

General Terms and Conditions

of Medi-Sil Orthopädische Produkte, Michael Schwarzenböck, Auf der Gröb 4a, D-83064 Raubling, Tel.: +49 (0)8035/8739111, Fax: +49 (0)8035/8739639

As of: 01/01/2017

General / Scope of application

All products, services and contracts shall be provided exclusively on the basis of these General Terms and Conditions unless agreed otherwise in writing or in text form. We shall not recognise any conditions of the Customer conflicting or deviating from our General Terms and Conditions even if they have not been expressly rejected. The inclusion of other terms and conditions is hereby expressly rejected.

Conclusion of a contract

Our offers are non-binding. A contract shall only become effective once confirmation (written or in text form) has been issued. Agreements and subsidiary arrangements made orally or by telephone shall only become valid when they are confirmed in writing or in text form.

Delivery

Delivery shall be made at the expense of the Customer. In the event of delivery obstacles by strike, force majeure, operational disturbances caused by fire or water and other similar unforeseeable circumstances for which we are not responsible, as well as in the event that one of our own suppliers does not deliver to us for reasons beyond our control, we shall be entitled to withdraw from the contract. Claims for damages on the part of the Buyer shall be excluded under these circumstances.

The delivery period shall be deemed to have been observed if the delivery item leaves the warehouse before the expiry of the period or if the Customer has been notified that the item is ready to ship.

The Customer shall be obliged to check the delivery for completeness, particularly with regard to quantity and type, without delay but no later than 14 days after receipt and inform us of any discrepancies in writing or in text form within the same period. If the Customer fails to do this, the delivery shall be deemed to have been approved provided that the delivery does not deviate substantially from the order. The Customer shall report any apparent defects in writing or in text form within 8 days of delivery. Otherwise their warranty claims shall expire. Non-merchants shall be governed by statutory provisions.

If a delivery period is not observed due to fault on our part, the Customer shall be entitled to set a grace period of three weeks under penalty of non-delivery and to withdraw from the contract with regard to the delivery in arrears should this period expire without results.

Dates of deliveries or deadlines, which were mentioned on the confirmation of order, are generally non-binding.

Dispatch / Transfer of risk

All goods shall be dispatched at our discretion. The consignment shall be insured by us at the Buyer's expense against breakage, transportation or fire damage unless agreed otherwise in writing or in text form. All risk - including in cases of carriage-paid delivery - shall be transferred to the Buyer as soon as the delivery leaves our warehouse or any other designated place of dispatch. If the dispatch of goods is delayed by the Buyer or its legal representative, the risk of damage to or deterioration of the goods shall be transferred to the Buyer from the day on which the goods are ready to be dispatched.

For operational reasons, we shall be entitled to partial deliveries insofar as this does not incriminate the customer unreasonably. Rights from default or lack of warranty remain limited to the respective partial deliveries. In the event of significant demonstrable asset degradation, we shall be entitled to

carry out further deliveries only on account of prepayment, to immediately make all outstanding invoice amounts due and to demand the return of cash or security payment accepted.

Prices

The agreed prices are quoted in euro (€) ex works (EXW) including packaging and insurance, plus freight charges and the respective statutory value added tax.

Payment terms and conditions

Our invoices shall be due for payment with a 2% discount if paid within 14 days or strictly net after 30 days. In the event of a default in payment, we shall be entitled to charge the Buyer default interest at 4% above the German Federal Bank interest rate. Furthermore, €5.00 shall be charged for each payment reminder. Cheques and bills of exchange shall only be accepted on account of payment and the latter only upon special agreement. Exchange costs and discount charges shall be borne by the Buyer. The Seller shall not be obliged to carry out deliveries from any existing contract before the payment of invoice amounts including default interest. Default of payment shall commence once the claim of the Seller falls due, without the necessity of a reminder.

Use of our products

We wish to expressly point out that, unless notified or agreed expressly in writing or in text form, our products are intended solely for external use and must not come into contact with open wounds. Medi-Sil shall not be liable for any damage caused by incorrect use of the product or non-observance of this provision.

Warranty

In the event of defects of the delivery item, including the absence of guaranteed features, we shall be entitled to repair the defective delivery item or to replace it by means of exchange at our own discretion. We shall guarantee the replacement part and repairs in the same way as for the delivery item. In the event that we are unwilling or unable to remedy the defect or replace the item, particularly in the event of any delay beyond a reasonable period for reasons for which we are accountable or if the remedy or replacement otherwise fails, the Customer shall be entitled to demand rescission (cancellation of the contract) or a corresponding decrease of the purchase price (reduction) at its own discretion. Repair shall be deemed to have failed if it has been attempted more than twice without success or if it is unreasonable for the Customer to accept further repairs.

Warranty claims by the Customer shall be excluded if the Customer has not given notice of any apparent defects within 8 days. The duty to inspect and complain under Sections 377 and 378 of the German Commercial Code (HGB) affecting merchants shall remain unaffected.

The warranty shall be conditional upon the fact that the defective delivery item can, at our own discretion, either be inspected and checked by us at the Customer's location or sent to us by the Customer for repairs at our request. Replaced parts shall pass into our ownership.

No warranty shall be provided for damage arising after the transfer of risk as a result of defective or negligent treatment or storage. Unless otherwise stated hereafter, any further claims on the part of the Customer shall be excluded, irrespective of their legal grounds. We shall therefore not be liable for damages not caused to the delivery item itself, and particularly not for loss of profit or other financial losses incurred by the Customer.

Compensation for damages

In principle, we shall only be liable in cases of intent or gross negligence arising from any legal basis, including faults in contract negotiations, positive breach of contract and unlawful acts; liability for guaranteed features, right of withdrawal and claims for compensation on the grounds of non-performance caused by impossibility or default, liability for simple negligence in the event of violation of essential contractual obligations and liability under the German Product Liability Act shall remain

unaffected by this provision. Otherwise, liability in the event of simple negligence shall be limited to €50,000.00 for material damage and €250,000.00 for personal injury.

Exemption from product liability claims

The Customer shall be obliged to exempt Medi-Sil from any claims (including those relating to patent law) asserted by third parties against Medi-Sil as a result of damages of any kind caused by a product purchased from Medi-Sil, either solely or together with other products incorporated into the end product (product liability) if the price of the products delivered by Medi-Sil is disproportionate to the claims for compensation being asserted against Medi-Sil.

The claim shall be deemed to have exceeded the limits of reasonableness if it is more than 1,000 times greater than the purchase price of the product delivered by Medi-Sil.

Returns

The return of goods for credit or the replacement of defect-free goods requires our consent.

Reservation of title

Until full payment of our claims arising from our business relationship with the Customer has been made, all goods sold shall remain our property. This reservation of title shall also extend to any products resulting from the processing, intermixing or combining of our goods at their full value. If the ownership rights of third parties remain in existence during processing, intermixing or combining with their goods, we shall acquire co-ownership in proportion to the invoice value of these processed goods.

All tools and moulds, as well as technical drawings and documentation, shall remain the property of our Company, provided that nothing has been agreed to the contrary in writing or in text form.

The Customer shall be entitled to have the purchased goods at their disposal in the ordinary course of business provided that they have not defaulted on any payments to us. Assignment as security or pledging of goods subject to reservation of title shall not be permitted. The Customer shall assign to us all claims against third parties arising from reselling either as a whole or in the amount corresponding to our co-ownership share. They shall be entitled to collect such claims for our account until the cancellation or suspension of their payments to us.

The Customer shall inform us immediately by registered letter in the event of access to our goods and claims by third parties. In the event of a breach of contract on the part of the Customer - particularly in the event of default in payment - we shall be entitled to reclaim the goods subject to reservation of title at the expense of the Customer. To this end, the Customer shall hereby assign to us their claims of surrender against third parties. Exercising this reservation of title shall not constitute withdrawal from the contract. If the value of securities held by us exceeds our claims by more than 20%, we shall release the securities at our own discretion and at the request of the Customer.

Final provisions

The place of fulfilment is the registered office of our Company. In the case of business-to-business transactions, the place of jurisdiction is Rosenheim. However, we shall be free to take the customers jurisdiction.

The laws of the Federal Republic of Germany shall apply. The provisions of the UN Convention on Contracts for the International Sale of Goods shall not apply.

Should a provision or part of a provision be or become invalid, the validity of the remaining provisions or parts of the provision shall remain unaffected.