



General terms and Conditions (Status: 28 July 2010)

I. Scope of application

The following terms and conditions of aniMedica international GmbH (hereinafter "aniMedica") shall apply for any agreements entered into between aniMedica and a contracting party regarding the shipment of goods unless expressly agreed otherwise in writing in a specific case. They shall also apply for any future business relations even if they are not expressly reiterated. Other terms and conditions of the contracting party not expressly recognised by aniMedica are not binding for aniMedica even if not expressly contradicted by aniMedica. Any agreements entered into between aniMedica and the contracting party in connection with contracts of sale are set forth in writing in the contract of sale, the present Terms & Conditions and the acknowledgment of the specific order.

II. Bids and conclusion of contracts

Bids submitted by aniMedica are not binding and subject to confirmation unless aniMedica has expressly designated such bids as binding in writing. Dimensions, weights, illustrations, drawings and other documents that form part of such non-binding bids of aniMedica remain the property of aniMedica and shall be considered as approximations unless specifically designated as binding by aniMedica.

III. Delivery dates / partial deliveries

In the event that either aniMedica or the contracting party as the seller culpably fails to meet an expressly agreed delivery date or is in default otherwise, an adequate extension shall be granted which begins either on the date default is reported to aniMedica in writing or is determined by the calendar. This shall not apply if aniMedica has expressly designated a deadline or a date of performance in writing. After unsuccessful expiry of such an extension, the contracting party or aniMedica is entitled to rescind the contract. In the event of default, aniMedica shall be liable to the contracting party in accordance with the legal provisions if such default is based on a grossly negligent or premeditated breach of obligations by aniMedica. Moreover, aniMedica and the contracting party shall also be liable for any culpable acts of their respective legal representatives or agents. If such default is based on a breach of contract due to negligence on the part of aniMedica, the liability of aniMedica shall be limited to the predictable damage which would typically occur, but to not more than 10 % of the value of that part of the total delivery which cannot be used in time or in accordance with the contract as a result of a delay or non-performance, respectively. This limitation of liability does not apply to damage resulting from injuries to life, body and health. If the default which aniMedica is responsible for is based on a culpable breach of a material contractual obligation, aniMedica shall also be liable as stipulated by law. In that case, liability shall, again, be limited to the predictable damage that will typically occur. In the event of default in payment of one of the contracting parties, there shall be no prejudice to other legal claims and rights of the respective other party. aniMedica is entitled to make partial deliveries or render partial services at any time if this does not affect the contracting party unreasonably. With the exception of the provisions of Sec. 321, German Civil Code (BGB), aniMedica shall also be entitled to refuse performance if the financial standing of the contracting party deteriorates after the effective date of the contract, especially if the creditworthiness of the contracting party is downgraded.

IV. Force majeure

If the production or delivery of goods sold becomes impossible, delayed or unduly impeded for reasons beyond the control of aniMedica, especially in all cases of force majeure, aniMedica shall be excused from its obligation to deliver for the duration of any such impediment plus an re-start period. In particular, such reasons may consist of acts of public authorities, delayed or incorrect deliveries to aniMedica, interruptions of operations, lawful strikes or lockouts and lockouts in third-party factories irrespective of whether they are legitimate or not. In such a case, aniMedica shall inform the contracting party of such events without delay, also stating the expected new delivery date. If the impediment should last for more than two months or performance of the contract become impossible long term, both parties are entitled to rescind the contract. There will be no liability for damages on the part of aniMedica in such a case.

V. Reservation of title

Any goods supplied shall remain the property of aniMedica until all claims from the business relationship between aniMedica and the contracting party have been settled. This shall also apply in cases where individual or all receivables have been included in a running account by aniMedica and the balance drawn and recognised. Submission of a draft or cheque shall always be subject to clearance; again, the title shall remain with aniMedica in such cases. Nor shall the reservation of title become void if the cheque or draft are cleared without reservations as long as other receivables of aniMedica are outstanding under the business relationship with the contracting party. In case of several receivables or a running account, the reservation of title shall serve to safeguard the outstanding balance. Pledging or mortgaging goods subject to reservation of title is not admissible. The contracting party shall keep the goods for aniMedica with the due diligence of a sound businessman, treat them with care and insure them adequately against all risks at its own expense. If so requested by aniMedica, the contracting party shall submit proof that adequate insurance has been taken out and the premiums paid regularly. In addition, aniMedica is entitled to request that a certificate to cover bankruptcy be issued. The contracting party is authorised to sell any goods subject to reservation of title in connection with its regular business. Any claims resulting from the sale of the goods or on another legal basis in connection with reservation of title, namely claims for surrender, damages and insurance payments, as well as balance claims shall be assigned by the contracting party to aniMedica even now, such assignment being accepted by aniMedica. If the goods are disposed of other than for payment in cash, the contracting party is obliged in turn to reserve the title to the goods sold. Assigning or mortgaging the receivables assigned to aniMedica as a surty is not permitted. The foregoing shall be without pre-

judice to the provisions of Sec. 354 a, German Commercial Code (HGB). The validity of the assignment of a claim is a prerequisite for the authority to resell the goods. The contracting party is authorised by aniMedica – which authority may be revoked at any time – to collect the claims assigned to aniMedica in its own name, but for the account of aniMedica. The foregoing shall not prejudice the authority of aniMedica to collect receivables itself, but aniMedica undertakes not to exercise such an authority of collection while the contracting party duly meets its payment obligations. Upon first request, the contracting party shall provide the names of the debtors of the assigned claims to aniMedica.

VI. Obligation of release

If the marketable value of all collateral assigned to aniMedica exceeds the secured claim by more than 20 %, aniMedica is obliged to release the excess collateral if so requested by the contracting party. The selection of the collateral to be released shall be at the sole discretion of aniMedica. The cost of such release shall be paid by the contracting party. The secured claim shall be valued at the nominal amount plus a surcharge of 10 % for interest and cost of the action. This does not rule out the option of proving a higher or lower marketable value.

VII. Notices of defects and warranty

The contracting party shall examine any goods received without delay, test them for functionality and report obvious defects immediately, but no later than 7 business days after receipt to aniMedica in writing. If a defect does not become evident until later (latent defect), it shall be reported in writing as soon as it has been identified. In that case, timely dispatch of the notice of defect shall suffice. If no notice of defect is sent in time, the goods are deemed to have been accepted. The contracting party shall report any transport damages to the forwarding agent and ask the agent for a damage assessment, informing aniMedica of such steps without delay. If the contracting party fails to meet this obligation, claims against aniMedica are ruled out. In the event of a defect legitimately reported, aniMedica is initially entitled to rectify or replace the defective part. If the second attempt at rectification or replacement should fail, the contracting party is entitled to ask for a reduction or the purchase price or to rescind the contract. The contracting party is not entitled to a replacement. The contracting party shall only be entitled to damage claims or rights of rescission on the grounds of non-existence of promised properties if such a promise was exclusively given for the purpose of protecting the contracting party against such an event.

VIII. Prices and payments

The VAT as applicable from time to time will be added to all the prices quoted. Payment is due within 14 days after receipt of the invoice. Exceptions will be granted only if other due dates have been expressly agreed and confirmed by aniMedica on the invoice. If payment is made by direct debit or bank charge, the contracting party shall ensure that sufficient funds are in the account on the due date. The costs of possible direct debit returns shall be payable by the contracting party. Offsetting claims or exercising a right of retention vis-à-vis the claims of aniMedica by the contracting party shall be admissible only if the claims of the contracting party are undisputed or established by a court-of-law. The contracting party shall be in default when the date indicated on the invoice has expired, but no later than 30 days after receipt of the invoice, without a separate reminder being required. The foregoing is without prejudice to other legal provisions regarding the onset of default. In the event of default, aniMedica is entitled to charge a default interest in the amount of 8 percent point above the basic interest rate applicable on the date in question and 5 percent points above the applicable basic interest rate for other receivables. In addition, dunning costs in the amount of EUR 5.00 per reminder of aniMedica shall be reimbursed by the contracting party. The foregoing does not rule out that further damages resulting from the default will be claimed. The contracting party is expressly allowed to prove that dunning costs did not occur or in a far lesser amount.

IX. Place of performance / jurisdiction / choice of law

The place of performance for all obligations from the relationship and for all individual transactions between the contracting party and aniMedica with the concomitant claims shall be the registered address of aniMedica. If shipments from aniMedica should be sent to the contracting party from a location other than the registered address of aniMedica, the place of performance shall be the respective loading location. To the extent an agreement pursuant to Sec. 38, German Code of Civil Procedure (ZPO) is admissible, exclusive jurisdiction for all of the claims described above – including proceedings in connection with drafts and cheques – shall lie with the court-of-law which has local and factual competence at the domicile of aniMedica. This shall be deemed as local jurisdiction also in those cases where international jurisdiction of German courts is cogent. In contrast to the provisions of the above paragraph, aniMedica is entitled to sue the contracting party in any other lawful jurisdiction. The legal relations between aniMedica and the contracting party arising from or in connection with the sale of goods are governed by the laws of the Federal Republic of Germany. The United Nations Convention on the International Sale of Goods (UN CISG) shall not apply.

X. Closing provisions

There are no collateral oral agreements. In order to be effective, any changes or amendments to the present Terms & Conditions and of all contracts entered into hereunder must be in writing. This also applies to any waiver of the written-form clause. A written contract with or a written confirmation by aniMedica is required for any specific individual agreements. In the event that individual provisions of the present Terms & Conditions should be against the law in full or in part or be invalid for other reasons, the validity of the remaining provisions shall not be affected. The parties shall replace such an invalid provision by an admissible one which comes closest to what was originally intended.