

General Terms of delivery and payment of Bio-Gate AG dated 30.12.2005

I. Field of Application

1. The following terms of sale are valid for all contracts between the Buyer and our company for the delivery of goods produced or distributed by us. They apply for all future businesses, as well, although they are not explicitly agreed upon again. Differing terms of the Buyer which we do not explicitly accept are without obligation for us, although we do not explicitly disagree. The following terms of sale are also valid, even if, knowing about adverse or differing terms of the customer, we execute the customer's order.

2. The contracts mentioned in I. 1. comprise all written agreements which were signed by the customer and us, in order to fulfil the contracts of purchase.

II. Offer and Conclusion of the Contract

1. We can accept the purchase order of the Buyer, which is to be qualified as the offer for the conclusion of a contract by sending a confirmation of order within two weeks or by the delivery of the ordered products within the same time.

2. Our offers are without engagement and obligation, unless we explicitly have declared them binding.

We reserve our right of ownership, copyright and other industrial property rights to all graphics, calculations, drawings and other documents. The Buyer may transfer them to third parties only with our written agreement, independent of the fact that we declared them to be confidential.

III. Payment Terms

1. Our prices are valid ex works without insurance, provided that the confirmation of order does not contain any other regulation. Our prices do not include the value added tax. This will be shown separately in our invoice in the legally fixed rate on the invoice date.

2. A deduction of cash discount is only accepted with a separate written agreement between us and the Buyer. The purchase price is due for payment net (without deduction), immediately after receiving the invoice, unless the acceptance of order does not contain any other term of payment. A payment is received, when we have the money at our disposal. In case of check payments, the payment is received, when the check is cashed.

3. Bank transfer fees are on the Buyer's account.

4. In case the Buyer is late in payment, the legal regulations are applied.

5. The Buyer is entitled to set-off, even if deficiency claims or counterclaims are asserted, only in the case that the counterclaims are legally ascertained, accepted by us or are undisputed. The Buyer is entitled to exercise the right of retention only in case his counterclaim is based on the same contractual relationship.

IV. Time of Delivery and Payment

1. Times and terms of delivery which were not explicitly agreed to be binding, are exclusively not binding data. The time of delivery indicated by us starts to run after the technical questions have been cleared. Likewise, the Buyer has to meet his obligations accordingly and duly.

2. In case the underlying contract of purchase is a fixed-date sale in accordance with the purpose of § 286 clause 2 No. 4 BGB (German Civil Code) or with § 376 HGB (German Commercial Code) we are liable according to legal regulations. This is also applied, in case the Buyer has the right to claim the discontinuance of his interest in further fulfilment of the contract as a result of delay in delivery, for which we are responsible. In this case our liability is limited to the foreseeable and typical damage, in case the delay in delivery does not rely on deliberately breaching the contract, for which we are responsible, whereas a default act of our legal representatives or employees could be assigned to us.

We are also liable for delay in delivery according to legal regulations, when the delay relies on deliberate or grossly negligent breach of contract, for which we are responsible, whereas a default act of our legal representatives or employees could be assigned to us. Our liability is limited to the foreseeable and typical caused damage, in case the delay in delivery does not rely on deliberate breach of contract, for which we are responsible.

3. For the case that a delay in delivery, for which we are responsible, relies on a culpable breach of an essential contractual obligation, whereas a default act of our legal representatives or employees could be assigned to us, we are liable in accordance with legal regulations with the proviso that in this case the liability for damages is limited to the foreseeable and typical damage.

4. Otherwise, in case of a delay in delivery, for which we are responsible, the Buyer is allowed to claim a fixed compensation amounting to 3 % of the value of the goods delivered but not more than maximum 15 % of the value of the goods delivered for each week passed since the delay in delivery. 5. A further liability for late delivery, for which we are responsible, is excluded. Further legal claims and rights which are entitled to the Buyer in addition to the claim for damages remain unaffected.

6. We are entitled to partial delivery and partial performance any time, as long as this is reasonable for the Buyer.

7. In case the Buyer is in default of acceptance, we are entitled to claim damages and compensation for possible additional expenditures. The same is applied, in case the Buyer culpably breaks the duties to cooperate. At the time the Buyer is in default of acceptance or debtors delay the risk of accidental deterioration and accidental loss passes to him.

V. Passing of the risk – Shipment/Packing

1. Loading and shipment are not insured and are on the Buyer's own risk. We will endeavour to consider the Buyer's requests and interests; additional costs arising in this context – also when free of charge delivery was agreed – are on Buyer's account.

2. We do not take back transport package and other packaging in accordance with the regulations on packaging, excluding pallets. The Buyer has to care for the disposal of the packaging at his own expenses.

3. In case the shipment of the goods is late, because of the Buyer's request or fault, we will store the goods on the Buyer's own expense and risk. In this case the notice of readiness for shipment is equated to shipment.

4. On request and account of the Buyer we will procure transport insurance for the delivery.

VI. Warranty/Liability

1. Warranty claims of the Buyer only exist, in case the Buyer has duly fulfilled his duty to examine and has met his requirements to give notice of defects in accordance with § 377 HGB (German Commercial Code).

2. As long as the product has a defect for which we are responsible, we are obliged to correct the fault, excluding the Buyer's rights to withdraw from the contract or to reduce the selling price (reduction), unless we have the right to refuse the correction of the fault according to legal regulations. The Buyer has to grant us an adequate additional time to correct the fault. The Buyer can choose, if the fault shall be corrected by remedy of defects (subsequent improvement) or delivery of substitutes. In case of the correction of fault, we will pay the expenses, as long as they do not increase, because the subject of the contract is located in another than the place of fulfilment. In case the correction of fault fails, the Buyer can choose between reducing the purchase price (reduction) or withdrawing from the contract. The correction of the fault failed with the second attempt in vain, unless, due to the subject of the contract, further corrections of the fault are adequate and reasonable.

Claims of damages because of defects under the following conditions can be asserted by the Buyer only when the correction of the fault failed. The Buyer's right to assert further claims according to the following conditions is unaffected.

3. Warranty claims of the Buyer become statute-barred within one year after the goods were delivered to him, unless we maliciously concealed the defect, in this case the legal regulations are applied. Our duties arising from chapter VI sub-clause 4 and chapter VI sub-clause 5 are unaffected.

4. In accordance with legal regulations we are entitled to take back the new products or to reduce the purchase price (reduction) also without the usual required fixing of a time limit, in case the customer of the Buyer as consumer of the purchased new chattel (purchase of consumer goods) could demand from the Buyer to take these products back or to reduce the purchase price

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(reduction), because of a defect of this product or the Buyer is confronted with a similar claim under a right of recourse resulting from this. In addition, we are entitled to pay for the Buyer's expenses in particular for shipment, infrastructure, work done and material which the Buyer had to pay in connection with the correction of faults in relation to the final consumer, due to a fault of the product existing at the time the risk passed from us to the Buyer. The claim is excluded, in case the Buyer has fulfilled his duty to examine and has met his requirements to give notice of defects in accordance with § 377 HGB (German Commercial Code).

5. The obligation in accordance with chapter VI sub-clause 4 is excluded, provided that the fault is a matter of an advertising statement or of other contractual agreements that do not come from us, or else, in case the Buyer has issued a special guarantee to the consumer. The obligation is also excluded in case the Buyer himself was not entitled to have an obligation under a warranty issued to the consumer on the basis of legal regulations or has not notified a defect in connection with a claim raised against him. This is also valid for the case the Buyer has issued a warranty to the consumer which exceeds legal regulations.

6. In accordance with legal regulations we are unrestrictedly liable for damages, arising from injury of life, the body or health which is caused by a negligent or deliberate breach of duty by us, our legal representatives or employees as well as for damages which are comprised by liability according to the law of product liability. We are liable for damages which are not comprised by clause 1 and which are caused by deliberate or gross negligent breach of the contract as well as malice from us, our legal representatives or our employees according to legal regulations. In that case the liability for damages is limited to the foreseeable typical damage, unless we, our legal representatives or employees did not act deliberately. For goods or their parts, for which we issued a warranty regarding the quality and/or durability, we are liable within the scope of this guarantee. For damages due to the lack of a guaranteed quality or durability but which do not directly affect the product we are liable only in case the risk of such damage is obviously comprised by the warranty regarding the quality and/or durability.

7. We are also liable for damages which are caused by ordinary negligence, as far as the negligence affects the breach of contractual obligations, observation of which is of special importance for achieving the purpose of the contract (cardinal obligation). But we are only liable for damages as long as they are typically combined with the contract and are foreseeable.

8. A further liability is excluded irrespective of the legal status of the claim asserted, this is also applied especially to claims under the law of torts or claims for compensation of useless expenses instead of payment; unaffected by this is our liability in accordance with chapter IV sub-clause 2 to chapter IV sub-clause 5 of these General Terms of Delivery and Payment. As far as our liability is excluded or limited, this is also applied to the individual liability of our white-collar workers, jobholders, co-workers, sales persons and employees.

9. Damage claims of the Buyer because of a defect become statute-barred one year after the goods were delivered. This is not applied in case we, our legal representatives or employees are culpable for injury of life, the body or health or we or our legal representatives acted deliberately or gross negligent or our employees acted deliberately.

VII. Reservation of Ownership

1. The delivered goods (reserved goods) remain our property until all claims, including balance claims arising from current account receivable of the Buyer now or in future have been fulfilled. In case the Buyer is acting in breach of contract, e.g. late payment, we have the right, after setting a fixed time, to take back the reserved goods. Taking back the reserved goods by us is equated to withdrawal from the contract. In case we distrain the reserved goods, it is a withdrawal from the contract. After taking back the reserved goods we are entitled to dispose them. After deduction of a reasonable amount for the costs of disposal, we will set the proceeds of the disposal against the amount owed by the Buyer.

2. The Buyer has to treat the reserved goods carefully and has to insure them adequately at replacement value against damages of

fire, water and theft at his own costs. The Buyer has to carry out works of maintenance inspections in due time at his own costs.

3. The Buyer has the right to duly sell and/or use the reserved goods in his business relations, unless he is not late in payment. Pledging or chattel mortgage is not allowed. Claims (including all balance claims of the current account), arising from the resale or from any other legal ground (insurance, tortuous act) in connection with the reserved goods, will be assigned to us as a precaution by the Buyer to the full extent by now; we herewith accept the assignation. We revocably authorise the Buyer, to collect the assigned debts for his account in his own name. The collection authorisation may be cancelled any time, in case the Buyer will not duly meet his obligations to pay. The Buyer is not allowed to assign this debt not even for the purpose of collecting the debt in the way of factoring, unless at the same time the obligation of the factor is created to effect a consideration in the amount of accounts receivable directly to us, as long as we still have accounts receivable against the Buyer.

4. The Buyer will work-up or rebuild the reserved goods for us at any rate. Provided that the reserved goods will be worked up with other goods which do not belong to us, we will acquire co-ownership of the newly produced goods proportional to the price of the reserved goods (invoice final amount inclusive value added tax) and to the other worked-up products. The same regulations are applied to the goods newly produced by working-up and to the reserved goods. In case of inseparable blending of the reserved goods with other goods which are not our property, we will acquire co-ownership of the newly produced goods proportional to the price of the reserved goods (invoice final amount inclusive value added tax) and to the other worked-up products at the time of their blending. In case the Buyer's product as a result of the blending is regarded as the main product, the Buyer and we agree that the Buyer will transfer proportional co-ownership to us; we herewith accept the transfer. Our sole ownership or co-ownership of a product, which we received in this way will be kept by the Buyer.

5. In case of access to the reserved goods by third parties, especially in case of distraint, the Buyer will point out to our property and immediately inform us, in order that we can assert our right of ownership. Unless the third party is not in the position to compensate our legal and extrajudicial expenses, arising in this connection, the Buyer is liable for it.

6. We are entitled to provide securities in so far as the realised amount of our securities exceeds the debts to be secured by more than 10 %, thereby we are incumbent upon the choice of the security provided.

VIII. Place of Fulfilment, Place of Jurisdiction, Application of Law

1. Place of fulfilment and place of jurisdiction for deliveries and payments (including legal actions based on a check or bill of exchange) as well as for all disputes between us and the Buyer, arising from the contracts signed by us and him, is our office in Nuremberg (Nürnberg in Germany). But we are entitled to bring an action against the Buyer at the place of his domicile or office.

2. The relations between the contractual partners are regulated according to the applicable law of the Federal Republic of Germany. The application of the uniform law about the international purchase of chattels, and also of the law about the conclusion of international contracts of purchase of chattels is excluded.