

General Terms Of Delivery and Payment

1. Validity

These general terms of delivery and payment shall apply to all (future) business relationships between us and our suppliers for orders placed.

Pertinent legal terms shall also apply.

Terms defined by the supplier are binding for us only when and insofar as they are recognized by us in writing for conclusion of contract.

If special conditions are agreed upon for certain orders which differ from these general terms, these general terms of delivery and payment shall apply subordinate to and in addition to such agreed terms.

2. Placing of Order

Only orders placed in writing using our ordering form and signed with two signatures shall be valid. This shall also apply to revisions of orders. Orders placed verbally or by phone require our subsequent, written confirmation.

3. Acceptance of Order

We anticipate acceptance of order using our preprinted form within three (3) working days, starting from the date the order is placed.

4. Delivery Dates

Delivery dates are set dates. Violations (delays) of the set dates authorize us to terminate the contract, or to make claims for damages on the grounds of failure to comply with contract. We reserve the right to procure replacement goods from third-party suppliers in the event of delays in the delivery dates; we will thereupon charge the supplier responsible for said delays for any additional costs incurred by us as a result of delays.

5. Prices and Conditions

Insofar as not otherwise stated, the prices quoted in the order are set prices.

Payment shall be made in accordance with the terms and conditions cited in the order upon receiving of the invoice and the merchandise.

The supplier is obliged to either take back all packaging for the delivered products (shipping, repackaging, sales packaging) to the extent stipulated by legal provisions/codes without any charge, or pick up said packaging at a collecting point established by us.

6. Shipping and Invoicing

Insofar as not otherwise agreed, shipping of the merchandise shall be effected with the risk borne by the supplier, with valid INCOTERMS being applied (status: 2000 in the currently valid version). If dutiable goods are dispatched the supplier is bound to pre-clarify with our shipping department which customs tariff numbers are to be assigned to avoid unnecessarily escalating costs of customs clearance.

Deviant delivery terms according to Incoterms 2000 have to be contracted separately. They automatically impose the supplier's obligation to ask our Purchase Department for our haulage commands and to combine same-day consignments in one lot to avoid both escalating freight-/ packing charges and delivery time lags.

A delivery note shall be included for us in duplicate with each shipment of goods, indicating the order number and order item

numbers, designation of the merchandise with the associated material number from Schölly and the specified unloading point.

7. Retention of Ownership

With regard to the retention of ownership rights of the supplier, the supplier's terms shall apply with the proviso that ownership of the object of purchase will be transferred to us on payment for the object(s) and correspondingly that the broadened form of the so-called current account and group proviso shall not apply.

8. Assignment

All payments shall only be made to the contractual partner. Substitute payments to third parties are not authorized; same applies to pledges.

9. Cancellation of Contract

Acts of a higher power (force majeure) which result in a decline of required merchandise sanction us to cancel the order in part or in whole, excluding the right to claims by the other contracting party.

10. Warranty

The warranty period is, insofar as not otherwise agreed, 24 months from the day when the merchandise is accepted.

On acceptance of the order the supplier ensures the specially required, or general quality of the goods (warranted properties). Any operating or maintenance instructions that may be required shall be included in the deliveries.

We may refuse acceptance of any clearly deficient or damaged goods.

Accepted goods shall be tested in accordance with the agreed and/or generally valid quality regulations on a random sample basis. Our right to lodge complaints based on recognizable or concealed deficiencies is not dependent on observing any set deadlines. In exceptional cases we shall be authorized to eliminate any deficiencies ourselves, or have such deficiencies eliminated, with the costs for this being borne by the supplier.

We shall not be obliged to bear the costs of shipping for return of deficient goods to the supplier. As long as we do not know our supplier's haulage guidelines it is our decision which hauler we assign for reassignments.

We reserve the rights stated in Section 4, Sentences 2 and 3 for deliveries counter to the agreements stipulated in the contract. We are also authorized to demand replacement for any proven damage.

Regardless thereof, we shall also charge the supplier a flat rate processing fee as reimbursement for our efforts involved in the processing of complaints. This fee is broken down as follows:

Net value of goods up to 299.00 €	Processing fee 15.00 €
300.00 to 1,000.00 €	5% of value
more than 1,000.00 €	50.00 €

11. Liability

The supplier shall be liable for the overall quality and scope of services of the delivered products as described in the product description, in the pertinent drawings and in the quality specification.

The supplier shall bear the responsibility for ensuring that industrial proprietary rights, with regard to the delivery and use of the ordered products, of third parties are not violated. The supplier shall also reimburse us for any and all consequential damage that demonstrably results from deficiencies for which the supplier is responsible in products obtained from said supplier.

Insofar as the cause for the damage has been determined to be in the area of responsibility of the supplier, the supplier shall release us from any product liability claims by third parties, including liability based on pharmaceutical products legislation.

12. Confidentiality & Safeguarding of Confidence

The supplier is obliged to treat the order and any work resulting there from, including all associated documents, facilities, equipment, etc., as confidential. The supplier shall be liable for any damage resulting from non-observance of this provision.

13. Return Obligation

Patents, manufacturing procedures, quality procedures and the like, as well as production facilities, items, samples, drawings, etc. provided by us to the supplier for executing the order, or which the supplier has fabricated based on our specifications, remain our property. Such items, including all copies thereof, shall not be made available to third parties, and shall, insofar as not otherwise agreed, be returned to us directly upon completion of the order.

14. Protection of Proprietary Rights

The supplier is obliged to deliver merchandise marked with our brand name, merchandise supplied in packaging bearing our company name or with our brand name, or merchandise furnished in any other form designed specifically for our company, exclusively to us.

15. Escape Clause

In the event of nullification of individual conditions, the remaining, valid conditions will not be affected. The contracting parties are obliged to replace any invalid conditions by other valid terms or conditions that are similar in content to the greatest possible extent, and most profitably promising, to the former conditions.

16. Place of Performance, Applicable Law and Jurisdiction

Insofar as not otherwise agreed, the place of performance is Denzlingen.

The laws of the Federal Republic of Germany shall apply for all legal relationships between us and the supplier in addition to the cited conditions.

The venue for this contract is, insofar as authorized by Clause 38 of the ZPO, Freiburg, Germany exclusively. We may also bring action against the supplier at their headquarters, with local jurisdiction being applied in that case.

Status: August 2nd 2007