

General Terms and Conditions

of

LMT Medical Systems GmbH

1. General Provisions – Scope of Validity

- 1.1. The general terms and conditions are exclusively binding; terms and conditions opposing or differing from these terms and conditions are rejected if LMT Medical Systems GmbH (hereinafter “LMT”) has not explicitly approved them as binding in written form.

LMT’s general terms and conditions are binding even if LMT effects delivery without reservation to the contractual partner in awareness of opposing and differing terms and conditions of LMT’s contractual partner.

- 1.2. All agreements between the contractual parties with regard to the performance of this contract shall be in writing.

2. Conclusion of the Contract

LMT’s offers are only binding if and when they have been explicitly confirmed as binding. Orders are accepted only by way of LMT’s written confirmation or by performance. The issuance of LMT’s invoice shall be regarded as a confirmation of the order.

3. Prices, Price Adjustment

- 3.1. Unless otherwise agreed, LMT’s prices are quoted ex works exclusive of freight, customs duties and packaging. General sales tax (VAT) is not included in LMT’s prices; it will be shown separately in the invoice in the amount legally required on the date of the invoice.

- 3.2. LMT reserves the right to increase prices for contracts with a delivery period of more than 3 months by an amount commensurate with the respective increase in costs, in particular because of collective labour agreements or increased costs of materials. LMT will verify the increased costs at the request of the contractual partner. The contractual partner has a right to disengage from the contract (right of termination or rescission) if the increase amounts to more than 5 % of the price agreed upon.

4. Delivery

- 4.1. Delivery dates and delivery time limits are only binding for LMT if LMT has approved them in writing. The time limit for delivery begins on the day of confirmation of the order but not before all necessary documents and information are received. The time limit is kept if on the last day

of the time limit the goods have left the factory or readiness for shipment is declared.

- 4.2. In the event of force majeure and/or other unforeseeable and extraordinary circumstances for which LMT is not responsible and which impede its ability to perform its duty to deliver in time (e.g. war, blockade, fire, natural disasters, revolt, strike, lockout, business or transport holdups, material and energy supply problems, official intervention) LMT is allowed to prolong the delivery period adequately or, if delivery becomes impossible or unreasonable, to withdraw from or terminate the contract wholly or partially. The same applies if the aforementioned circumstances occur with LMT’s supplier. LMT will inform the contractual partner if possible.

- 4.3. If binding delivery dates or time limits (also in the cases mentioned in 4.2. above) are not kept the contractual partner may – except for fixed-date purchases – only rescind the contract after the lapse of an adequate grace period set by the contractual partner.

- 4.4. LMT may make partial delivery; in the case of partial delivery the contractual partner may only rescind from the whole contract if partial delivery is of no interest to him.

5. Passing of Risk, Shipment

- 5.1. Delivery is made for account and risk of the contractual partner. The risk passes to the contractual partner at the location of LMT’s factory in Lübeck at the time when the goods are handed over to the person carrying out the transportation, have left the factory for delivery or are loaded onto a means of transport of LMT’s own or of a third party. The risk passes to the contractual partner upon receipt of the notice of readiness for shipment if the goods are ready for shipment but shipment or taking delivery is delayed for reasons for which the contractual partner is responsible.

- 5.2. On explicit written request of the contractual partner insurance for normal transport risks can be arranged by LMT. The costs for such insurance would be paid by the contractual partner.

6. Payments

- 6.1. LMT’s invoices are payable without deduction within 8 calendar days after receipt of the invoice, insofar as no condition to the contrary is agreed.

6.2. LMT reserves its right to accept payment by cheque or bill of exchange. Such acceptance will be pending full discharge of the debt and without warranty for timely presentation or protesting. Discount and note charges are for account of the contractual partner and are due immediately. Cheque and bill payments are considered as payment only upon encashment.

7. Reservation of title

LMT retains full title of ownership of the delivered goods until full payment is made and received by LMT.

8. Set-off / right of retention

8.1. The contractual partner may only set-off claims in the case of undisputed claims or claims which have been legally declared as final and absolute.

8.2. The contractual partner may only use the right of retention if his counterclaim derives from the same contractual relationship.

9. Claims for defective goods

The contractual partner is obliged to inspect the goods immediately after receipt. Any notification of defects has to be made within 7 days after receipt of the goods, and in the case of hidden defects within the same period after awareness of the defects. Otherwise all warranty claims are ruled out. The date of LMT's receipt of the notification of damages is decisive.

10. Claims for Defects

10.1 If the purchased goods are defective the contractual partner may demand subsequent performance by way of correction or delivery of a replacement without defects. The right to choose the type of subsequent performance shall lie with LMT.

10.2 Should the subsequent performance fail, the contractual partner is entitled to assert his legal claims for defects.

10.3 As far as the contractual partner has a claim for damages instead of performance LMT's liability is limited to foreseeable and typical damages; the same applies specifically for claims according to 10.2 above.

10.4 The period of limitation for claims for defects is 12 months, starting with the passing of the risk.

11. Return and Return Consignment

Return consignment of non-deficient goods requires the prior written agreement of LMT. Otherwise, LMT is entitled to refuse to accept the goods.

If a right to return has been agreed for the goods, and in the event of a return, LMT charges processing costs of up to a twentieth of the

value of the goods. In this case, the customer pays all transport costs, and the costs of packaging, secondary packaging and any repairs.

12. Liability

12.1 LMT will be liable according to the legal provisions for damage claims resulting from intent or gross negligence or the breach of a fundamental contractual duty. In the case of unintentional breach of contract LMT's liability is limited to foreseeable and typical damages.

12.2 The liability for negligent infringement of life, bodily integrity or health is unaffected; the same applies for mandatory liability under the German Act on Product Liability, "Produkthaftungsgesetz". The liability for the lack of a guaranteed characteristic of the goods also remains unaffected.

12.3 The exclusion or limitation of LMT's liability also applies to the personal liability of LMT's employees, associates, workers, agents and auxiliary persons.

12.4 Unless the above stipulates something different, all liability is excluded.

12.5 Damage claims made by the contractual partner which result from LMT's ordinary negligence are barred after 12 months after passing of the risk. This does not apply to damages that are based on harm to life, bodily integrity or health. Furthermore, 10.4 above applies.

13. Transfer and assignment of rights and duties

The contractual partner may only transfer or assign rights and/or duties arising out of the existing business relationship with LMT, especially the existing contracts, with LMT's prior written approval.

14. Miscellaneous

14.1 Place of jurisdiction is LMT's registered place of business; LMT retains the right to bring an action against its contractual partner at the competent court at its domicile or registered place of business.

14.2 The contract shall be governed by the law of the Federal Republic of Germany; the UN Convention on the International Sale of Goods (CISG) does not apply.

14.3 Place of performance is LMT's place of business unless the order confirmation provides otherwise.

14.4 In the event that any provision of this contract is or becomes null and void, or cannot be implemented on legal grounds, this shall not affect the legal validity of the other provisions of this contract.