

GENERAL TERMS AND CONDITIONS

These General Terms and Conditions (hereinafter referred to as the “**Terms and Conditions**”) are terms and conditions for the supply of goods and services issued and applied by **Glenmark Pharmaceuticals s.r.o.**, registered office Hvězdova 1716 / 2b, Nusle, 140 00 Prague 4, ID 46505164 in Prague, entered in the Commercial Register maintained by the Municipal Court in Prague, Section C, Insert 150331, in relation to the supply of goods and services to the Glenmark Pharmaceuticals s.r.o. manufacturing facility in Vysoké Mýto at Fibichova 143, 566 01 Vysoké Mýto, Czech Republic.

1. DEFINITIONS AND INTERPRETATION

1.1. For the purposes of these Terms and Conditions, unless otherwise stated below or as the context requires, the following terms, when prefixed with a capital letter, have the following meanings:

“**VAT**” means value added tax;

“**Supplier**” means an entity entering into a contractual relationship with **Glenmark Pharmaceuticals s.r.o.**, registered office at Hvězdova 1716 / 2b, Nusle, 140 00 Prague 4, ID No. 46505164, entered in the Commercial Register maintained by the Municipal Court in Prague, Section C, Insert 150331 in accordance with these Terms and Conditions as defined below;

“**Civil Code**” means the Czech Act No. 89/2012 Coll., the Civil Code, as amended;

“**Customer**” means **Glenmark Pharmaceuticals s.r.o.**, with its registered office at Hvězdova 1716 / 2b, Nusle, 140 00 Prague 4, ID No. 46505164, registered in the Commercial Register maintained by the Municipal Court in Prague, Section C, Insert 150331;

“**Terms and Conditions**” means these General Terms and Conditions issued within the meaning of Section 1751 (1) of the Civil Code, which form an integral part of the relevant contract and / or confirmed Order;

“**Business Day**” means a day on which banks in the Czech Republic are open to the public;

“**Contract Documentation**” means the applicable Contract (Purchase Agreement or Contract for Work), including its proposal, i.e. the Order, concluded Contract and these Conditions;

“**Parties**” means jointly or individually the Customer and the Supplier;

“**Act on VAT**” Czech Act No. 235/2004 Coll., on Value Added Tax, as amended.

1.2. Unless expressly stated otherwise or as the context requires, the above terms retain their initial meaning when used with a capital letter, when used in any part of the Contract Documentation, and must therefore be used within the meaning of the above meaning, and references to the Articles in these Conditions shall mean references to the Articles of these Conditions.

1.3. Where the Contract Documentation specifies terms or dates by the number of days, months and years, it is meant calendar days, months and years, unless explicitly stated otherwise.

1.4. In the event of the Contract Documentation or its part being prepared in both Czech and foreign language versions, the Czech language version shall always prevail.

1.5. Glenmark Pharmaceuticals s.r.o. is obliged to inform contractors about changes to these Terms and Conditions by publishing their wording on its website <http://www.glenmarkpharma.cz>.

1.6. Specific arrangements in the Purchase Agreement prevail over the provisions of the Terms and Conditions.

2. SPECIAL ARRANGEMENTS FOR THE PURCHASE OF GOODS

These special arrangements govern the legal relations between the Parties in the delivery of goods, be it materials, components, ingredients and additives, raw materials used for production or other goods.

2.1. Definitions and Interpretation

“**Purchase Agreement**” means any individual Purchase Agreement concluded between the Parties whose subject matter is the delivery of the Product by the Supplier to the Customer;

“**Order**” means an order of a Product made by the Customer, as the buyer, in writing or electronically to the Supplier, as the seller; the Order is also a draft Purchase Agreement;

“**Product**” means the goods delivered by the Supplier to the Customer under the conditions set out in the Purchase Agreement and these Terms and Conditions.

2.2. Delivery of Products

2.2.1. The Supplier shall deliver the Products to the Customer in accordance with the Contract Documentation, the Purchase Agreement and these Terms and Conditions with the utmost effort and care that can be fairly required to achieve the level of quality of the Product expected by the Customer.

2.2.2. The Products must always be in full compliance with the Contract Documentation, the Purchase Agreement and these Terms and Conditions as well as any legal regulations regulating the Products at the time of delivery to the Customer; in the case of materials, components, constituents, ingredients and raw materials used in the manufacture of medicinal products, medical devices and / or food supplements, their supply must also be in accordance with good manufacturing and distribution practices of such products (GMP and GDP).

2.2.3. The risk of damage to the Products shall pass to the Customer at the same time as the acquisition of the ownership right to them. The Customer acquires ownership rights to the Products by taking them over at the place of delivery.

2.3. Purchase Price and Payment Terms

2.3.1. The Customer is obliged to duly and timely pay to the Supplier the purchase price of the Products in the amount specified in the Purchase Agreement in the manner and under the conditions set forth in these Terms and Conditions.

2.3.2. Unless otherwise stated in the Contract Documentation, the prices quoted therein shall be deemed not to include VAT.

2.4. Product Orders

2.4.1. The Customer shall issue and send a written Order to the Supplier by fax, e-mail or through the purchasing system of one of the Parties usually one (1) week before the required date of delivery of the Products.

2.4.2. Customer orders will always include:

- identification of the required Product by type, size, design and other parameters as required by the Customer;
- the Customer's item number (ID), the Customer's identification, the Customer's contact person, including their e-mail address;
- the quantity and price of the Product purchased;
- the requested date of delivery;
- identification of the manufacturer and the Supplier of the ordered Product approved by the Customer;
- a reference to these Terms and Conditions and their binding nature for the Order and the subsequent Purchase Agreement;
- or other information relevant to the respective order.

2.4.3. The Supplier is obliged to send a signed or otherwise demonstrably confirmed Order to the Customer by post, fax, e-mail or through the purchasing system of one of the Parties within the following five (5) Business Days after its receipt. On the day of delivery of the confirmed Order, i.e. on the day of delivery by post, fax, e-mail or within the purchasing system of one of the Parties, the Purchase Agreement will be concluded, but no later than on the day on which one can reasonably expect the performance or on which the Supplier performs the Order. Confirmation of the Order, which contains amendments, reservations, limitations, reference to terms and conditions other than these Terms and Conditions or other changes, is a rejection of the Order, it is considered a new draft Purchase Agreement; in such a case, a subsequent written confirmation of such modified Order by the Customer is necessary to conclude the Purchase Agreement.

2.5. Transport of Products

2.5.1. The price of the Products stipulated in the Contract Documentation includes the transportation, packaging and insurance of the Products until the Products are received by the Customer.

2.5.2. The Products must always be shipped to the Customer in full compliance with the Contract Documentation, the Purchase Agreement and these Terms and Conditions, as well as any legal regulations regulating the Products; in the case of materials, components, ingredients, additives and raw materials used in the

manufacture of medicinal products, medical devices and / or food supplements, their transport must also be in accordance with good manufacturing and distribution practices of such products (GMP and GDP).

2.6. Delivery Term

- 2.6.1. The Product shall be handed over by the Supplier and accepted by the Customer based on the delivery note of the Product bearing the signature of the responsible employee of the Customer. Delivery of the Product is considered to be a taxable supply within the meaning of the Act on VAT.
- 2.6.2. The delivery condition for the Products is DAP / DDP (Incoterms 2010) the Customer's plant in Vysoké Mýto - Fibichova 143, 566 01 Vysoké Mýto, Czech Republic, unless otherwise agreed in writing in the Purchase Agreement.

2.7. Payment Terms

- 2.7.1. The Supplier is entitled to issue an invoice charging the price of the Product no earlier than on the day of delivery of the Product.
- 2.7.2. In addition to the requirements of a tax document pursuant to the Act on VAT and the requirements of a commercial document pursuant to Section 435 of the Civil Code (and other applicable generally binding legal regulations), the issued invoice shall contain:
- i. Customer's order number;
 - ii. identification of the Purchase Agreement or the Order on the basis of which the performance was provided;
 - iii. identification of the document certifying the taxable event;
 - iv. invoice number and due date;
 - v. the amount of advance, if any;
 - vi. Customs Tariff number (if applicable).
- 2.7.3. The invoice shall bear the Supplier's stamp (if applicable) and the signature of the employee authorized to issue it on behalf of the Supplier; the invoice can be issued and delivered to the Customer electronically.
- 2.7.4. The invoice is due after the 60-day maturity period, which starts to run from the date of registered receipt of the invoice by the Customer. The Supplier acknowledges that the Customer shall pay the purchase price in the form of a bank transfer only to the account provided to the Customer and established in the Customer's information system, regardless of the account number stated on the Supplier's invoice. In the event of an account change not notified by the Supplier to the Customer and not made in the Customer's information system, the Customer shall not be liable for late payment of the purchase price.
- 2.7.5. The Customer shall be entitled to pay the purchase price to a different account of the Supplier than specified in its information system, if (i) the account specified in the Customer's information system is not an account published by the tax administrator pursuant to Section 98 letter d) of the Act on VAT, and (ii) the Supplier's account to which the Customer sends the payment is thus published in the publicly accessible register of VAT payers at the time of payment. Each Party shall bear the bank charges of its bank.
- 2.7.6. In the event of the Supplier is identified within the maturity period as an unreliable VAT payer pursuant to Section 106a et seq. of the Act on VAT and the Customer is not provided proper proof of payment of VAT on provided performance by the Supplier at least seven (7) Business Days before the due date, the Customer reserves the right to pay to the Supplier's account only the purchase price of the Product without the respective VAT. The Parties have agreed that the amount of VAT withheld in this way will serve as a guarantee for the Customer in the event of the Customer's liability for the tax not paid by the Supplier on the provided performance. The Customer is entitled to use the VAT withheld in such a way to pay the unpaid tax on the provided performance if the Customer is obliged to make such payment for the Supplier within the guarantee or to pay the VAT withheld within ten (10) Business Days after the Supplier provided proof of VAT payment on the provided performance. The Supplier further undertakes to inform the Customer within five (5) Business Days of the publication of the relevant information of the fact that it has become an unreliable payer within the meaning of the Act on VAT; if the Supplier fails to comply with this information duty in time, the Supplier is obliged to pay the Customer a contractual penalty of CZK 50,000 (in words: fifty thousand Czech crowns).

- 2.7.7. In case the Products will be delivered by the Supplier:
- i. in poor quality; or
 - ii. in inadequate quantities; or
 - iii. at incorrect invoiced price; or
 - iv. without the necessary certification or other certificates; or
 - v. without other essential requisites;
- the Customer is entitled not to pay the invoice. In such case, the invoice shall be returned to the Supplier.
- 2.7.8. In the event of the invoice containing incorrect requisites or some of them are missing, the Customer is entitled to return the invoice to the Supplier by the due date. In such case, the Supplier shall issue a new invoice and provide the Customer with a new due date in accordance with the provisions of Article 2.7.4 of these Terms and Conditions.

2.8. Packaging and Labelling of Products

- 2.8.1. The packaging in which the Product is shipped, and the Product designation must comply with the requirements, legal regulations, agreed terms or technical conditions of the manufacturer and / or the Customer and must guarantee the protection of the Product during transportation and storage throughout its useful life. The Supplier must be able to demonstrate compliance with these requirements at any time.
- 2.8.2. The Products must always be packaged and labelled at the time of shipment and delivery to the Customer in full compliance with the Contract Documentation, the Purchase Agreement and these Terms and Conditions as well as any legal regulations governing the Products; in the case of materials, components, constituents, ingredients and raw materials used in the manufacture of medicinal products, medical devices and / or food supplements, their packaging and labelling must also be in compliance with good manufacturing and distribution practices of such products (GMP and GDP).

2.9. Product Quality

- 2.9.1. The quality of the Product supplied by the Supplier must correspond to the required quality according to the valid Product specification contained in the Contract Documentation or according to the relevant legal regulations and must be of such a level that the Products can be used in the business activities of the Customer.
- 2.9.2. The Supplier is obliged to inform the Customer of any planned change in the production or inspection process of the Product (e.g. change of input raw materials, change of manufacturer, change of tolerances, etc.) well in advance, i.e. at least one (1) year in advance or at any other date so that the Customer has time to register and respond to such changes in a timely manner.
- 2.9.3. The Supplier is obliged to deliver Products to the Customer only from the manufacturers specified in the Order, or otherwise expressly approved in advance by the Customer.

2.10. Rights Arising from Defective Performance and Warranty

- 2.10.1. If any breach of the Supplier's obligations arising from generally binding legal regulations, the Contract Documentation or these Terms and Conditions results in any material or immaterial harm to the Customer or third parties as a result of the usage or use of the Products, the Suppliers is obliged to pay damages regardless of fault. The provisions of the preceding sentence shall apply even after the termination of the Purchase Agreement in any way, including the withdrawal by either Party or both Parties.
- 2.10.2. Defect means:
- i. deviation from the quantity, type or qualitative properties of the Product as set out in the Purchase Agreement, Terms and Conditions or generally binding legal regulations;
 - ii. if the Supplier has not warned the Customer of defects that the Product has, although they do not usually occur with such Product; or
 - iii. and defect in Product documents.
- 2.10.3. The Supplier declares and warrants to the Customer that:
- i. the delivered Products comply with the agreed specification and quality; the Supplier warrants that the Products are manufactured in accordance with applicable generally binding regulations and standards, including compliance with GMP requirements for medicinal products;
 - ii. the documents handed over to the Customer are complete;

- iii. is the sole owner of the Products and the Products are not encumbered with any lien, option, service or other right of a third party, including industrial property rights;
 - iv. has all necessary authorizations to produce, distribute and sell Products;
 - v. The Products will retain all their relevant properties, agreed quality, and will be fit for use for at least twelve (12) months unless otherwise agreed by the Parties in writing (the “**Warranty Period**”) and assume the Product Quality Guarantee for the whole Warranty Period.
- 2.10.4. The Customer is obliged to notify the Supplier of the defect of the Products in writing within twenty (20) Business Days from the day when the defect was discovered. The Customer shall state the alleged defect (or defects) and whether it is a material or insignificant breach of the Purchase Agreement and which of the possible claims arising from the defect of the Products they choose.
- 2.10.5. In case it is not possible to resolve a dispute over the quality of the Product or its conformity with the specification contained in the Contract Documentation by agreement, the Supplier and the Customer undertake to submit the Product for analysis to an independent expert from the relevant field selected from the list of experts and expert institutes administered by Czech courts on whom both parties agree. If there is no agreement on the selection of the independent expert within seven (7) days from the date of the first proposal of an independent expert, the Customer shall appoint the independent expert. The findings of the independent expert shall be binding on both Parties, and the costs of the analysis shall be borne by the Party whose claim regarding the quality of the Product (or its compliance with the specification contained in the Contract Documentation) was not true. The Supplier is obliged to provide the Customer with the maximum possible cooperation in solving this matter.
- 2.10.6. If the defective performance constitutes a material breach of the Purchase Agreement, the Customer has the right to choose:
- i. to remove the defect of the Product by delivering a new Product without defect or by delivering the missing Product;
 - ii. to repair the defect of the Product by repairing the item, if possible;
 - iii. a reasonable discount on the purchase price; or
 - iv. to withdraw from the Purchase Agreement.
- 2.10.7. The Parties agree that they consider as a material breach of the contract the occurrence of such defect (defects) of the Products, which completely or partially prevents its use in the business activities of the Customer, especially in the manufacture of medicinal products.
- 2.10.8. In the event of the Customer is not request something else when notifying the Supplier of any material defects (or defects), the Supplier is obliged to remedy the defects complained of within ten (10) days at the latest after being notified by removing the defect (defects) at its own cost pursuant to Art. 2.10.6 letter i. of the Terms and Conditions, and if the Supplier fails to do so to the full extent, the Customer has the right to demand a reasonable discount on the purchase price for the Products pursuant to Art. 2.10.6 letter iii. of the Terms and Conditions or may withdraw from the Purchase Agreement pursuant to Art. 2.10.6 letter iv. of the Terms and Conditions, or to remove the defect or defects himself or through a third party at the expense and risk of the Supplier.
- 2.10.9. If the defective performance is an insignificant breach of the Purchase Agreement, the Customer has the right to choose:
- i. to remove the defect of the Product; or
 - ii. a reasonable discount on the purchase price.
- 2.10.10. If the defect constituting an insignificant breach of the Purchase Agreement is not remedied by the Supplier within ten (10) days after being notified by the Customer, the Customer shall be entitled to claim a discount on the purchase price or remedy the defect(s) himself or through a third party, or withdraw from this Purchase Agreement.
- 2.10.11. The Customer's other claims arising from defects of the Product under generally binding legal regulations are not affected by this.

2.11. Penalties

- 2.11.1. In the event of the Supplier's delay in delivering the Product or part thereof, the Customer shall be entitled to charge the Supplier a contractual penalty of 0.05% of the total invoiced value of the undelivered Product for each, even commenced, day of delay.

- 2.11.2. The Customer in default of payment of the purchase price for the delivered Products shall be obliged to pay to the Supplier default interest in the agreed amount of 0.05% for each day of delay on the outstanding amount of properly issued and delivered invoice, but not more than 5% of the price of Products under the Purchase Agreement in relation to which the Customer has been in default with payment of the purchase price.
- 2.11.3. The contractual penalty shall be notified to the other Party in writing and shall be delivered to it. The amount of the contractual penalty and its justification must be included in the notification. The contractual penalty shall be paid within ten (10) days after the written request for payment has been delivered to the infringing Party.
- 2.11.4. The obligation to pay a contractual penalty does not affect the right of the relevant Party to compensation in full for material and non-material damage. The obligation to pay a contractual penalty may also arise repeatedly and the total amount of penalty is not limited, with the exception of Art. 2.11.2 of these Terms and Conditions.
- 2.11.5. The obligation to pay the contractual penalty shall continue even after the termination of the duration of the Purchase Agreement as well as after withdrawal from either Party or both Parties.

2.12. Termination of the Purchase Agreement

- 2.12.1. The contractual relationship established by the Purchase Agreement may be terminated by a written agreement of the Parties or by a written withdrawal of either Party in the event of a material breach of the Purchase Agreement by the other Party or in cases foreseen by these Terms and Conditions or generally binding legal regulations.
- 2.12.2. In particular, the following shall be deemed a material breach of the Purchase Agreement:
- i. the Customer's default in payment of the purchase price exceeding three (3) months; or
 - ii. if the Supplier fails to deliver the Products in the agreed quality, specification and / or other terms specified in the Contract Documentation; or
 - iii. Supplier's delay in delivery of the Product in excess of thirty (30) days; or
 - iv. The Supplier is in breach of the obligations specified in Art. 2.9.2 of these Terms and Conditions; or
 - v. The Supplier is in breach of the obligation of cooperation specified in Art. 2.10.5 of these Terms and Conditions.
- 2.12.3. In the written withdrawal from the Purchase Agreement, the withdrawing Party shall state the reason for withdrawal from the Purchase Agreement. The withdrawal of the Party cancels the Purchase Agreement from its beginning and is effective as of the moment of delivery of the notice of withdrawal to the other Party.
- 2.12.4. Withdrawal from the Purchase Agreement shall not affect the right of either Party to the contractual penalty, damages and default interest due to the breach of the Purchase Agreement, or any other provisions which, according to the expressed will of the Parties or due to their nature (in particular, the rights and obligations arising from the warranty for quality and liability for defects in the Product) shall continue to be effective after the termination of the Purchase Agreement.

3. SPECIAL ARRANGEMENTS FOR WORK AND SERVICE DELIVERY

These special arrangements govern the legal relations between the Parties in the execution of the Work.

The Parties agree that these special arrangements for the execution of the Work shall apply mutatis mutandis to cases of delivery of the Services of the Supplier which do not fall under the definition of the Work below.

3.1. Definitions and Interpretation

“**Work**” means the execution of an item, if not covered by the Purchase Agreement, as well as the maintenance, repair or alteration of an item or activity with a different result and, as appropriate, the supply of services; the Work is always understood to be the construction, maintenance, repair or modification of a construction or part thereof.

“**Order**” means an order made in writing or electronically by the Customer, as the client, in which the Work that the Customer is requesting is specified,

i.e. the delivery of which the Customer is interested in, the Order is also considered to be a proposal of a Contract for Work.

“**Contract for Work**” means each individual Contract for Work concluded between the Parties; i.e. confirmation of the Supplier delivered to the Customer that the Supplier accepts the Order for the price of the Work and with the delivery date of the Work specified in the Order. These Terms and Conditions are also part of the Contract for Work.

3.2. Orders of Work

3.2.1. The Customer shall issue and send a written Order to the Supplier by fax, e-mail or via the purchase system of one of the Parties before the required date of execution of the Work.

3.2.2. Customer's Orders will always include:

- i. designation of the requested Work with reference to a potential Supplier's offer;
- ii. required date of commencement of production and date of handover of the completed Work (time of performance), the Customer's contact person including their e-mail address;
- iii. any insurance requirement of the Supplier covering liability for damages, including the limit of the amount of such insurance;
- iv. any other requirements of the Customer;
- v. a reference to these Terms and Conditions and their binding nature for the Order and the subsequent Contract for Work;
- vi. or other information relevant to the respective order.

3.2.3. The Supplier is obliged to send a signed or otherwise demonstrably confirmed Order to the Customer by post, fax, e-mail or through the purchasing system of one of the Parties within the following five (5) Business Days after its receipt. On the day of delivery of the confirmed Order, i.e. the day of delivery by mail, fax, e-mail or within the purchasing system of one of the Parties, the Contract for Work shall be concluded, but no later than on the day when one can reasonably expect performance or on the first day of the performance by the Supplier. The Contract for Work also includes the Supplier's offer, if the Order refers to it. Confirmation of the Order, which contains amendments, reservations, limitations, reference to terms and conditions other than these Terms and Conditions or other changes, is a rejection of the Order, it is considered a new draft Contract for Work; in order to conclude the Contract for Work, a subsequent written confirmation of such modified Order by the Customer shall be required.

3.3. Obligations of the Supplier

3.3.1. The Supplier undertakes to ensure, at his own expense and risk, that all work necessary or suitable for the execution of the Work is performed, including the procurement of all materials, equipment and facilities to be used in the execution of the Work, unless Contractual Documentation states that some elements will be ensured by the Customer. The Supplier further undertakes to ensure without delay all secondary activities related to the performance of the Work.

3.3.2. The Work also includes instructions necessary for proper operation, working and maintenance of individual parts of the Work. Should any of these documents be submitted by the Supplier's contractors in a foreign language, the Supplier undertakes to arrange for their translation into the Czech language. The Supplier also undertakes to hand over this documentation to the Customer at latest at the same time as the handover of the Work.

3.3.3. The Supplier undertakes and is responsible for not using any material known to be harmful at the time of use of the Work and at the same time as handing over the Work will hand over to the Customer a Declaration of Conformity with the effective technical norms pursuant to 22/1997 Coll., on Technical Requirements for Products and on Amendments to Certain Acts, as amended.

3.3.4. The Supplier declares that they have the necessary expertise, experience and authorization to conduct the Work and that it will ensure the performance of the Work throughout the entire period of its execution by qualified persons in sufficient numbers and will provide adequate equipment and technical support for these persons.

3.3.5. The Supplier is obliged to execute the Work with due care in accordance with the applicable legal regulations and technical standards, while taking into account the fact that the Customer is a manufacturer of medicinal products and with the corresponding care and quality standard.

3.3.6. If the Work is directly related to the Customer's business activities as a manufacturer of medicinal products, the Supplier is also obliged to produce the Work in accordance with the relevant generally binding legal regulations in this area and in accordance with good manufacturing and distribution practice (GMP and GDP).

3.3.7. The Parties agree that the risk of damage to the executed Work and the risk of destruction of the building or any other part of the Work shall be borne by the Supplier from the day of commencement of implementation of the Work until the day of handover of the Work to the Customer.

3.3.8. The Customer is the owner of the Work for the entire duration of the Work.

3.3.9. The Supplier further declares and expressly undertakes not to negotiate with any of its suppliers any reservation of title to anything or part of the Work that is supplied in connection with the execution of the Work.

3.3.10. The Supplier undertakes that the complete performance of the Work and its properties shall comply with generally binding legal regulations, Czech technical standards and the Contractual Documentation.

3.3.11. The Parties have agreed on I. (first-class) qualities of materials used, except for materials directly specified by the Customer.

3.3.12. The Supplier declares professional ability to ensure the complete execution of the Work and will ensure compliance with the conditions stipulated by the relevant legal regulations.

3.3.13. The Supplier declares that it has thoroughly and in detail acquainted itself with the scope and nature of the Work and that it is aware of the technical, qualitative and specific conditions under which the Work will be carried out.

3.3.14. The Supplier is obliged to compensate for any damage, material or intangible, caused to the Customer and / or to third parties in the execution of the Work. The Supplier's obligation to compensate for such damage arises regardless of fault.

3.4. Price of the Work

3.4.1. The price of the Work is determined by agreement of the Parties in the Contract for Work. Work's price is fixed and cannot be exceeded, the Supplier takes over the risk of a change in circumstances within the meaning of the Section 2620 (2) of the Civil Code. Unless otherwise stated in the Contract Documentation, the prices quoted therein shall be deemed not to include VAT.

3.4.2. The price of the Work includes all costs of the Supplier necessary for the execution, testing, putting into use and handover of the Work, including the cost of making any documentation. The price of the Work also includes any increased costs associated with the development of input cost prices until its full completion and handover without defects and unfinished works.

3.4.3. The price of any additional work beyond the Order and the Contract for Work shall be determined by written agreement of the Parties.

3.4.4. If during the execution of the Work it is found that some work is not necessary or the Customer notifies the Supplier in writing that it does not require the specified works to be performed within the period prior to their commencement, the Supplier undertakes not to perform such less work. The price of the Work will be reduced by the value of such less work.

3.4.5. Any work, activities and performance which are necessary or appropriate due to the fact that the Work shows defects or unfinished work or because the Supplier breached the obligations stipulated in the Contractual Documentation or relevant legal regulations in performing the Work, are to be performed by the Supplier without undue delay and at its peril and cost.

3.4.6. The Parties exclude the application of the Section 2611 of the Civil Code and declare that the agreed maturity of the price of the Work is adequate in relation to the subject of the Work, and / or agreed monthly payments for performed parts of the Work.

3.5. Payment Terms

- 3.5.1. The Customer undertakes to pay to the Supplier the price of the Work agreed in the Contract for Work, by bank transfer to the Supplier's bank account and in the manner and under the conditions set forth in these Terms and Conditions.
- 3.5.2. After proper handover of the Work, the Supplier shall issue an invoice - tax document. The invoice must have the requisites of a tax document and a commercial document pursuant to Section 435 of the Civil Code, and shall state:
- i. Customer's Order number;
 - ii. the registration number of the order, which shall be communicated in writing by the Customer to the Supplier after conclusion of the Contract for Work;
 - iii. identification of the Contract for Work, or the Order based on which it was executed;
 - iv. Subject of Performance
 - v. identification according to the technical specification;
 - vi. a list of performed works and parts of the Work confirmed by an authorized representative of the Customer in case of invoicing of agreed monthly payment for performed work and completing parts of the Work;
 - vii. identification of the document certifying the taxable event;
 - viii. invoice number and due date;
 - ix. the amount of advance, if any;
 - x. Customs Tariff number (if applicable).
- 3.5.3. The invoice shall bear the Supplier's stamp (if applicable) and the signature of the employee authorized to issue it on behalf of the Supplier; the invoice can be issued and delivered to the Customer electronically.
- 3.5.4. The due date of the invoice shall occur at the earliest payment date of the Customer after the expiry of the 60-day due date, which shall commence from the date of registered receipt of the invoice by the Customer. The Supplier acknowledges that the Customer shall pay the price of the Work in the form of a bank transfer only to the account provided to the Customer and is established in the Customer's information system, regardless of the account number stated on the Supplier's invoice. In the event of an account change not notified by the Supplier to the Customer and not made in the Customer's information system, the Customer shall not be liable for late payment of the Work price.
- 3.5.5. The Customer is entitled to pay the price of the Work to a different account of the Supplier than stated in its information system, if (i) the account specified in the Customer's information system is not an account published by the tax administrator pursuant to Section 98 letter d) of the Act on VAT, and (ii) the Supplier's account to which the Customer sends the payment is thus published in the publicly accessible register of VAT payers at the time of payment. Each Party shall bear the bank charges of its bank.
- 3.5.6. In the event of the Supplier being identified within the maturity period as an unreliable VAT payer pursuant to Section 106a et seq. of the Act on VAT, and the Customer is not provided at least seven (7) Business Days before the due date with proof of proper payment of VAT on the provided performance by the Supplier, the Customer reserves the right to pay to the Supplier's account only the price of the Work excluding VAT. The Parties have agreed that the amount of VAT withheld in this way will serve as a guarantee for the Customer in the event of the Customer's liability for the tax not paid by the Supplier on the provided performance. The Customer is entitled to use the VAT withheld in such a way to pay the unpaid tax on the provided performance if the Customer is obliged to make such payment for the Supplier within the guarantee or to pay the VAT withheld within ten (10) Business Days after the Supplier provided proof of VAT payment on the provided performance. The Supplier further undertakes to inform the Customer within five (5) Business Days of the publication of the relevant information of the fact that it has become an unreliable payer within the meaning of the Act on VAT; if the Supplier fails to comply with this information duty in time, the Supplier is obliged to pay the Customer a contractual penalty of CZK 50,000 (in words: fifty thousand Czech crowns).
- 3.5.7. In the event of the invoice containing incorrect requisites or some of them are missing, the Customer is entitled to return the invoice to the Supplier by the due date. In such case, the Supplier shall issue a new invoice and provide the Customer with a new due date in accordance with the provisions of Article 3.5.4 of these Terms and Conditions.

3.6. Period of Performance and Handover of the Work

- 3.6.1. The term of performance is specified in the Contract for Work. The Supplier's obligation to execute the Work is fulfilled by its proper and complete completion, i.e. execution without defects and backlogs, by handing over all documents specified in the Contract Documentation.
- 3.6.2. The Supplier acknowledges that it is essential for the Customer for the purpose for which it intends to use the Work that the Work is completely free from defects, and understands and agrees that the Customer has the right to refuse to accept the Work even for minor defects even if they, in conjunction with others, do not hinder the use of the Work functionally or aesthetically, nor do they substantially restrict its use, if such minor isolated defects of the Work occur in more than three (3) defects. The Supplier's obligation to remove isolated minor defects immediately after the handover of the Work, if they do not reach the specified number, shall not be affected by the acceptance of the Work by the Customer.
- 3.6.3. Upon handover and acceptance of the Work, the Parties shall draw up a handover protocol in two (2) copies, which shall, inter alia, record the results of inspection of the Work by the Customer and the evaluation of the quality of work performed. The Customer shall record any discovered defects or unfinished works with a distinction between material and insignificant defects of the Work (unfinished works).
- 3.6.4. If the handover protocol includes:
- i. any defect identified by the Customer as material, it means the Work has not been completed, is not eligible for handover to the Customer and the Customer has not accepted the Work;
 - ii. only defects marked by the Customer as insignificant, the Customer may decide whether to accept the Work as completed or not (in which case the Work is not completed); this decision shall be indicated by the Customer in the handover protocol;
 - iii. the Customer's statement that no obvious defects were found during the inspection of the Work, it is deemed the Customer has taken over the Work based on the handover protocol.
- 3.6.5. If the Customer does not take over the Work for its defects, the Parties shall enter a record in the protocol stating their reasoned opinions and agree on a deadline for the removal of the defects and unfinished works and an alternative date of handover, if applicable. At the same time, the Supplier is obliged to remove the defects of the Work that prevented its proper handover to the Customer without undue delay, at the latest by the alternative date of handover of the Work.
- 3.6.6. The Parties expressly exclude the application of the provisions of Section 2609 of the Civil Code.
- ### 3.7. Warranty for Work Defects and Work Defects
- 3.7.1. The Supplier provides the Customer with a quality guarantee of the Work for thirty-six (36) months from the handover of the Work (hereinafter referred to as the "**Warranty Period**") for all work and materials supplied and incorporated into the Work. Equipment and facilities that have their own Warranty Certificates shall be warranted by the Supplier in accordance with such Warranty Certificates, but at least twenty-four (24) months from the handover of the Work. These Warranty Certificates must be duly completed and must be presented together with the documents for acceptance of the completed Work. A list of devices with different warranty periods will be attached to the handover protocol. If these devices are to be serviced directly by the manufacturer, the list will be supplemented with contact details and links to the authorized service.
- 3.7.2. The Supplier warrants that throughout the Warranty Period the Work will exhibit design, technical, hygienic and aesthetic properties corresponding to the Contractual Documentation and these Terms and Conditions as well as relevant technical standards and legal regulations. The warranty does not apply to routine maintenance and also does not apply to defects caused by the intervention of third parties in the construction of surfaces or equipment.
- 3.7.3. A defect of the Work also means a deviation from the type or quality conditions of the Work or its part, as stipulated in the Contract Documentation, technical standards or generally binding legal regulations. A defect of the Work includes both obvious and hidden defect and defects in documents that the Work or part thereof has at the time of handover to the Customer, and also defects that occur on the Work during the Warranty Period. The Work must be of agreed

quality and performance, must be fit for the agreed purpose and must retain the agreed properties.

- 3.7.4. The Parties have agreed that a material breach of the Contract for Work, i.e. a significant defect of the Work shall include, inter alia, the occurrence of such a defect which significantly hinders or even prevents the use (operation) of the Work, the mass occurrence of defects exceeding three (3) defects or repeated occurrence of the same defect after repairing the Work.
- 3.7.5. The Parties agree that defects in the Work for the purposes of the Contract for Work also include unfinished work.
- 3.7.6. The Customer is obliged to notify the Supplier of the defect in writing within twenty (20) Business Days from the day the defect was discovered. The Customer shall state the alleged defect or defects of the Work.
- 3.7.7. The Supplier undertakes to commence the removal of the defect(s) within five (5) Business Days of the defect notification (the complaint) by the Customer and to remove the defect(s) as soon as possible, but no later than five (5) Business Days from the beginning of their removal unless the Parties agree otherwise. If the Supplier fails to remedy the defects or fails to remove them within the agreed period, the Customer is entitled to have the defect(s) removed by a third party at the expense and risk of the Supplier. The Supplier undertakes to pay to the Customer the amount the Customer paid for such work to a third party. This does not affect the right of the Customer to request a reasonable discount on the price of the Work.
- 3.7.8. The Warranty Period commences on the day of the handover protocol by which the Work was accepted by the Customer without defects, otherwise on the day of removal of all defects and unfinished works identified during the handover of the Work.
- 3.7.9. The Warranty Period does not elapse if the performed Work or its part cannot be used in full due to the claimed defect, until its removal. New or repaired parts of the Work are subject to a new Warranty Period.
- 3.7.10. The Supplier is obliged to compensate the Customer for all costs and damage, material and immaterial, incurred due to defective performance.

3.8. Termination of Contract for Work

- 3.8.1. The contractual relationship established by the Contract for Work may be terminated by a written agreement of the Parties or by a written withdrawal of either Party in the event of a material breach of the Contract for Work by the other Party or in cases foreseen by these Terms and Conditions or generally binding legal regulations.
- 3.8.2. In particular, the Parties consider the following to be a material breach of the Contract for Work especially:
- i. if the Supplier breaches its obligations stipulated in the Contract for Work, these Terms and Conditions or generally binding legal regulations and fails to provide remedy even within a period of five (5) Business Days from the date on which the Supplier is requested to do so;
 - ii. a condition of the Work that does not allow its proper use (operation);
 - iii. the Supplier's delay in completing the Work for more than one (1) month; or
 - iv. the Customer's delay in payment of the price for Work for more than three (3) months.
- 3.8.3. In the event of a withdrawal from the Contract for Work, the Supplier shall only be entitled to a portion of the price of the Work corresponding to the part of the Work already duly performed prior to withdrawal from the Contract for Work, unless the Customer withdraws from the Contract for Work if partial performance of the Work is no use to the Customer.
- 3.8.4. In the written withdrawal from the Contract for Work, the withdrawing Party is obliged to state the reason for withdrawal from the Contract for Work. The withdrawal of the Party cancels the Contract for Work from its beginning and is effective as of the date of delivery of the notice of withdrawal to the other Party.
- 3.8.5. Withdrawal from the Contract for Work does not affect the right of either Party to the contractual penalty, damages and default interest due to breach of contract, or other provisions which, according to the expressed will of the Parties or due to their nature (in particular, the

rights and obligations under the quality guarantee and liability for defects in the Work) shall continue to be effective after the termination of the Purchase Agreement.

3.9. Penalties

- 3.9.1. If the Supplier is in default with any of the following obligations:
- i. completion of the Work within an agreed deadline; or
 - ii. removal of defects or unfinished work, whether identified prior to handover, during (in handover protocol) and / or at any time during the Warranty Period;
- shall be obliged to pay the Customer a contractual penalty of 0.5% of the price of the Work for each, even commenced, day of delay; the claim for payment of the contractual penalty arises to the Customer in relation to each breach of obligation separately.
- 3.9.2. The Customer in default of payment of the invoice shall pay to the Supplier default interest in the agreed amount of 0.05% for each, even commenced, day of delay on the outstanding amount of properly issued and delivered invoice, but not more than 5% of the price according to the Contract for Work in relation to which the Customer was in delay with payment of the price of the Work.
- 3.9.3. The contractual penalty shall be notified to the other Party in writing and shall be delivered to it. The amount of the contractual penalty and its justification must be included in the notification. The contractual penalty shall be paid within ten (10) days after the written request for payment has been delivered to the infringing Party.
- 3.9.4. The obligation to pay a contractual penalty does not affect the right of the relevant Party to compensation in full for material and non-material damage. The obligation to pay a contractual penalty may also arise repeatedly and the total amount of penalty is not limited, with the exception of Art. 3.9.2 of these Terms and Conditions.
- 3.9.5. The obligation to pay the contractual penalty shall continue even after the termination of the Contract for Work, as well as after withdrawal from either Party or both Parties.

4. COMMON PROVISIONS

4.1. Occupational Health and Safety, Fire Protection, Environmental Protection and Security

- 4.1.1. If the Supplier or its authorized and / or designated persons performing activities in or in connection with the fulfilment of obligations under the Contractual Documentation (hereinafter referred to as "**Supplier's employees**") are located in the Customer's premises (hereinafter referred to as the "**workplace**"), the Supplier is to ensure that the Supplier's employees comply with all relevant generally binding legal regulations and internal regulations of the Customer with which the Supplier has been demonstrably acquainted, in particular the regulations on work safety, fire protection, good manufacturing practice (GMP), etc.
- 4.1.2. The Supplier confirms that it has been acquainted with the internal regulations of the Customer. The Customer is entitled at any time during the term of the contractual relationship to amend these internal regulations and / or to submit new internal regulations to the Supplier (employees of the Supplier) or to issue binding instructions regarding workplace behaviour. The Supplier acknowledges that pharmaceutical production is taking place at the workplace and undertakes to instruct the Supplier's employees to comply strictly with the internal regulations and instructions of the Customer.
- 4.1.3. The Customer and the Supplier undertake to ensure that their activities and the work of their persons are organized, coordinated and carried out in such a way as to protect at the same time the persons, employees or other workers of the other Party or other employers in the workplace.
- 4.1.4. The organization and coordination of the work of the Customer's employees is ensured by the respective senior employees of the Customer. The organization and coordination of the work of the Supplier's employees is ensured by the respective senior Supplier's employees, but always only in accordance with Art. 4.1.1 of these Terms and Conditions.
- 4.1.5. The managerial staff of the Customer and the Supplier are obliged to cooperate in ensuring the safety and health protection at work of all employees and natural persons in the workplace.

- 4.1.6. The Customer and the Supplier agree that in performing the tasks of the Customer's employees and the Supplier's employees at the workplace, the Customer is entrusted with the coordination of the implementation of safety and health protection measures and procedures. The relevant senior employees of the Customer are designated to ensure the performance of this coordination.
- 4.1.7. The Supplier undertakes to coordinate according to Art. 4.1.6 of these Terms and Conditions the cooperation with the Customer and ensure that the measures to protect the safety and health of employees are met in the manner and within the deadlines set by the relevant managers of the Customer.
- 4.1.8. The Customer and the Supplier undertake to inform each other in writing about the risks and measures taken to protect them against their effects concerning the performance of work and the workplace, before commencing work at the workplace and whenever the scope or conditions of work not dealt with in writing are changed. The respective senior employees of the Supplier and the Customer are designated to ensure the performance of this obligation.
- 4.1.9. The Customer undertakes to familiarize the Supplier's employees with appropriate and adequate information and instructions to ensure safety and health at work and to take measures, in particular firefighting, first aid and evacuation in the event of an emergency, before commencing activities at the workplace.
- 4.1.10. The Supplier undertakes to inform in writing the relevant employees of the Customer about all persons who will carry out work for them at the workplace at least 1 day before starting their activity at the workplace. The Supplier undertakes to ensure that these persons do not enter any workplaces other than where they were designated to perform work activities and report to the relevant manager of the Customer prior to entering the workplaces where they were intended to perform work activities.
- 4.1.11. The Supplier undertakes to ensure that the Supplier's employees at the Customer's workplaces use personal protective work equipment with respect to the risks of the work performed and the nature of the workplace.
- 4.1.12. The Supplier undertakes to ensure that the Supplier's employees at the Customer's workplaces do not perform work that has not been agreed in advance with the Customer's employee and which is not the subject of the relevant contract.
- 4.1.13. The Supplier undertakes to ensure that all machinery, equipment, apparatus, tools, transport and handling equipment used by the Customer's workplaces will have valid inspections, inspections, service inspections and are in proper technical condition.
- 4.1.14. The Supplier undertakes to immediately inform the Customer in the event of an accident at work of the Supplier's employee or another person who stayed in the workplace with its knowledge and to cooperate in clarifying the causes and circumstances of the accident. The Supplier acknowledges that if the person performing activities for the Supplier refuses to test for the influence of alcohol or other addictive substances on the instruction of the respective manager of the Customer or the security guard, the Customer is entitled to ban this person from their premises and further entrance.
- 4.1.15. Wastes arising in connection with the activities of the Supplier and / or employees of the Supplier on the Customer's premises are the property of the Supplier. In this case, the supplier is considered to be their originator under the Waste Act. The Supplier is obliged to classify the resulting waste according to the types, to adequately secure it from leakage into the environment and to secure at its own costs further management according to the valid Waste Act and its implementing regulations through an authorized person for recovery or disposal of the waste, based on a contractual relationship with this authorized person. The Supplier shall bear the costs of these activities.
- 4.1.16. The Parties agree that in the event of a violation of the Prohibition of Smoking, Use of Alcoholic Beverages, Substance Abuse, Serious Violation of Occupational Safety, Health and Safety, GMP and Internal Customer Regulations that endanger the Customer's environment, property or their employees, or other persons, the Supplier is obliged to pay the Customer a contractual penalty of CZK 10,000 (in words: ten thousand Czech crowns) for each such breach of its obligation. The contractual penalty is payable within ten (10) days from the date of delivery of the Customer's written notice to the Supplier to the account specified in this notice.

4.2. Delivery

- 4.2.1. Any notice or other communication to be made pursuant to or in connection with the Contract Documentation must be made in writing:
- registered letter with acknowledgement of receipt; the date of delivery is the date indicated as the date of receipt on the delivery receipt; or
 - delivery to the Customer's or Supplier's registry; or
 - by fax; the date of delivery shall be the moment of dispatch if a copy of the Party's notification confirms that the notification has been sent to the recipient's fax number or;
 - by email; the date of delivery is the moment of dispatch, provided that it was sent to the following email addresses of the Customer in case of delivery to the Customer and to the address which the Customer and the Supplier used for communication in case of delivery to the Supplier;
 - delivery to the Customer's or Supplier's data box according to applicable legal regulations.
- 4.2.2. Customer's Delivery Details:
- Address: Fibichova 143, 566 01 Vysoké Mýto, Czech Republic;
 - e-mail of the contact person specified in the Contract Documentation;
 - Data box ID: ww8ga9.
- 4.2.3. All relevant communication shall be delivered to the Supplier to the address of the registered office or place of business registered in the Commercial Register or other Register, unless the Customer is provided with another contact address, or to the e-mail address of the person who communicated on behalf of the Supplier in the matter of Contractual Documentation and to the Supplier's data box.
- 4.2.4. If a notice received in accordance with the provisions of this Article is delivered on a day other than a Business Day, such notice shall be deemed to have been received on the first following Business Day for the purposes of the respective agreement.

4.3. Confidentiality

- 4.3.1. All data and information communicated by the parties when negotiating or in connection with the Contract Documentation is considered confidential within the meaning of Section 1730 of the Civil Code, and neither of the Parties may share it or disclose it to a third party, nor use it for their own use, otherwise the party who unlawfully used the confidential data in violation of this provision or legislation is obliged to compensate for the resulting damage and is obliged to release the unlawfully gained profit.
- 4.3.2. The Parties undertake not to disclose, transmit, or otherwise make available the contents of the Contract Documentation (except these Terms and Conditions) to third parties and to maintain the confidentiality of all facts relating to this Agreement or the interests of the other Party. This confidentiality obligation shall not apply where:
- the fact in question is or has become publicly known by means other than unauthorized disclosure in breach of this confidentiality arrangement;
 - the information shall be communicated to the auditors or expert advisers of the Party if such advisers are bound by the obligation of confidentiality to at least the same extent;
 - the other Party shall give its prior written consent, which shall not be unreasonably withheld; or
 - disclosure of the facts is imposed on the Party by a decision of a court or other public authority.

4.4. Other provisions

- 4.4.1. The Supplier declares that:
- it is not aware that the Customer would abuse its economic position when negotiating the Contractual Documentation;
 - it considers the mutual rights and obligations agreed in the Contract Documentation to be balanced;
 - all terms and conditions of the Contractual Documentation were determined by agreement of the Parties and not by one of them and the Supplier had a real opportunity to influence the content of these terms and conditions;
 - it had the opportunity to obtain qualified legal assistance in negotiating the Contract Documentation; and
 - it does not conclude the contractual documentation in distress, inexperienced or carelessly.

- 4.4.2. The Supplier expressly declares that it assumes the risk of changing circumstances in accordance with the provisions of Section 1765 (2) of the Civil Code.
- 4.4.3. The rights and obligations of the Parties, which are not expressly regulated by the Contractual Documentation, are governed by the Civil Code.
- 4.4.4. Unless otherwise expressly stated above, all actions to change or terminate the Contractual Documentation must be made in writing and delivered by registered letter, or by letter delivered by the courier service, to the address of the other Party stated in the contract header. Any Party is obliged to notify the other Party without undue delay of a change of delivery address or other contact details.
- 4.4.5. The Parties agree that the Supplier is not entitled to assign and / or pledge to any third party, in whole or in part, any receivables, rights and / or obligations arising out of or in connection with the Contractual Documentation without the prior written consent of the Customer.
- 4.4.6. The Parties agree that the Supplier is not entitled to assign as an assignor any rights and / or obligations arising from the Contract Documentation or any part thereof to a third party without the Customer's consent for the entire duration of the Contract.
- 4.4.7. The Parties agree that the Supplier is not entitled to unilaterally set off any of its claims against the Customer arising from the Contractual Documentation against the claims of the Customer against the Supplier.
- 4.4.8. The Parties agree that the Customer is entitled to unilaterally set off any of their due and unpaid claims from the Supplier arising from the Contractual Documentation against the Supplier's claims against the Customer, even against claims that are not due.
- 4.4.9. Both Parties agree that any disputes shall be settled by mutual agreement as a matter of priority. Any disputes that could arise from the Purchase Agreement or from the Contract for Work or in connection therewith or in connection with the Contract Documentation shall be settled by the competent courts of the Czech Republic, whose territorial jurisdiction will be determined according to the Customer's registered office.

4.5. Final Provisions

- 4.5.1. If any provision of the Contract Documentation that is not an essential part of it, is or becomes invalid, ineffective or unenforceable or apparent, or if it contains an inaccuracy, uncertainty or formal deficiency, such provision is fully separable from other provisions of the Contract Documentation and its invalidity, ineffectiveness, unenforceability or appearances shall have no effect on the existence, validity, effectiveness and enforceability of the Contract Documentation as a whole or any other provision thereof. The Parties undertake to replace such invalid, ineffective, apparent or unenforceable provision with a new valid, effective and enforceable provision which, in its content, will correspond as closely as possible to the substance and purpose of the relevant original provision of the Contract Documentation.
- 4.5.2. The termination of the Contract Documentation does not affect the effectiveness of those provisions of the Contract Documentation that are intended to persist until the settlement of all claims arising from the Contract Documentation.
- 4.5.3. These Terms and Conditions come into effect on the day indicated at the end of these Terms and Conditions. These Terms and Conditions shall cease to be effective upon the publication of new General Terms and Conditions by Glenmark Pharmaceuticals s.r.o.

Date of issue: 10/12/2019

Effective Date. 1/1/2020