplier's dispute Medichem's reject of Product and the parties fail to reach an agreement within thirty (30) days after Medichem's report to Supplier, the dispute shall be determined by an independent laboratory (who shall act as expert and not as arbitrator) mutually selected by the parties. The decision of such independent laboratory following analysis of the allegedly defective Product shall be final and binding upon the parties. The cost of the analysis shall be borne by the party whose analysis was in error.

Supplier shall bear all risks of loss, damage, or destruction for non-conforming Product. Supplier shall also bear the same risks with respect to Product rejected by Medichem. Medichem shall be responsible for any loss occasioned by the gross negligence of its employees.

6. Confidentiality. Supplier agrees that any know-how, specification or any other information, including any specific terms and conditions to be agreed between Medichem and Supplier (such as pricing), are confidential information. Supplier shall keep it confidential during and after the execution of the Purchase Order.

Obligations of Medichem

1. Payment. Payment terms shall be made in Euro (Eur) and payment shall be by wire transfer ninety (90) days (payment day the 30th day of each month) as of the date of the Invoice, unless otherwise specified in the Purchase Order. Medichem shall have the right to apply any amount which Supplier may owe to Medichem against open invoices as directed solely by Medichem, until the full amount has been credited to Medichem.

Standard Terms and Conditions of Purchase

2. Modifications in the Purchase Order. Medichem may at any time, by a written order, suspend performance hereunder, increase or decrease the ordered quantities or make changes within the general scope of a Purchase Order (such as method of shipment or packing, and/or, place of delivery and/or delivery schedule). If any such change causes an increase or decrease in the cost of, or the time required for performance of a Purchase Order, an equitable adjustment shall be made in the Purchase Order price or delivery schedule, or both and the Purchase Order shall be modified in writing accordingly. No claim by Supplier for adjustment shall be valid unless asserted within twenty (20) days from the date or receipt by Supplier of the notification of change provided, however that such period may be extended upon the written approval of Medichem. Nothing in this clause shall excuse Supplier from proceeding with the Purchase Order as changed or amended.

General Provisions

1. Intellectual Property Rights. Supplier declares that the Product does not infringe any patents or other proprietary rights of any third party and shall indemnify Medichem against all liabilities, claims, demands, losses, costs or expenses (including reasonable legal fees and expenses) suffered by Medichem as a result of any claim for infringement of any patent or other proprietary right made by any third party.

2. Construction. The Medichem Standard Terms and Conditions of Purchase shall prevail over any inconsistent or conflicting terms in any Purchase Order; provided that, if Supplier is party to a separate written contract with Medichem when any Purchase Order is placed and a provision in the separate written contract specified by Medichem for such Purchase Order conflicts with a provision in the Medichem Standard Terms and Conditions, then the provision in the separate written contract shall prevail over the conflicting provision in the Medichem Standard Terms and Conditions of Purchase with respect to such Purchase Order.

3. The Medichem Standard Terms and Conditions of Purchase together with the Purchase Order with the confirmation issued by Supplier and any written documents which may be incorporated by specific reference, constitute the entire agreement between the parties ("Agreement") and supersedes all previous communications between them, whether oral or written.

4. Nothing in this Agreement shall create or be deemed to create a partnership, agency or joint venture between the parties.

5. Assignment and Subcontracts: Supplier shall not assign, transfer, subcontract or delegate a Purchase Order or any right or obligation hereunder, or any part thereof, including the accounts receivables without the written consent of Medichem. Any assignment without Medichem's written consent shall be void and have no binding effect upon Medichem. No subcontract entered into by Supplier shall relieve Supplier of any of its liabilities and/or obligations. Medichem shall be entitled at any time by notice in writing to Supplier to assign the whole or any part of its rights and obligations under the Medichem Standard Terms and Conditions of Purchase and/or the Purchase Order.

6. Amendments. Medichem may amend Medichem Standard Terms and Conditions of Purchase at any time and for any reason. Medichem shall endeavour to promptly notify Supplier of changes to Medichem Standard Terms and Conditions of Purchase

7. Indemnity and Insurance. Supplier shall indemnify Medichem, its directors, employees, officers and/or agents and hold them harmless from and against any and all liability for death, illness or injury to any third party or for loss or damage to any third party's property and against any claims, demands, proceedings and causes of action resulting directly or indirectly therefrom and arising out of any act or default on the part of Supplier, its servants, agents or sub-contractors in the performance of or in compliance with any of their obligations under Medichem Standard Terms and Conditions of Purchase and/or any Purchase Order, including without limitation any and all loss in relation to defective Products including liability arising under any relevant product liability legislation which may be applicable from time to time.

Supplier shall maintain at its own cost and expense full and sufficient third party product liability and product recall insurance to cover its actual and potential liabilities hereunder for a minimum of twelve millions Euros (€ 12,000,000).

8. Medichem Standard Terms and Conditions of Purchase and any Purchase Order or contract entered thereto shall be governed by and construed in accordance with the laws of Spain. Any dispute or difference of any kind whatsoever arising between the parties hereto out of or in connection with Medichem Standard Terms and Conditions of Purchase and any Purchase Order or contract entered thereto shall be submitted to the exclusive jurisdiction of the Courts of Barcelona, and the parties waive all objections to jurisdiction or venue in Barcelona.