



DR. MICHAEL STRUCKSBERG

Bayer AG
D-51368 Leverkusen
Telefon (02 14) 30 8 19 85
Telefax (02 14) 30 6 13 95

Fax: 008862 - 2397 1548

Ms. Mei-Ling Hsiao R.PH.MPH
Director
Bureau of Pharmaceutical Affairs
Department of Health
The Executive Yuan, Republic of China
11F, 100, Ai Kuo E.Rd.

Taiwan, R.O.C.

16. Februar 1998

Dr. Str./Be
(926-98)

Financial Aid for HIV-infected Hemophiliacs in Taiwan

Dear Dr. Hsiao,

After our last conference in Taipei held on January 22, 1998, you had another meeting with Dr. H. Mück, President of our Taiwanese subsidiary Bayer Taiwan Co., Ltd.

As Dr. Mück reported to us the Taiwanese Minister of Health is expecting that the problem of **humanitarian aid** for HIV-infected hemophiliacs in Taiwan will be solved by the manufacturers of coagulation concentrates very soon. We have also heard the Minister's opinion that, according to certain standards prevailing in Taiwan an amount of 2.0 mio NT\$ has been paid to recipients of whole blood contaminated by HIV. Please permit me to comment on the Minister's expectation of an early solution as follows:

On January 21, 1998, the representatives of the manufacturers had a meeting in Taipei with the representative of some 25 HIV-infected hemophiliacs. In this meeting the manufacturers offered **humanitarian aid** in the amount of ~ 1.2 mio NT\$ per patient, an amount which is equal to the manufacturers' contribution to a foundation established by the German Government. **Insofar it has been explained that Bayer, without admitting any legal liability on the manufacturers' side, will treat the Taiwanese hemophiliacs, out of humanitarian reasons only, not less favorable than those in Germany.**

The details of such negotiation can be seen from the attached extract from the minutes of the meeting of January 22, 1998, prepared by our local counsel.

The manufacturers have made the first step already and, which seems to be important, their offer has not been rejected by the hemophiliacs' representative; he

Datum: 16.02.1998

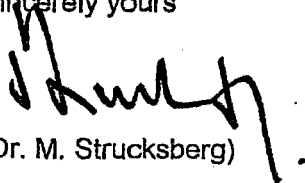
Seite 2

rather agreed to explain such offer to his clients and to come back thereafter for further negotiation. Until today this did not happen.

Our offer still stands, and our attorney in Taiwan who is authorized to negotiate further details is still waiting for a reaction of his colleague. With other words: The manufacturers have done what the Taiwanese Minister of Health expects them to do. Although procedurally not necessary we would even be prepared to put the money necessary to meet the requirements of this offer into an escrow account of a local third party (of course under terms and conditions to be agreed upon in advance).

Please let me emphasize that further negotiations should not be conducted under time pressure which to our experience can only be counterproductive..

Sincerely yours



(Dr. M. Strucksberg)

Enclosure