

## General Conditions of Purchase



These general conditions of purchase govern all purchase agreements made and other contracts relating to goods and services made, or agreed to by Weibel CDS AG. In case delivery conditions of our suppliers or service providers differ from these terms, they shall apply only after having been expressly confirmed by us in writing. Acceptance of an order shall be deemed as recognition of our terms.

All agreements and legally relevant declarations of the parties to the contract must be in writing to be valid.

### 1. Orders

All purchases for goods or services must be through a purchase order issued in writing and sent to the supplier by post, e-mail or fax.

The supplier shall acknowledge the order within three (3) working days after receipt by mail or fax, or by returning a duly signed copy to Weibel CDS AG.

Where no such acknowledgment of receipt is issued, the commencement of the completion of the order shall be considered by the fact itself as an implicit acceptance of the terms of the order.

Purchase orders shall not be subcontracted in whole or in part without prior written approval of Weibel CDS AG.

### 2. Compliance

Without prejudice to the provisions of any compliance with laws and regulations, the supply shall be in compliance with the drawings and specifications issued by Weibel CDS AG. No modification, even minor, shall be made without the prior consent of Weibel CDS AG.

With the acceptance of the order, the supplier confirms to have the quality system and methods in place required to execute the supply of goods or services.

The supplier shall satisfy the requirements of the laws, regulations and standards in force in particular, but not exhaustively, with regard to hygiene, safety, child labor and the protection of the environment. The supplier shall guarantee Weibel CDS AG against any and all actions resulting from the non-observance of these provisions, and agrees to bear any and all financial and other consequences thereof.

With each and every delivery, the supplier will provide the appropriate certification stating the place of manufacture of the supply, a certificate of Analysis (CoA) or other certification as stated on the order.

### 3. Drawings, technical documents and tools

Any and all written materials provided to the supplier in connection with this contract and any technical documents, tools, drawings, work standard sheets, sketches, calculations etc. originating from Weibel CDS AG constitute the intellectual property of Weibel CDS AG and Weibel CDS AG shall retain exclusive ownership thereof. The supplier is not entitled to file any application for intellectual property rights (including but not limited to patent applications) based on or incorporating any details of information or results obtained in the course of the business relationship or products of Weibel CDS AG.

All information submitted shall not be made accessible to third parties or be reproduced, or be used for purposes other than agreed upon.

Tools and molds of all kind remain in all cases the property of Weibel CDS AG. This is especially applicable to tools and molds paid for in full or in part by the customer.

#### **4. Industrial and intellectual property rights**

The supplier shall be responsible for confirming the validity of its industrial and/or intellectual property rights related to the manufacture and the sale of the supply.

In the event that legal proceedings are brought by a third party in order to prevent, limit or modify the marketing or the sale of the said supply, the supplier shall be solely liable for any and all prejudice arising from such proceedings. The supplier shall also be responsible for all prejudice resulting from Weibel CDS AGs' total or partial failure to fulfill its obligations with regards to its customers, including any damages which Weibel CDS AG would have to pay to its customers due to such failure.

In the case of proceedings brought against Weibel CDS AG, Weibel CDS AG reserves the right to automatically terminate all transactions in progress by sending a registered letter, return receipt requested, without prejudice to all the rights and any proceedings Weibel CDS AG may have or take against the supplier.

#### **5. Delivery date**

Any agreed delivery dates for goods or services are binding. If any delays are anticipated or in fact occur, the supplier shall promptly notify Weibel CDS AG thereof.

If delivery dates are not met, then Weibel CDS AG may demand compensatory damages, without prejudicing its other rights and may charge a penalty in respect of each commenced working day of delay amounting to 0.5 % but not exceeding a total of 10 % of the total value of the order. Such penalty charge will be deducted from payments made to the supplier.

If the supplier fails to perform its contractual duties within a reasonable time period of grace stipulated by Weibel CDS AG, then Weibel CDS AG will have the right, following the expiration of such period, to commission a third party to perform the agreement and to demand the supplier to reimburse Weibel CDS AG for necessary expenses and additional costs incurred as a result and to cancel the order with immediate effect. In case of such a cancellation, the supplier shall have no rights to claim any damages whatsoever.

#### **6. Prices, delivery and payment terms**

The prices are firm, non-revisable and include all expenses connected with the goods and services to be provided by the Supplier.

The delivery conditions are DDP (Delivered Duty Paid) as defined in Incoterms 2010. The supplier shall bear all transport and unloading costs, customs duties, taxes as well as insurance costs and all risks, until final receipt of the supply at the by Weibel CDS AG designated address.

The invoice shall bear all the information appearing on the order and necessary for the identification and the control of the supply. The invoice shall be sent to the invoicing address written on the order.

Except if otherwise stipulated on the order, all purchases are payable within 60 days.

Weibel CDS AG expressly reserves the right to automatically deduct from the payments made to the supplier, any and all sums which it may owe to Weibel CDS AG for whatever reason.

Any payments made will not constitute a recognition that the goods or services are contractually conforming. In the event any good or service is non-conforming or incomplete, Weibel CDS AG is entitled, without prejudicing its other rights, to withhold any payment for any and all claims arising from the business relationship with the supplier in a reasonable scope and without compensation obligation for Weibel CDS AG until the proper supplementary performance has been completed by the supplier, without losing any rebates, cash discounts, or similar payment benefits.

**7. Packaging and delivery documents**

Any goods shall be packed in accordance with the specifications or purchase order, and in the absence of any other indications, according to the norms and standards applied in the pharmaceutical industry. Any damage to the goods delivered, due to inappropriate packaging, shall be borne by the supplier.

Each unit of packaging shall bear on the outside and in a clearly legible manner, the markings required, as well as the instructions related to any special conditions for storage or transportation.

Each unit of packaging shall, in addition, bear the purchase order number of Weibel CDS AG, lot number, designation of the goods, quantity delivered or the gross or net weight.

The supplier shall attach to the shipment a detailed delivery note bearing the order number, the part number, the lot number, the nature of the packaging and number of packages together with the information appearing on the purchase order and necessary for the identification of the supply and its quantitative control.

The supplier shall comply with all applicable export control, customs and foreign trade regulations.

**8. Receipt - Warranty**

Goods will be inspected upon receipt, and such inspection shall be done on a sampling basis. If the quality levels are not met, then Weibel CDS AG will have the right to completely reject the goods or carry out a full, 100% inspection at the suppliers' expense.

Weibel CDS AG shall promptly notify the supplier regarding any obvious defects in the goods or services supplied, as soon as such defects are identified in the ordinary course of business.

All non-conforming goods may be returned to the supplier at its own risks and expense.

The supplier shall be liable for all costs (scrap, storage, sorting out, alterations, tool breaks, breakdowns, production stoppages, recall campaigns, indemnities, consequential damages, etc.) incurred by Weibel CDS AG as a result of the non-conformity.

In addition, in the event of non-conforming delivery, Weibel CDS AG shall be entitled to terminate the order.

The supplier shall be fully responsible for the design and/or the manufacture of the supply according to the task assignment made in the purchase order or the specification.

The supplier warrants that its supply shall be free from any defects or operating defects, apparent or hidden in design, material or workmanship, and that it will indemnify Weibel CDS AG against all direct and indirect damages arising from any such defects, in proportion to its liability and up to and for the duration of Weibel CDS AGs' obligations towards the customer of its products in which the supply is integrated.

At the end of the contractual warranty period, the supplier shall remain liable for all consequences, direct or indirect, arising from hidden defects which may affect the supply. All clauses that tend to reduce the legal warranty are deemed void.

If Weibel CDS AG or its customer decides to recall the supply or a product incorporating the supply, the supplier shall be liable to Weibel CDS AG, in proportion to its liability, for all damages suffered by Weibel CDS AG.

The Supplier is obliged to set up and to keep an adequate and sufficient insurance for all his main and collateral performances of his contractual duties during the contract period with Weibel CDS AG and undertakes to evidence its insurance and the payment of the premiums upon first request by Weibel CDS AG.

**9. Confidentiality**

The supplier shall be bound by trade secrecy. All information given by Weibel CDS AG is confidential and the supplier shall take all necessary measures to ensure that neither the supplier, nor any of its employees, agents, consultants whether permanent or occasional, suppliers or subcontractors, shall communicate or divulge to any third party any information, in particular specifications, formulae, designs, drawings, with respect to Weibel CDS AGs' orders.

This requirement of confidentiality shall be maintained for the whole duration of the performance of the order and for a five (5) year period thereafter. Immediately upon completion of the order and upon Weibel CDS AGs' request, the supplier undertakes to return to Weibel CDS AG all documents, confidential or otherwise, related thereto.

**10. Jurisdiction and applicable law**

All legal relationships between the parties will be exclusively governed by Swiss substantive law.

St. Gallen, Switzerland will be the place of jurisdiction for both parties in all matters.

In case Weibel CDS AG appears as plaintiff, it will be entitled to enter an action also at the suppliers' or service providers' place of business.

The application of the United Nations Convention on Contracts for the International Sale of Goods is excluded.

Weibel CDS AG

Waldstatt, Switzerland, June 2013