

§ 1

General provisions – Scope

- (1) Our Terms & Conditions of Purchase apply exclusively; we shall not recognize any conditions of the supplier contradicting or deviating from our Terms & Conditions of Purchase, unless we have expressly agreed to these in writing. Our Terms & Conditions of Purchase shall also apply if we accept the supplier's delivery without reservation in the knowledge of the supplier's contradicting or deviating conditions.
- (2) All agreements reached between us and the supplier for the purpose of executing this contract shall be set out in this contract in writing.
- (3) Our Terms & Conditions of Purchase shall only apply to business persons in accordance with Sect. 310 Par.4 BGB (German Civil Code).
- (4) Our Terms & Conditions of Purchase shall also apply for all future transactions with the supplier.
- (5) Our Terms & Conditions of Purchase shall also apply for services ordered by us.

§ 2

Offer – Offer Documents – Transfer of orders

- (1) The supplier shall be obligated to accept our order within a period of 1 week.
- (2) We shall retain ownership and copyright in all illustrations, drawings, calculations and other documents; they may not be disclosed to third parties without our express written approval. They are to be used exclusively for production based on our order and shall be returned to us after completion of the order without prior request. They shall be kept secret vis-à-vis third parties, insofar clause 9 Par. (4) shall apply in addition.
- (3) The supplier shall only be entitled to transfer the order in whole or part to third parties with our consent.

§ 3

Prices – Payment Terms

- (1) The price set out in the order shall be binding. In the absence of any agreement to the contrary, the price shall include "carriage paid" delivery and packaging. The return of the packaging requires a separate agreement.
- (2) The price includes statutory VAT.
- (3) We can only process invoices if they include the order number indicated on the order; the supplier shall be responsible for all consequences arising from his failure to meet this obligation, unless he can prove that he is not responsible for this failure.
- (4) Failing a written agreement to the contrary, we shall pay the purchase price within 14 days of delivery and receipt of the invoice at a 2% discount or within 30 days of receipt of the invoice without discount.
- (5) We shall be entitled the right of set-off and lien to the extent permitted by law.

§ 4

Delivery Period

- (1) The delivery period stated in the order shall be binding.
- (2) The supplier shall be obligated to immediately notify us in writing if circumstances arise or become apparent to him that would prevent him from observing the agreed delivery period.
- (3) In the event of a delay in delivery we shall be entitled to claims under the statute. We shall in particular be entitled to claim damages in lieu of performance and withdraw from the contract after an appropriate period has lapsed without result. Should we claim damages, the supplier shall be entitled to prove that he is not responsible for the breach of duty. In the event of a delay in delivery we shall further be entitled to demand flat-rate damages due to delay in the amount of 1 % of the delivery value per completed week, however, not more than 10 %. The supplier shall be entitled to prove that no damages or significantly lower damages were incurred due to the delay.

§ 5

Passing of Risk – Documents - Handling

- (1) Unless otherwise agreed in writing, delivery shall be made carriage free.
- (2) The supplier shall be obligated to exactly indicate our order number on all shipping documents and delivery notes; should he fail to do so, we shall not be responsible for delays in processing.
- (3) Designations of origin within the framework of preferential processing in the commercial documents must be reliable and accurate.

§ 6

Inspection of Goods – Liability for Defects

- (1) We shall be obligated to inspect the goods within an appropriate period with respect to any deviations in quality and quantity; any notice of defect shall be considered given in time if received by the supplier within 5 working days as of receipt of the goods or, in the event of hidden defects, as of discovery. Should a quality assurance agreement between the supplier and us include other provisions with respect to notice of defect and inspection of goods, the quality assurance agreement shall have precedence.
- (2) We shall be entitled to all claims due to defects permitted by law; we shall in any case be entitled to demand of the supplier remedy of defects or delivery of replacement goods at our discretion. We expressly reserve the right to claim damages, in particular damages in lieu of performance.
- (3) In case of imminent danger or particular urgency, we shall be entitled to remedy the defect ourselves at the expense of the supplier.
- (4) The period of limitation shall be 36 months as of the passing of risk.

§ 7

Product Liability – Release – Liability Insurance

- (1) To the extent the supplier is responsible for damage caused by a product, he shall insofar be obligated to indemnify us upon first request against any claims for damages by third parties, if the cause lies within his sphere of control and organization and he is himself liable in relation to third parties.
- (2) Under the liability pursuant to sub-clause (1) the supplier shall also be obligated to reimburse any expenses resulting from or in connection with any recall action carried out by us in accordance with Sections 683, 670 German Civil Code or in accordance with Sections 830, 840, 426 German Civil Code. As far as possible and reasonable we shall notify the supplier of the content and extent of the recall action to be taken and shall give the supplier an opportunity to comment. Other statutory rights shall remain unaffected.
- (3) The supplier undertakes to maintain product liability insurance with coverage of € 10 million per case of personal injury/damage to property as a blanket policy. If we are entitled to more extensive claims for damages, said claims shall remain unaffected.

§ 8

Industrial Property Rights

- (1) The supplier warrants that no rights of third parties are infringed in connection with his delivery.
- (2) Should a third party assert any claims against us because of an infringement of his rights, the supplier shall be obligated to indemnify us against said claims upon first written request. We shall not be entitled to enter into any agreements whatsoever with the third party, in particular not to conclude a settlement - without the supplier's consent.
- (3) The supplier's indemnity obligation relates to all expenses necessarily incurred by us arising from or in connection with the recourse claimed by a third party.
- (4) The limitation period shall be ten years as of the conclusion of this agreement.

§ 9

Reservation of Title – Provision of Materials – Tools – Secrecy

- (1) To the extent we provide the supplier with parts, we shall reserve title therein. Any processing or transformation by the supplier shall be done solely in our name and on our behalf. The supplier shall store, label and administer the supplied parts separately. They may only be used for our orders and shall be replaced by the supplier in the event of deterioration or loss. If our reserved goods are processed or transformed together with other property not belonging to us, we shall acquire co-title in the new product in the proportion of the value of our reserved goods (cost price plus VAT) to the other goods at the time of processing or transformation.
- (2) If our reserved goods are inseparably combined with other goods not belonging to us, we shall acquire co-title in the new goods in the proportion of the value of our reserved goods (cost price plus VAT) to the other combined goods at the time of combining. If the combining is such that the supplier's product is considered the main chattel, it shall be agreed that the supplier assigns co-title

to us on a pro rata basis; the supplier shall preserve the sole title or co-title for us.

- (3) We shall reserve title in any tools, moulds or other objects necessary for the production of our ordered goods we shall have supplied or which were manufactured for us; The supplier shall be obligated to use said objects solely for manufacturing the goods ordered by us. In the event of manufacturing problems we may demand surrender and transfer of the above objects at no charge. The supplier shall be obligated to insure the above objects belonging to us at replacement value against fire damage, water damage and theft at his own expense. The supplier hereby assigns all of his claims for compensation under said insurance to us; we hereby accept the assignment. The supplier shall be obligated to carry out any service or inspection work on the above objects that may be necessary as well as all maintenance and repair work at his own expense and in a timely manner. The supplier shall notify us of any defects immediately. If the supplier culpably fails to do so, our right to claim damages shall remain unaffected.
- (4) The supplier shall be obligated to keep all illustrations, drawings, calculations and other documents and information received strictly confidential. They may only be disclosed to third parties with our express consent. The obligation of secrecy shall also apply after expiry of this agreement; the obligation shall not expire until and insofar as the production know-how contained in the illustrations, drawings, calculations and other documents provided is in the public domain. As soon as the above documents shall no longer be needed for filling the order, they shall be returned to us without prior request and free of charge.
- (5) Insofar as the security interests to which we are entitled pursuant to sub-clause (1) and/or sub-clause (2) exceed the cost price of all our reserved goods which have not yet been paid for by more than 10%, we shall be obligated to release the security interests upon the supplier's request at our option.

§ 10

Place of Jurisdiction – Place of Performance – Written Form – Applicable Law

- (1) Insofar as the supplier is a merchant, place of jurisdiction shall be our place of business; we shall however be entitled to bring proceedings against the supplier before the court of his place of business.
- (2) Except where the purchase order otherwise indicates, place of performance shall be our place of business.
- (3) E-mails / faxes shall also satisfy the written form requirement.
- (4) The laws of the Federal Republic of Germany shall apply to the exclusion of the UN Conventions on Contracts for the Sale of International Goods.

HENKE-SASS, WOLF GMBH
Production of medical instruments