

Pharmatech, Inc. Sales Order Acknowledgment; Terms and Conditions

Version: 113020

Pharmatech, Inc. ("Pharmatech") acknowledges receipt of and thanks you for your order, which has been numbered and transcribed as shown in the Sales Order Acknowledgement. We would appreciate your notifying us immediately if there are any errors in the SALES ORDER ACKNOWLEDGEMENT. The terms and conditions stated on this SALES ORDER ACKNOWLEDGEMENT shall constitute the sole terms and conditions of the accompanying Order (as defined below) and supersede any and all prior negotiations, commitments and writings of Pharmatech and Buyer (as defined below). This SALES ORDER ACKNOWLEDGEMENT shall be effective upon the Buyer's signature. If the Buyer does not sign the SALES ORDER ACKNOWLEDGEMENT, the Buyer shall be deemed to accept all terms and provision contained in this Acknowledgement by its performance of all or any part of its payment obligation or its acceptance of all or any part of the Goods.

1. Definitions. "Buyer" means the individual, corporation, or other legal entity that is listed on the signature page of this Acknowledgement and that has submitted an Order to Pharmatech. "Order" means Buyer's expressed desire, whether oral or written, to purchase Goods from Pharmatech. "Goods" means all of the products, materials and related services that Buyer desires to purchase from Pharmatech. The sale of the Goods that are the subject of the Order will be governed by the terms of this Sales Order Acknowledgment ("Acknowledgment"). "Change of Control Event" means the event undergone by a Party which is significant enough to affect the Party's ability to perform this Acknowledgement, and which includes without limitation out contracted management, enterprise transformation in line with stock system, joint operation, merger, joint venture, division, decrease of registered capital, change in shareholding structure, transfer of major asset, dissolution, and liquidation.
2. Acceptance. All Orders are subject to written acceptance by Pharmatech. Pharmatech objects to any terms or conditions which differ from, or are additional to, those stated on this Acknowledgement or any approved Order. After acceptance of an Order by Pharmatech, the Order and this Acknowledgement may only be modified in writing signed by Pharmatech or a duly authorized representative thereof.
3. Price. Unless specified otherwise in a writing signed by Pharmatech, the prices and charges stated in the SALES ORDER ACKNOWLEDGEMENT will not be adjusted. The prices and charges stated in this Acknowledgement do not include any sales or other similar taxes that Pharmatech is required to pay under applicable laws and regulations in respect of the Goods, excluding taxes based on Pharmatech's income.
4. Payment. Whenever reasonable grounds (including Change of Control Event) for insecurity arise with respect to due payment by Buyer, Pharmatech may demand different terms of payment and assurance of Buyer's due payment. Any such demand may be oral or written and Pharmatech may, upon the mailing of such demand, stop production and suspend shipments under this Acknowledgment. If, within the period stated in such demand, Buyer fails or refuses to agree to such different terms of payment or fails or refuses to give adequate assurance of due payment, Pharmatech may, at its option, treat such failure or refusal as a repudiation of the portion of the Order which has not been fully performed, or Pharmatech may resume production and may make shipment under reservation of possession or of a

security interest and may demand payment against tender of documents of title. Buyer expressly grants to Pharmatech a security interest in the Goods. Pharmatech may take any action it deems necessary to perfect such security interests. Pharmatech reserves the right to claim an interest in the Goods and assess a reasonable storage fee in the event of a payment failure by the due date provided in the Order or otherwise established between the Parties. Interest on all unpaid amounts shall accrue at the rate of 18% per annum.

5. Delays. Unless a shipping date is specified as firm in this Acknowledgment or in a writing signed by Pharmatech, Pharmatech will use commercially reasonable efforts to fill all Orders in accordance with the estimated shipping date determined by Pharmatech. PHARMATECH SHALL NOT BE RESPONSIBLE FOR ANY DELAYS IN FILLING ANY ORDER NOR BE LIABLE FOR ANY LOSSES OR DAMAGES RESULTING FROM SUCH DELAYS, AND THE ORDER WILL NOT BE SUBJECT TO CANCELLATION BY BUYER FOR SUCH DELAYS.

6. Quality. Inspection, acceptance or rightful rejection of the Goods must be made within ten (10) days after Delivery (as defined below). Buyer must notify Pharmatech in writing within such ten (10) days of any packaging problem or corrosion of the Goods. For other surface or properties quality problems, Buyer shall make the claim in writing to Pharmatech within one (1) month after Delivery; and for internal structure quality problems, Buyer shall do so within three (3) months after Delivery. In case of any claims, Buyer shall hold Goods concerned with reasonable care pending Pharmatech's inspection. PROVIDED BUYER DOES NOT RAISE A QUALITY CLAIM WITHIN THE AFORESAID TIME LIMITS, THE QUALITY OF GOODS SHALL BE DEEMED SATISFACTORY TO BUYER.

7. Warranty. Pharmatech warrants to Buyer that the Goods will, at the time of shipment, substantially conform to the description in this Acknowledgment, that it will convey good title to the Goods; that such Goods will be delivered free from any lawful security interest or other lien or encumbrance, and that for a period of three (3) months from the date of shipment, such Goods will be free from defects in material and workmanship. PHARMATECH MAKES NO WARRANTY THAT THE GOODS WILL BE MERCHANTABLE OR FIT FOR ANY PARTICULAR PURPOSE. PHARMATECH MAKES NO WARRANTY EXPRESSED OR IMPLIED REGARDING THE GOODS EXCEPT SUCH AS IS EXPRESSLY SET FORTH HEREIN.

8. Shipments. (a) Unless set forth to the contrary in this Acknowledgment, Pharmatech may, at its election, make partial shipments and may invoice for each such partial shipment separately. Each partial shipment will be deemed to be a separate sale; however, delay in the delivery of any partial shipment will not relieve Buyer of its obligation to accept delivery of any remaining shipments under this Acknowledgment. A standard quantity tolerance of +/- ten percent (+/-10%) shall be applied to all Orders.

9. Limitation of Liability. (a) PHARMATECH'S SOLE LIABILITY AND BUYER'S EXCLUSIVE REMEDY FOR ANY TENDER OF NONCONFORMING GOODS OR BREACH OF WARRANTY, IS EXPRESSLY LIMITED TO PHARMATECH'S CHOICE AT ITS DISCRETION OF (i) THE REPAIR OF THE NONCONFORMING GOODS, (ii) THE REPLACEMENT OF THE NONCONFORMING GOODS WITH CONFORMING GOODS AT THE PLACE OF DELIVERY SHOWN IN THE SALES ORDER ACKNOWLEDGEMENT , OR (iii) THE REFUND OF THAT PORTION OF THE PURCHASE PRICE REPRESENTED BY THE NONCONFORMING GOODS. ANY SUCH REPAIR, REPLACEMENT OR REFUND WILL BE MADE ONLY UPON RETURN OF THE NONCONFORMING GOODS, WHICH MAY BE RETURNED AT PHARMATECH'S COST ONLY AFTER PHARMATECH'S INSPECTION AND BUYER'S RECEIPT FROM PHARMATECH OF SHIPPING INSTRUCTIONS. (b) PHARMATECH WILL NOT BE

LIABLE FOR ANY INCIDENTAL, CONSEQUENTIAL, INDIRECT, SPECIAL, CONTINGENT, OR PUNITIVE DAMAGES FOR (i) ANY BREACH OF WARRANTY, WHETHER BASED ON THEORIES OF BREACH OF WARRANTY, BREACH OF CONTRACT, TORT, STRICT LIABILITY OR OTHERWISE; (ii) THE TENDER OF DEFECTIVE OR CONCONFORMING GOODS; OR (iii) BREACH OF ANY OTHER PROVISION OF THIS ACKNOWLEDGEMENT. IN ANY EVENT, PHARMATECH'S LIABILITY TO BUYER WILL NOT EXCEED THE PURCHASE PRICE OF THE GOODS ON WHICH SUCH LIABILITY IS BASED.

10. Indemnity. Buyer will release, hold harmless, indemnify and defend Pharmatech from any liability (including without limitation liability for negligence or strict liability) claims, losses, suits and costs caused by, arising out of or relating to the design of the Goods supplied under this Acknowledgment or the design of the packages or containers in which they are shipped, if such Goods, packages or containers are made in compliance with Buyer's design or specification.

11. Termination and Force Majeure. (a) Unless otherwise provided under this Acknowledgement, Buyer may not terminate this Order or this Acknowledgment without the written consent of Pharmatech. If Pharmatech consents to such termination, reasonable termination charges, computed by Pharmatech, will be assessed in connection with such termination. For the avoidance of doubt, Pharmatech's termination charges include, but are not limited to, applicable price for the Goods of which Pharmatech has completed manufacture prior to the termination effective date, work in process, materials purchased and applicable labor costs. (b) In the event of a default by either party, the party which is not in default will have the right to immediately terminate this Acknowledgement by giving written notice of termination to the defaulting party. A "Default" will mean any failure by a party to make payment or to perform any obligation pursuant to this Acknowledgement for any reason other than an event of Force Majeure (as defined herein), when the defaulting party has failed to remedy or diligently commence to remedy such failure to perform within 30 days after receiving written notice thereof from the other party. Notwithstanding the foregoing an event of Force Majeure shall not be a defense to a failure to pay any amounts required under this Acknowledgement or any Order. (c) Neither Buyer nor Pharmatech will be in default of its obligations hereunder (other than the obligation to pay money when due) if its failure to perform the obligation is caused by accidents; differences with workmen; shortages of labor, materials, fuel or power; fires, floods, or other acts of God; priorities required, requested or granted for the benefit of the national or any local government; restrictions imposed by national or local legislation or regulations thereunder; or any cause, whether similar or dissimilar to those enumerated above, which is beyond the control of a party ("Force Majeure", including without limitation cease of production/operation by a company due to economic hardship). Neither party will be liable for any delay in performing its obligations hereunder (other than the obligation to pay money when due) if such delay is caused by force majeure, provided that such party promptly, and in no case later than the fifth day of the occurrence of the Force Majeure event, notifies the other party in writing (with appropriate evidence of the occurrence of the Force Majeure event), and uses all reasonable endeavors to mitigate the impact of the Force Majeure event on its performance of this Acknowledgement.

12. Delivery and Transportation. (a) All prices defined on the SALES ORDER ACKNOWLEDGEMENT are prices for shipment of Goods under the shipping term as specified on the face the SALES ORDER ACKNOWLEDGEMENT in the column of "Incoterms"(the "Shipping Term") according to the most up-to-date INCOTERMS. Delivery of Goods ("Delivery") will be deemed to have been performed and completed, and risks of damage to or loss of Goods shall also be shifted to Buyer, according to the required Shipping Term. Provided that there's no Shipping Term specified on the face of this

Acknowledgement, the Shipping Term under this Acknowledgment is EXW Pharmatech's plant, and the cost of transportation and risk of loss or damage after Delivery will be borne by Buyer. (b) Provided that Pharmatech bears the cost of transportation of Goods to a destination, the method and agency of transportation and the routing will be designated by Pharmatech. Excess packing, shipping and transportation charges resulting from compliance with respect to the use of any agency or method of transportation or any routing other than that which would be designated by Pharmatech will be for Buyer's account. (c) Buyer shall timely reply to Pharmatech's delivery notice, confirm the delivery date proposed by Pharmatech, and pick up the Goods at the destination on the confirmed arriving date ("Delivery Date"). In case Buyer fails to confirm with Pharmatech the delivery date within reasonable time, or fails or rejects to pick up the Goods on the Delivery Date at the destination, Buyer agrees that Pharmatech may take reasonable measures to protect the Goods. In addition, Buyer agrees to pay Pharmatech, from the first day after the date proposed by Pharmatech (in case Buyer fails to confirm the delivery date timely), or from the first day after the Delivery Date (in case Buyer fails to pick up the Goods at the Delivery Date), until the date it actually picks up the Goods, management fees at the rate of 0.2% per day of the total value of the Goods, and compensate Pharmatech all other expenses and losses caused by Buyer's delay in picking up the Goods. Such expense and losses include without limitation drawing fees, warehousing fees, uploading/downloading fees, freight, relevant expenses for auction or resale, (d) Only after Buyer has fully compensated Pharmatech for all the expenses and losses provided in paragraph (d) above, it may request that Pharmatech ship/release the relevant Goods again. And unless it's otherwise agreed by Buyer and Pharmatech, if Buyer has not picked up the Goods or fully compensated Pharmatech for the expenses and losses in paragraph (c) above within thirty (30) days from the Delivery Date, Pharmatech shall be entitled to revoke partially or wholly this Acknowledgement, call back the title of relevant Goods, without refunding any payment that Buyer already paid.

13. Title and Risk Transfer. Title and risks of Goods transfer to Buyer upon completion of Delivery.

14. Governing Law and Dispute Resolution. (a) This Acknowledgement will be governed by the laws of the State of Utah. Any suit or action arising out of this Acknowledgment or any Order shall be exclusively brought in the state court of Utah in and for Utah County. Buyer consents to jurisdiction in such court and expressly waives any defense to jurisdiction in Utah, including forum non conveniens. The prevailing party in any suit or action shall be entitled to collect attorney fees and costs from the non-prevailing party.

15. Miscellaneous. (a) No provision of this Acknowledgment and no breach of any provision of this Acknowledgment will be deemed waived by reason of any previous waiver or breach of such provision. (b) This Acknowledgment may be performed, and all rights under this Acknowledgment may be enforced against Buyer, by Pharmatech or by any subsidiary or affiliate of Pharmatech. (c) The Acknowledgment may not be assigned by Buyer without the prior written consent of Pharmatech.