

Conditions of Purchase

Catalent Germany Eberbach GmbH

As of August 2013

1. Scope of Application

Our Conditions of Purchase shall apply to any and all purchase orders. Any deviating terms and conditions employed by the supplier shall only apply if we recognize them expressly in writing. They will also have no effect even if we fail to contradict them in individual cases. Acceptance of deliveries, services or their payment shall not be equivalent to agreement with the terms and conditions employed by the supplier.

2. Conclusion of a Contract

2.1 The submission of offers and/or preparation of cost estimates shall be free of charge. We shall not be responsible for any costs nor shall we pay any remuneration for visits, elaboration, planning and/or other advance performance in connection with the submission of offers to the extent that they do not form the subject of a separate agreement in individual cases.

2.2 Purchase orders, changes or additions made thereto as well as any other agreements made with the conclusion of a contract shall be binding in the event that we state or confirm them in writing. The supplier shall confirm our purchase orders immediately in writing within the respective period specified or in the absence of such.

3. Passing on of Purchase Orders

The supplier may assign execution of our purchase order or substantial parts thereof to third parties only after obtaining our prior written consent. We will not refuse such consent for inequitable reasons.

4. Deadlines, Dates

4.1 Any agreed dates and deadlines shall be binding. Compliance shall be determined by receipt of faultless delivery at the reception point designated in the purchase order and/or successful acceptance insofar as such is agreed upon or provided for by law.

4.2 The supplier shall be obliged to immediately inform us of the cause of any impediment and its prospective duration in the event that the supplier is unable to comply with the specified dates or deadlines. We reserve the right to assert claims for damages as well as any other legal rights and claims to which we shall be entitled in the event of default should an appropriate additional period for performance elapse unsuccessfully.

4.3 Advance deliveries and/or services shall require our approval. If the supplier provides such deliveries or services without our approval, then we shall be entitled to refuse acceptance or to charge the supplier for any storage costs incurred as a result.

4.4 If a penalty has been agreed and becomes due, then we shall be entitled to apply such until payment of the invoice for the delayed contractual performance without having to reserve this right upon acceptance.

5. Partial, Excess or Short Deliveries

5.1 Partial deliveries or partial services shall require our prior approval.

5.2 We reserve the right to recognize excess or short deliveries in individual cases. If excess deliveries are made without our prior approval, then we shall be entitled to refuse acceptance of such deliveries, store them at the supplier's expense or to return them to the supplier.

6. Bearing of the Risk, Shipment, Packaging

6.1 Shipment shall be carriage paid and free of any additional expenses at the supplier's risk to the reception point designated by us in the purchase order, delivered duty paid (DDP) in accordance with Incoterms 2000. If acceptance is either agreed or prescribed by law, then the supplier shall bear the risk until acceptance.

6.2 In all other respects shipments shall take place in strict compliance with the forwarding instructions specified in the purchase order, indicating our purchase order data on the respective shipping documents. The supplier shall be responsible for any additional expenses incurred due to failure to comply with the respective forwarding instruction(s) or because of accelerated transport in order to adhere to the agreed deadline.

7. Acceptance of the Delivery

We shall only be obliged to accept the delivery if it exhibits the agreed quality characteristics and warranted properties.

8. Invoicing, Payment

8.1 Invoices shall be separately submitted in duplicate following complete delivery free of defects, completion of service(s) or in the case of performance-related service(s) after their acceptance for each purchase order. Invoices must always show the purchase order data, material numbers as well as the gross and net weight of the goods supplied.

8.2 If we have accepted partial deliveries in exceptional cases, then the supplier shall be entitled to submit the respective invoice only after complete fulfillment of the obligation to perform insofar as separate invoicing has not been expressly agreed upon in writing.

8.3 In the absence of any other agreement payment shall be made within 14 days following proper invoicing with a 2% discount or net within 60 days. The payment period shall begin with receipt of the invoice, however not before complete fulfillment of the contract and/or acceptance without defect.

9. Transfer, Reservation of Ownership

9.1 The supplier shall be entitled to transfer any claims against us or to have such collected by third parties only with our prior written consent unless they involve claims that are recognized by a declaratory judgment, ready for a decision or undisputed. We will not refuse consent for inequitable reasons.

9.2 We will contradict reservation of ownership provisions on the part of the supplier insofar as they go beyond simple reservation of ownership. In individual cases they shall require prior written agreement. Should subcontractors nevertheless assert proprietary rights, co-ownership or rights of lien and/or have execution measures carried out against us, then we in turn will assert claims against the supplier(s) for any and all damage incurred as a result.

10. Notice of Defects, Rights in the Case of Defects

10.1 We shall immediately report obvious defects to the supplier or within 10 days after delivery at the latest and other defects immediately after their discovery. The values determined by us during inspection of incoming goods shall be determining in cases of doubt with regard to the number of items, weights and measures.

10.2 The supplier shall be obliged to provide deliveries and services without defects. In particular such deliveries and services shall exhibit the agreed quality characteristics, meet the intended purpose, correspond to the current state of the art and generally recognized technical and occupational-health-related safety regulations of the respectively competent authorities and professional associations, comply with current environmental protection regulations and satisfy legal requirements insofar as items are concerned which are subject to the Drugs Act or the Law Governing Foodstuffs and Articles Required for Human Needs. When it comes to procurement of technical equipment the supplier shall provide us with the operating instructions, spare parts list, address of the maintenance service at the time of delivery and/or acceptance if the latter has been agreed or provided for by law.

10.3 In the case of defective deliveries and/or services and in the case of an event making a warranty operative we shall be entitled to assert the legal rights associated with claims based on defective deliveries and/or services. If we are entitled to warranty claims that go beyond the legal rights associated with claims based on defective deliveries and/or services, then such claims shall also remain unaffected. Exclusion of claims due to limitation shall depend on the respectively valid legal provisions. If a defect shows up within the period of limitation, then we shall have the option of demanding supplementary performance by means of remedying the defect(s), subsequent delivery and/or remanufacture within an appropriate period. In addition, the supplier shall provide reimbursement for any expenditures required for supplementary performance as well as compensation for damages to which we are entitled by law.

10.4 If supplementary performance is not effected within the specified appropriate additional period, has failed or if setting of the deadline proves to be superfluous, then we shall be entitled to withdraw from the contract and demand payment of damages instead of performance, replacement of futile expenditures or abatement, as provided by law.

10.5 In urgent cases, where the supplier could not be contacted and where is the danger of a disproportionately high amount of damage, we shall have the right to eliminate defects ourselves or to have such defects eliminated by third parties at the expense and risk of the supplier without being obliged to grant an appropriate additional period for the purpose of supplementary performance. We shall immediately inform the supplier of such measures.

11. Ownership, Industrial Property Rights, Copyright

11.1 Any drawings, samples, formulations or other documents and aids which we make available to the supplier for execution of purchase orders shall remain our property. They may be only be used in accordance with their intended purpose. They shall be returned to us upon request at any time and/or without a special request being required at the end of the business relationship at the latest.

11.2 The supplier shall observe strict secrecy with regard to any documents, information on materials provided and other know-how to which he has gained access through the business relationship with us and not transfer or make them accessible to third parties without our prior express written consent. The supplier shall also observe strict secrecy with regard to any knowledge and results gained through their employment for as long as these are not publicly accessible. In particular the supplier shall be obliged to respect our copyrights or other industrial property rights. Their use shall only be permitted for the contractually agreed purposes. Products manufactured from documents, drawings or models prepared by us, by means of other materials provided by us or in accordance with our instructions shall neither be exploited by the supplier nor shall the supplier allow such products to be exploited by others. The supplier may neither offer nor deliver them to third parties.

12. Industrial Property Rights of Third Parties

The supplier shall warrant that we will not violate the copyrights, patents or other industrial property rights of third parties through the contracted use and/or sale of the supplier's deliveries or service(s). The supplier shall indemnify us against any and all claims asserted against us due to violation of a domestic industrial property right and be responsible for the costs of safeguarding our rights if such claims are caused by breach of contract he is responsible for. We shall inform the supplier immediately in the event of a claim.

13. Product Liability, Insurance

13.1 The supplier shall indemnify us against any and all claims arising out of non-contractual product liability, liability in accordance with the Drugs Act and/or the Law Governing Foodstuffs and Articles Required for Human Needs if they are due to a defect in the product delivered by the supplier. Under the same conditions the supplier shall also be liable for losses incurred by us in such cases through the type and scope of required and appropriate precautionary measures, e.g. public warnings or recalls. Our right to assert our own loss against the supplier shall remain unaffected.

13.2 The supplier undertakes to take out appropriate insurance against corresponding risks and provide evidence of such to us by submitting the corresponding insurance policy on request.

14. Place of Performance, Venue, Applicable Law

14.1 The place of performance for any and all contract obligations shall be the reception point specified by us in the purchase order.

14.2 The venue for any and all disputes arising out of the contractual relationship shall be Heidelberg. We shall have the option of litigating against the supplier at the place of performance or at the supplier's general venue.

14.3 The law prevailing in the Federal Republic of Germany shall apply. Application of the regulations of the United Nations Convention on the International Sale of Goods of April 11, 1980 (CISG) shall be excluded.