



KARL STORZ
**Logistics Guidelines
for Suppliers**





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1 Purpose and Scope

KARL STORZ strives to maintain long-term partnerships with our suppliers and aims to facilitate collaboration through uniform logistics processing. Smooth logistics is a key factor in ensuring the competitiveness of our company.

1.1 Purpose

This guideline communicates logistics requirements to our suppliers. It must be strictly followed when developing, designing, and planning logistics concepts and is a binding part of collaboration.

Any deviating arrangements must be agreed in writing by the supplier and KARL STORZ. To ensure fair cooperation, processes are monitored on an ongoing basis.

1.2 Scope

This Logistics Guideline applies to all supplier deliveries to KARL STORZ Tuttlingen and Neuhausen. Incoming deliveries are checked by KARL STORZ for compliance with the Logistics Guideline and any additional agreements made. Any deviations therefrom may lead to rejection of the delivery and/or to a complaint.

1.3 Objective

This guideline aims to ensure the consideration of logistical issues in the overall process to guarantee the smooth, efficient, and economical flow of materials between the supplier and KARL STORZ. As a basis, the following criteria must be met:

- Guarantee of process reliability in the logistics chain
- Guarantee of the necessary flow of information and documents
- Protection of goods (during packaging, transport, handling, and storage) to prevent damage
- Guarantee of the safety of medical products during packaging and transport
- Waste avoidance, reduction of the number of process variations, and low throughput time
- Implemented continuous improvement process



2 Transport Specifications

2.1 Transport details

In accordance with Incoterms EXW and FCA, KARL STORZ arranges and pays for transport. In this case, the supplier informs KARL STORZ of its transport requirements. KARL STORZ then selects and assigns the carrier/freight forwarder. Alternatively, the supplier uses the carriers/freight forwarders and parcel service providers prescribed by KARL STORZ. Exceptions are only permitted in specific cases and only upon prior written consent from KARL STORZ. This does not apply to individual agreements between the supplier and KARL STORZ.

In the case of EXW and FCA, the supplier notifies KARL STORZ of the transport requirement within a reasonable period of time to ensure punctual delivery. Exceptions are only permitted after prior agreement with KARL STORZ. The supplier shall separately notify KARL STORZ of transport-critical consignments, such as hazardous goods, bulky goods and temperature-controlled transports.

The carrier shall collect the goods within a fixed date/time window or at the date/time window individually agreed between the supplier and KARL STORZ.

KARL STORZ and the parcel service provider/carrier responsible for pickup must be provided with the following minimum information:

- Sender address (supplier address)
- Pickup location
- Number of packages
- Gross weight per package
- KARL STORZ order number as a reference
- Delivery note number
- Dimensions
- Pickup date/time
- Delivery address
- Shipping documents as described in detail in Chapter 2.6

Any additional logistics costs arising from changes in pickup location that were initiated by the supplier or carrier waiting times for which the supplier is responsible, despite an agreed pickup time, shall be borne by the supplier.

The supplier may make partial deliveries of call-offs only with the explicit approval of KARL STORZ. In case of non-compliance, the supplier shall bear the logistics costs related to storage. The cost of returning excess goods delivered or unapproved advance deliveries shall be borne by the supplier.

The terms of delivery (Incoterms) agreed with Purchasing must be observed. Regarding the Incoterms, the supplier must comply with the KARL STORZ specifications for transport service providers.

2.2 Special cargo

Any necessary special cargo shipments must always be coordinated by the parties concerned in good time. Any such agreements are made separately on a case-by-case basis following written approval by KARL STORZ. Any special freight charges incurred due to a delay in delivery caused by the supplier shall be borne by the supplier.

2.3 Hazardous goods

The packaging and shipment of hazardous goods must be considered separately and must be determined and approved by a KARL STORZ hazardous goods officer.

In the case of hazardous goods, the supplier is responsible for ensuring that all the necessary shipping and dangerous goods documents are provided in advance to the carrier collecting the goods completely and correctly.

2.4 Claims settlement

Unless special processes have been arranged, KARL STORZ reserves the right to decline acceptance of damaged goods or return the goods to the supplier.

2.5 Complaints processing

The cost of returning goods to the supplier due to complaints shall be borne by the respective supplier. This shipment is not free of charge.

2.6 Shipping & transport documents

The final delivery address must always be marked on the shipping documents, e.g., pick-up request and freight papers. It is found on the respective order and must match on all documents (invoice, delivery note, consignment note). If the specifications are not available on time, they must be requested from the responsible purchaser.

In addition to the shipping documents, the supplier shall provide KARL STORZ or the carrier with the transport documents and customs documents required for the registration of shipments.

Transport documents

Standard transport and/or shipping order
Waybill

Customs documents

The supplier shall provide KARL STORZ or the carrier with all documents required for customs clearance, i.e. all documents necessary for export in the departure country or for transit and import to the recipient country in a permissible form (in electronic or paper form – copies or originals, signed or unsigned) and in good time.

Typical customs clearance documents include:

- Export declaration
- Commercial invoice or, in the case of gratuitous samples, a pro forma invoice
- Packing list, if required
- Non-preferential certificate of origin or preferential certificate of origin



3 Delivery and Loading Aid Specifications

3.1 Conditional acceptance

A Goods Receipts staff member will confirm the receipt of goods by signing the delivery papers. This signature does not confirm the quantity or identity of the goods but only the receipt of the packages. The inspection of received goods for any deviations between the quantity stated on the delivery note and the quantity actually supplied can be performed at a later date.

3.2 Goods Receipts opening hours

The provisions below state any deviating specifications for the Goods Receipts of Production and the Logistics Center.

Goods receipts areas for Production are at the following locations:

- Dr.-Karl-Storz-Str. 11 (TUT)
 - Kaiserstraße 10 (TUT)
 - Elsa-Brandström-Weg 11 (TUT)
 - Take-Off-Gewerbepark 45A (NH)
 - Take-Off-Gewerbepark 47A (NH)
- } Delivery times: Mon. – Fri.: 07:00 – 16:00 h
- } Delivery times: Mon. – Thu.: 07:00 – 15:30 h
Fri.: 07:00 – 14:30 h

Goods receipts areas for the Logistics Center are at the following locations:

- Take-Off-Gewerbepark 83 (NH)
 - Unter Buchsteig 8 (TUT)
- } Delivery times: Mon. – Thu.: 07:00 – 16:00 h
Fri.: 07:00 – 15:00 h

(TUT = Tuttlingen, NH = Neuhausen)

3.3 Delivery specifications

3.3.1 Accompanying documents

A delivery note containing the following information must be enclosed with each package:

- Order number/delivery schedule number and any information on the Kanban call-off or framework contract (both clearly visible on the top of the first page)
- KARL STORZ material/item number and item name
- Quantity supplied

All documents must be affixed to the outside of the packaging in a clearly visible location using a delivery note pouch if necessary. Test protocols/certificates must match individual items.

The supplied quantity must correspond to the quantity indicated on the delivery note.

3.3.2 Delivery

Delivery must be made to the delivery address indicated on the order. The address must be stated in full on the shipping documents.

For the delivery of customs goods, a goods receipt must be supplied with the delivery note as well as the consignment note and T1 document. The delivery address must be identical on all three documents. Customs goods can generally only be delivered to the following addresses:

- Dr.-Karl-Storz-Str. 11 (TUT)
- Kaiserstraße 10 (TUT)
- Take-Off-Gewerbepark 83 (NH)

Goods must be handed to a Goods Receipt staff member and should not be left in front of the door if Goods Receipt is closed.

Starting at the following delivery quantities and based on the number of pallets, Purchasing must be notified of the delivery one working day before delivery to:

- Production: 5
- Logistics Center: 5

For goods delivery to Kaiserstraße 10, 78532 Tuttlingen please note:

The entire city center is closed to vehicles over 7.5 t (larger vehicles may make deliveries only in exceptional cases).

The access road to Kaiserstraße 10 is only suitable for vehicles up to max. 12 t.

Vehicles must be equipped with a lifting platform for loading and unloading.

3.4 Loading aid specifications

3.4.1 Transport safety

Packaging must sufficiently protect the goods against damage in transit. It must be possible to remove subsets ergonomically and without causing any damage even if a container includes several layers.

When shipping sterile goods, the packaging instructions in the product specification must be observed. Dangerous goods must be packed in accordance with legal regulations and the corresponding documents must be enclosed with the shipment.

3.4.2 Cleanliness

Only visibly clean goods that are ready to use may be delivered. Goods must be free of packaging residues (e.g., Styrofoam or cardboard residues).

Goods must be protected against any weather and soiling, i.e. they must be enclosed in appropriate, closed outer packaging. Pallets must be covered by a cardboard or paper pallet cap.

The storage conditions for the delivered goods must be indicated separately or on the packaging.

3.4.3 Loading aids and packaging

3.4.3.1 Pallets

Deliveries to all locations must be made on standard Europool pallets. In addition, industrial pallets and ½ Europool pallets may be delivered to Dr.-Karl-Storz-Str. 11. No other pallet sizes are permissible.

Further, pallets must be exchangeable and the following dimensions must not be exceeded at the respective locations:

- Production: Maximum pallet height 1800 mm incl. pallet.
- Take-Off-Gewerbepark 83: Maximum pallet height 1150 mm incl. pallet (exceptions up to 1800 mm require advance coordination)

Weight should be evenly distributed on pallets. Exceptions must be marked accordingly. The maximum weight per pallet may not exceed 500 kg per pallet.

Unmixed packages are expected. If it is necessary to deliver mixed pallets, unmixed stacking on the pallet must be ensured. In case of mixed pallets, all packages must also be marked with the material/item number and name in a location visible from the outside. If a delivery includes different lot numbers of an item, single-batch stacking must be ensured and the smaller quantity must be placed on top on the pallet. Boxes must not overhang the pallet's edge on any side.

3.4.3.2 Packages

If shipping via carriers and parcel services, packaging that is customary in the trade and meets legal requirements (e.g., cardboard boxes) must be used. Reusable packaging may be used only after prior agreement with, and approval by, KARL STORZ.

3.4.3.3 Reusable packaging (applies only to Goods Receipts of Production)

In case of direct shipment by the supplier, the goods must be delivered in a Euronorm crate.

When delivering in Euronorm crates, the respective stacking edge must not be exceeded, and containers must be stackable.

Euronorm crates and insert trays will remain at KARL STORZ until the goods are removed for further processing.

Euronorm crates, insert trays, and other reusable packaging must be clearly marked as the supplier's property by means of labels. At least two labels must be applied in a clearly visible location on each loading aid. The minimum information required is the supplier's name and address.

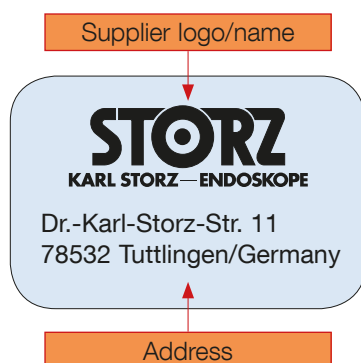


Figure 1: Example of labeling on reusable packaging

Any empties will be made available in Goods Receipt. The supplier is responsible for independently picking up empties at the next delivery.

3.4.4 Labeling

In case of subsets – even within one container – the packed quantity must be marked on each pack.

The different containers must each be marked with the

- Quantity
- KARL STORZ material/item number
- Product name
- Batch number

and packed separately.

If one delivery includes several packs or pallets, the individual packages must be consecutively numbered and additionally marked with the total quantity (e.g., palette 1/12).

3.4.5 Packaging data sheet

Any packaging specifications, packaging instructions, or packaging data sheets that are available and have been agreed to are binding for deliveries.



4 Packaging Licensing

Packaging laws require KARL STORZ to participate in a system for the comprehensive take-back of sales packaging. For this purpose, the packaging weight of the product packaging is needed.

For each item that is delivered to KARL STORZ in ready-for-sale product packaging, the following information on the product packaging must be supplied before the first delivery.

Has the packaging already been licensed by the product manufacturer? If not, the weight of the packaging must be listed separately by materials:

- Paper, paperboard and cardboard = Paper, cardboard
- Plastics = PE, PP, PS, composite films,..
- Composite packaging = Packaging made of different materials that cannot be manually separated and none of which exceed a maximum proportion of 95 out of 100, e.g., Tetra Pak

Evidence must be provided in the form of a certificate on licensing or the confirmation of package weights.

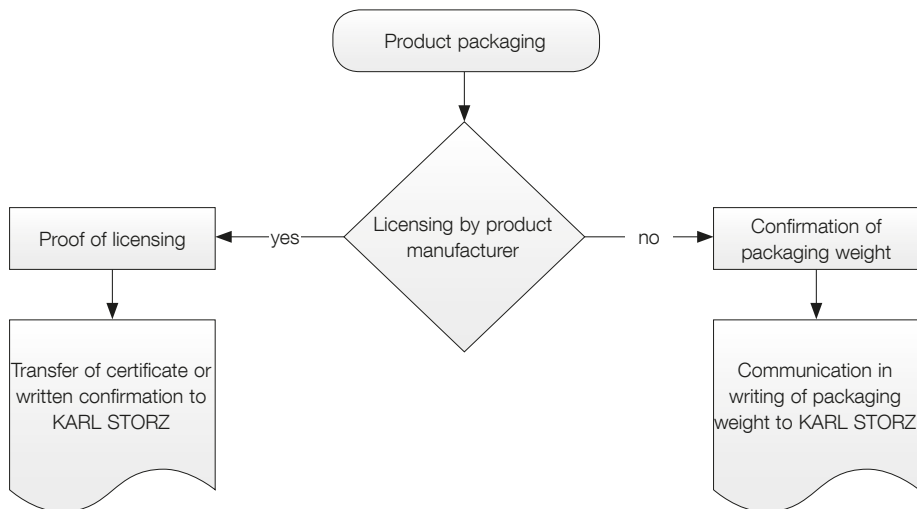


Fig. 2: Product packaging licensing



5 Returns Policy

5.1 Returns to suppliers

5.1.1 Accompanying documents for returns

As far as possible, KARL STORZ will enclose a return delivery note with each return. The return delivery note includes, among other things, information on the order number, complaint number, and record number.

5.1.2 Logistical process

5.1.2.1 Delivery through transport service providers

Rejected goods that were originally delivered by transport service providers are returned at the supplier's cost. KARL STORZ reserves the right to select the transport service provider.

5.1.2.2 Pickup by the supplier

Rejected goods from suppliers who deliver to KARL STORZ directly without a transport service provider are made available for pickup at the following locations:

- Take-Off-Gewerbepark 83 in dispatch
- Production, in Goods Receipt of Delivery

The supplier must pick up the rejected item independently and without delay.

KARL STORZ will not supply a transport box or packaging material for transport. The packaging and transport safety of rejected goods are the supplier's responsibility.

5.2 Replacement/redelivery

5.2.1 Accompanying documents for redelivery

When rejected goods are redelivered, a delivery note must be enclosed. It must include the order number, complaint number, and record number of the return delivery note. A copy of the return delivery note may also be enclosed with the delivery note if necessary.

5.3 Repaired goods

Devices/products from repaired goods are to be packaged like new goods. Devices/products must only be shipped in the packaging assigned to the product. If validated packaging exists, it must also be used when redelivering the goods. If applicable, also see 3.2.5.

5.4 Further specifications

For returns, the provisions of the above sections continue to apply.



6 General information

In case of a disruption, all involved parties agree, within reasonable bounds, to adjust to the changed circumstances in good faith.

Any amendments to and deviations from this guideline shall require the written form.



7 Validity

This guideline shall enter into force on 01 October 2019 and apply to all deliveries to KARL STORZ Tuttlingen and Neuhausen.



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