

Purchasing conditions

1. Field of application

Orders are only effected on the basis of the following purchasing conditions, which will also be applied to all future business transactions without pointing this out separately. Our purchasing conditions are considered to be accepted with the execution of the order at the latest, even if the supplier refers to his conditions. Sales conditions of the supplier must be specially confirmed in writing by us to become effective; this does not apply to arrangements about the reservation of ownership which are accepted by us. It is not possible to deduce effectiveness of differing conditions from the acceptance of the ordered goods or services.

2. Placing of orders

Orders are only effective in writing with two signatures. The supplier has to confirm the orders with binding signature immediately. The supplier declares himself prepared to issue a supplier's declaration according to ECC-regulation 3351/83 for the goods delivered. If this is not possible, the supplier is asked to contain the term "not entitled to preference" in his acknowledgement.

3. Meeting of the deadline

The delivery period begins with the day when the order is placed. The supplier must inform us about all circumstances which endanger the meeting of the deadline or make it impossible, giving the reasons and the estimated delay. However, this does not effect his obligation to deliver the goods on time. In the case of a delay in delivery we are entitled to claim a contractual penalty of 0.1% of the order amount for each day of the delayed delivery, up to a maximum of 8% without any further proof. In addition, crediting the contractual penalty, compensation for all damages sustained directly or indirectly as a result of the delay can be claimed. If the supplier does not effect delivery within a reasonable extension, we are entitled, crediting the contractual penalty, to choose to claim for damages due to non-fulfillment or alternatively to withdraw from the contract. The argument of acts of God only relieves the supplier if he informs us immediately about the circumstances and if he was not already behind when they occurred. Deliveries in part and deliveries ahead of time must be agreed with us in advance.

4. Obligation to accept the goods

Unforeseen incidents, such as acts of God, war, governmental actions and operational interruptions beyond our control release us from the obligation to accept the ordered goods. In this case the supplier is not able to claim damages. In other cases of operational stoppage we are entitled to demand an adequate prolongation of the acceptance period. After the expiry of this period or if we fail to accept the goods without acting negligent or willful, the supplier has the right to withdraw from the contract within the scope of the legal regulations. He is not entitled to make any further demands.

5. Shipping documents, payment

The supplier must attach a delivery note which contains our order-no., article-no., a list of the delivered (sterilization-) batches, the description of the articles, the quantity delivered (in the given quantity unit), the weight (gross and net), as well as information about the used packing materials to each delivery. All this information, together with the name of the supplier, must also be attached to the pallets and packaging in a clearly visible manner. For deliveries from non-EU countries, a duplicate of the invoice must be attached to the delivery note. If agreed upon, an examination certificate or an analysis certificate must be enclosed; to each delivery of sterile products a sterilization certificate must be attached without request. If any preference or trade agreements exist between the FRG and the country of origin, certificates of origin confirmed by the competent authorities must be attached to the deliveries. The supplier has to render an invoice for each delivery and send it in duplicate to the parent company in Heidenheim, irrespective of the place of delivery within Germany. In particular, the invoice must include our Order No., Item No. and Article No. Payment shall be effected in the customary commercial manner, namely within ten days with four percent discount, or within 30 days with 2.2 percent discount, or after 60 days purely net, the period being calculated from date of delivery/performance and receipt of invoice, with the course

of payment following date due (weekly) and with a method of payment of our choice.

Incomplete or inaccurate invoices are not subject to payment and can be returned by us at any time. Should this be the case, then payment is only due on receipt of a correct invoice. Missing delivery papers, delivery to an address other than that stated in the order confirmation, incomplete details and mistakes all delay payment deadline until receipt of the correct invoice or of a complete set of otherwise necessary documents. Any payment reminders should take into account the length of time without a correct invoice to be checked and any rebates, discounts or other reductions should not be affected. Should goods be delivered early, then the term allowed for payment begins only on the delivery date stipulated in the order or on the date of invoice, whichever is later.

Invoices of the supplier shall include VAT only if the supplier is entitled to claim VAT according to the respective legislation. Should the local tax office refuse to accept input tax deduction or should the supplier for any other reason be obliged to return VAT to the local tax office the supplier shall return any such granted VAT amount to us.

6. Transportation, Payment of Duties and Insurance

All deliveries to us shall be effected in line with the conditions set out in Incoterms 2002. Unless "franco domicile" delivery has been agreed upon, the supplier may charge transportation costs for partial or complete shipments according to "Güterfernverkehrstarif" (GFT) less a maximum margin of 20 percent. Transportation costs for individual parcels may be charged at a rate which does not exceed the GFT individual parcel rate or customer rate minus a margin of 20 percent. We have taken out transportation insurance which is internationally valid. This means that all deliveries should be shipped without insurance. We are a "Verzichtskunde" according to German SLVS (SLVS = Speditions-, Logistik- und Lagerversicherungsschein) which means that it is not permissible to charge us for transportation insurance. If any invoices are raised, these will be charged to the supplier's account. Crediting costs or presentation commissions will not be accepted if invoiced to us. All deliveries to Heidenheim should be marked "Selbstabholung" (self-collecting), we will not recognize any claims for the costs of delivery directly to our premises. We are not liable to present goods to the customs authorities. Unless otherwise agreed, goods will be cleared through customs by us. We will not accept any customs charges or fees for issuing customs documents.

7. Packing

The supplier has to use only pure packing materials which can be recycled. These materials must be marked with the corresponding symbols. We are entitled to dispose of the packing materials or to have them disposed of and to charge the costs arising in this connection on the supplier's account.

8. Quality

The supplier guarantees that the delivered goods correspond to the regulations valid for these goods and the products which will be made, according to the supplier's information, by making use of these products. The regulations mentioned above may be legal regulations of any kind, European rules, DIN-rules, pharmacopoeia monographs as well as all other accepted technical rules, especially the specification agreed upon with the supplier. If the goods come under the German Food and Consumer Goods Act (LMBG), the supplier guarantees that neither the goods nor their follow-up products or contaminations are noxious when used as directed and as foreseen, and that the goods are therefore physiologically harmless. If there is any recommendation of the plastics commission of the Federal Health Office (BGA), the supplier guarantees that the goods correspond to the version of the relevant recommendation valid at the moment. The supplier guarantees the compliance of every delivery with these regulations and places further documentation and validating documents on request at our disposal. The supplier guarantees the compliance of every delivery with these regulations and places further documentation and validating documents on request at our disposal. The supplier will conduct quality assurance commensurate to the type of article and volume and in keeping with the most recent technological standards.

On request, he shall provide us with proof that this has been done.

9. Claims for defects, liability

For the judgement if the delivery is according to the rules, the number of pieces, measurements, weights and quality features ascertained on the occasion of our entrance examination are definitive. Obvious imperfections must be announced to the supplier without delay, within 30 working days latest after receipt of the goods. The supplier is obliged to give replacements free of charge and to compensate for damages which may occur even for imperfections which are not perceptible on reception of the goods, but only made evident during their laboratory examination, processing or use. Already effected payments cannot be interpreted as a renunciation of a complaint. The supplier guarantees for his deliveries according to the legal regulations effective in Germany. He assumes liability for the goods not infringing any intellectual property right of a third party. If we are held liable according to German law or the law of another country for violating mandatory safety regulations or product liability provisions or guarantees, the supplier must compensate for the sustained losses if his deliveries were defective and have caused the damage. The damage shall also cover the costs of a precautionary recall of the article(s) in question. The supplier shall take out due insurance coverage against all risks arising for product liability including the risk of recalling the article(s) and furnish qualified insurance proof on request.

10. Production aids

If we pay for production aids of the supplier (e.g. tools, plates) wholly or predominantly, they are transferred to our ownership. The transfer is replaced by the arrangement of a secondment, which entitles the supplier to own the production aids until further notice. The supplier therefore has not the right to keep the aids.

11. Charging of claims

As far as it is authorized by legal regulations, we are entitled to set off all claims which we have on the supplier against all claims which the supplier has on us.

12. Place of fulfillment

The place of fulfillment is Heidenheim or the headquarters of the works which receives the delivery. Legal domicile is Heidenheim. The contract is subject to German law, even if it concerns deliveries from abroad. If any of the regulations of these purchasing conditions should be ineffective, the validity of the other regulations is not effected by this. The ineffective regulations will then be replaced by a legally admissible version, which will correspond to the original version as far as it is possible, concerning the economic results.

13. Child Labour

We do not tolerate child labour. In case of acceptance of an order, the supplier commits himself not to employ child labourers in his company. Labourers must not be aged under 15 (respectively under 14 in case the producer country does allow this) or, in producer countries where the minimum age is over 15, no person may be employed under the minimum age when compulsory education ends.

**In case of litigation the German version of the purchasing conditions is decisive.
The English translation has no legal relevance.**