

# WEIDMANN

## General Terms and Conditions of Business

for WEIDMANN MEDICAL TECHNOLOGY AG, CH-8640 Rapperswil

### 1 Scope

1.1 These General Terms and Conditions of Business for WEIDMANN MEDICAL TECHNOLOGY AG (WEIDMANN) apply to all deliveries and services from WEIDMANN, to such an extent as reference is made to these General Terms and Conditions of Business by WEIDMANN in corresponding contracts with customers or in the confirmation of orders.

1.2 Deviations from these General Terms and Conditions of Business, on a case by case basis, must be in writing.

### 2. New part projects

#### 2.1 Term

2.1.1 A new part project is a contractual relationship between WEIDMANN and a new or existing customer (the Customer) within the scope of which WEIDMANN develops a product and/or tool according to the requirements of the Customer, or, if the contractual relationship calls for a product, WEIDMANN develops the specified product to a state that is ready for production.

#### 2.2 Subject matter and performance

2.2.1 The organization of the project which is defined by the parties at the start of the project forms a constituent part of the project contract. This applies in particular to the definition of specifications and outlined conditions for the product. A certain output quantity is only deemed to be guaranteed if it is agreed upon contractually, upon placement of the order for the tool, or at the commencement of series production.

2.2.2 Alterations to specifications and the outlined conditions for the product to be developed must be agreed upon in writing. WEIDMANN will notify the Customer in advance as to how far the alterations will affect the time schedule and costs.

2.2.3 Conclusion of the development project is announced by notification by WEIDMANN that the development work has been completed and the product (prototype or pilot series) is ready for approval for series production by the Customer. This is followed by a joint testing of the product by the Customer and WEIDMANN.

2.2.4 The product is approved for series production and the development project is complete if the testing shows that the agreed upon specifications and outlined conditions have been observed. The same shall apply if the Customer shall decline to participate in the testing within thirty days following the notification.

2.2.5 WEIDMANN may and shall carry out the necessary work of subsequent improvement if the testing should show that the agreed specifications and outlined conditions have not been observed in minor respects. There shall then follow renewed testing according to clause 2.2.3 hereto. The Customer may cancel the project if WEIDMANN shall be unsuccessful in meeting the agreed specifications and outlined conditions following two attempts.

2.2.6 The Customer may at its option either cancel the project or oblige WEIDMANN to carry out the necessary work of subsequent improvement, if the testing should show that the agreed specifications and outlined conditions have not been observed in major respects, provided that this appears possible with proportional expense. There shall then follow renewed testing according to clause 2.2.3 hereto. The Customer may cancel the project if WEIDMANN is unsuccessful in meeting the agreed specifications and outlined conditions following two attempts.

2.2.7 The phase of serial supply in accordance with Chapter 3 of these General Terms and Conditions of Business begins with completion of the project and approval for series production.

#### 2.3 Development costs

2.3.1 Development costs include all expenditures by WEIDMANN which become due during the new part project, in particular, costs for labor, infrastructure and manufacture of tools.

2.3.2 In the project contract, the parties shall agree as to how the development costs are to be settled. Settlement may be made either by being taken into account in the price per item for the serial supply, or instead, by the customer making a single payment. Payment for development costs shall be made in the form of a single payment in the absence of a corresponding agreement.

2.3.3 The parties shall determine in advance the amount of the development costs or method of calculation and due date for payment, if payment by way of a single payment is agreed. WEIDMANN may invoice the actual expenditure at usual rates, in the absence of such agreement. The development costs shall be due for payment within thirty days, in the absence of agreement. For tools and operating materials, one third shall be due for payment upon placing the order, one third upon notification of order completion and one third upon production of the first specimen.

2.3.4 The parties shall determine in advance the minimum quantity for production and the maximum period for ordering such quantity, if settlement is agreed by taking development costs into account in the price per item for the subsequent serial supply. In addition, the parties shall fix the cost unit rate per item. WEIDMANN may charge the unpaid residual amount at the end of the maximum period, if the minimum quantity is not ordered within the maximum period.

2.3.5 The costs incurred by WEIDMANN at the date of termination shall be due for payment within thirty days if the project is terminated by the Customer because WEIDMANN is unable to meet the agreed specifications and outlined conditions (clauses 2.2.1 and 2.2.2 hereto).

### 3. Serial supply

#### 3.1 Term

3.1.1 Serial supply is a contractual relationship between WEIDMANN and the Customer within the scope of which WEIDMANN manufactures and delivers a product for the Customer with defined specifications. Development of the product may have been carried out in advance by WEIDMANN, or by the Customer or a third party.

#### 3.2 Product

3.2.1 The product specification shall be in writing. Warranted characteristics are those which are contained in the product specification.

#### 3.3 Price

3.3.1 Prices are ex works WEIDMANN premises (INCOTERMS 2010), without value-added tax and without costs of packaging.

3.3.2 The costs of packaging shall be invoiced separately.

3.3.3 Agreed prices apply for the quantity and/or period specified in the agreement. The prices shall apply for the initial delivery only in the absence of express agreement to the contrary.

3.3.4 The price for the products is due for payment net thirty days following delivery or invoice, whichever occurs first.

#### 3.4 Performance

3.4.1 The parties shall agree to the order terms. In the event that the contract calls for a specific or minimum order quantity, in a specified period of time, the Customer shall make every effort to place orders for a quantity that meets or exceeds the contractual minimum order quantity, within a period of time that does not exceed one and one half times the specified contract period. In the event that the Customer does not satisfy its obligation to meet the minimum order quantity within the extended time period, WEIDMANN may deliver an invoice for the portion of the contract that has not been satisfied, and, at its option and at the expense of the Customer, put the goods into storage at its own premises or that of a third party. WEIDMANN may freely dispose of the goods following the expiry of six months, and particularly, dispose of them at the expense of the Customer.

3.4.2 WEIDMANN warrants a quantity variance of +/- 10% of the quantities ordered.

3.4.3. 10% more than the quantity ordered shall be made available if the Customer provides accessories for pressing in / extrusion-coating / assembly. WEIDMANN shall not, without separate agreement, examine the accessories before processing.

## 4 Common provisions for new part projects and serial supplies

### 4.1 Applicable standards

4.1.1 WEIDMANN develops and produces products, which correspond with the standards applicable in Switzerland and the European Union, provided that the Customer notifies WEIDMANN of the use. The Customer shall be obliged at the request of WEIDMANN to assist in the identification of foreign regulations applicable.

4.1.2 If the Customer desires that the products be developed or manufactured to comply with other standards, it shall be the responsibility of the Customer to specify these standards to WEIDMANN in detail at the beginning of the project or the supply relationship.

### 4.2 Ownership and maintenance of tools

4.2.1 Tools, which the Customer makes available to WEIDMANN, remain in the ownership of the Customer. It is the responsibility of the Customer to mark the tools to indicate their ownership where necessary. Maintenance of tools, which are the property of the Customer, shall be arranged separately. Maintenance costs shall be borne by the Customer in the absence of a corresponding arrangement.

4.2.2 Tools, which are manufactured by or on behalf of WEIDMANN, remain the property of WEIDMANN, including if the Customer bears the costs of acquisition. It is the responsibility of WEIDMANN to maintain tools, which are the property of WEIDMANN. WEIDMANN shall not, however, be obliged to acquire replacement tools at its own expense if tools have to be replaced as a consequence of normal wear.

4.2.3 WEIDMANN assures the Customer that tools, which the Customer has financed, are only used for production for the Customer. Use for third parties shall require the express approval of the Customer.

4.2.4 If tools, which are the property of the Customer, are not used for a period of two years, WEIDMANN shall return them to the Customer. WEIDMANN shall be free to dispose of tools, which are its property and have been financed by the Customer, if they have not been used for two years.

### 4.3 Intellectual property in results and documentation, Confidentiality

4.3.1 Intellectual property in results, ideas or knowledge, which WEIDMANN establishes or makes within the scope of a new part project or a serial supply, remains with WEIDMANN. In particular, WEIDMANN may apply for patents for inventions made at its own expense. Exclusive use of tools for the Customer in accordance with clause 4.2.3 hereto remains reserved.

4.3.2 Intellectual property in documentation and information, which is exchanged within the scope of the business relationship between the parties, remains in the property of that party which has made them available to the other. Both parties shall make every effort to maintain secrecy in such documentation and information, in so far as it is not clear that the documentation or information in question is not secret.

### 4.4 Guarantee and liability

4.4.1 WEIDMANN warrants that its development services are performed to the most advanced technical standards by well-trained staff. In addition, it warrants that the products delivered are free from defects in materials and manufacture. Further, it guarantees the presence of characteristics warranted in writing (compare clauses 2.2.1 and 3.2.1 hereto). Defects in the products supplied, which are the consequence of improper treatment, use, storage or processing by the Customer, are not included in this warranty.

4.4.2 The guarantee period is one year following delivery.

4.4.3 It is the responsibility of the Customer to examine the products delivered for conformity of the identity with the contract, and for patent defects, within eight days of receipt, and, without delay, to notify WEIDMANN of any defects found. The Customer is responsible for making a comprehensive examination of the products delivered for conformity with the contractual specifications. The customer is responsible for immediate notification of WEIDMANN of any defects found prior to delivery of the finished product to the Customer for which it has the products delivered. The Customer forfeits its rights in respect of defects if it fails to carry out the inspection and/or notify WEIDMANN of the complaint. Products for which notification of defects has been given shall be delivered to WEIDMANN, at its request.

4.4.4 WEIDMANN shall be under a duty to replace without cost, and at its option, to dispose of the defective products delivered by it, if the Customer notifies defects within the guarantee period in accordance with the prior provision hereto. WEIDMANN shall bear the costs of shipment of the replacement products.

4.4.5 The Customer shall, in addition, have a claim to compensation if a defect exists which is covered by guarantee, provided that it can prove to WEIDMANN intent or gross negligence.

4.4.6 WEIDMANN shall be liable to third parties for damage as a consequence of defects in the products delivered, according to the statutory provisions applicable with respect to product liability. The Customer shall assist WEIDMANN as far as is necessary if legal steps are taken against WEIDMANN by third parties as a result of these statutory provisions. In addition, the Customer shall compensate WEIDMANN for the damage resulting from legal action taken against WEIDMANN by a third party, if the damage which the third party claims cannot be traced back to a defect in a product delivered by WEIDMANN, or which already existed at the time of delivery to the Customer.

4.4.7 The Customer is not entitled to make further claims on the presence of defects. In particular, it may not return all deliveries if individual items are proved to be defective.

### 4.5 Delay

4.5.1 The Customer shall provide WEIDMANN with an additional period of time of at least four weeks if WEIDMANN is in delay in the performance of its service, and may cancel the contract following its unavailing expiry.

4.5.2 WEIDMANN shall be liable for damages which arise for the Customer following expiry of the additional period if the Customer cancels the contract, provided that it can prove to WEIDMANN intent or gross negligence.

4.5.3 Further claims by the Customer in the event of delay on the part of WEIDMANN are excluded.

### 4.6 Reservation of ownership

4.6.1 WEIDMANN retains ownership in all products delivered until full payment of the total price. WEIDMANN may, if necessary, register the reservation of ownership in the appropriate Register without the co-operation of the Customer.

### 4.7 Place of performance, applicable law and place of jurisdiction

4.7.1 The place of performance for all services to be exchanged and payments to be made within the scope of the business relationship is Rapperswil, Switzerland.

4.7.2 The contract in which reference is made to these General Terms and Conditions of Business, is subject to the law of Switzerland to the exclusion of the UN Convention on the International Sale of Goods of April 11, 1980 (CISG).

4.7.3 The place of jurisdiction for disputes arising from or in connection with a contract in which reference is made to these General Terms and Conditions of Business, is Rapperswil, Switzerland.

Rapperswil, May 16<sup>th</sup>, 2014

WEIDMANN MEDICAL TECHNOLOGY AG

Neue Jonastrasse 60, 8640 Rapperswil, Switzerland

T +41 55 221 41 11, F +41 55 221 46 81, www.weidmann-medical.com

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