

**General Terms and Conditions of
Micromed Medizintechnik GmbH
Version: July 2010**

1. Scope of application

1.1 The Products and Services of Micromed Medizintechnik GmbH (hereinafter: Micromed) are supplied exclusively in accordance with the following General Terms and Conditions.

1.2 General Terms and Conditions of the customer shall not apply even if the customer refers to such terms in connection with its order and Micromed does not oppose them. Commitments, ancillary agreements and any amendments and additions to the General Terms and Conditions must be made in writing. This shall also apply to any change in this written form requirement.

2. Product deliveries and performance of services

2.1 Offers made by Micromed are subject to change and are non-binding. A contract shall be deemed entered into only when an order is confirmed in writing, especially by fax or by e-mail, by Micromed but no later than upon acceptance of delivery by the customer or upon the provision of services.

2.2 Orders shall take place only in writing, telephonic orders are executed on the customer's risk.

2.3 In the absence of any other written agreements between the contracting parties, the contents and scope of the products and services owed by Micromed shall be derived from the order confirmation by Micromed.

2.4 Reasonably acceptable partial deliveries are admissible and may be invoiced separately.

2.5 Micromed reserves the right to modify the products, in particular in the course of further developments, provided that the performance data agreed are achieved.

2.6 Delivery and service dates are not binding. Micromed shall at any event only be deemed in default if the delay is the responsibility of Micromed, if performance is due and if the customer has set Micromed a reasonable extended deadline in writing (of at least 14 days) to no avail.

2.7 Delivery and service dates shall be reasonably extended for Micromed in the event of disruptions due to force majeure or other obstacles for which Micromed is not responsible, for instance disruptions in the supplies of suppliers, strikes, lockout, operational disturbances etc. Micromed reserves the right to rescind the contract if the delay in delivery and services caused by such events continues for longer than six weeks.

2.8 The customer's entitlement to claim compensation for default in delivery and services is excluded in case of slight negligence, unless the delay in delivery and services is caused by a deliberate violation of the contract by Micromed.

2.9 In due time, the customer shall provide a suitable environment for the rendering of services within the sphere of its operational area. The customer assumes responsibility, in case a suitable environment is not provided and services cannot be rendered due to this negligence. Micromed cannot be held responsible for such negligence. The customer shall support Micromed in rendering the agreed services to the best of its powers and free of charge and provide unsolicitedly all information and documents important for the rendering of the said services. Micromed is not committed to its services, if the customer violates the obligation to cooperate.

2.10 If the customer is in default concerning the acceptance of the delivery or services offered by Micromed or if the customer fails to cooperate in due form, the customer shall compensate any arising additional work and expenses or the damage resulting from the default or the failed cooperation.

3. Examination of goods and passing of risk

3.1 Immediately upon receipt of the goods the customer shall check that they are complete and in conformity with the delivery papers and examine them for defects. If no written complaint is made within eight days of the date of the delivery note, the goods shall be deemed to have been duly and fully delivered except in case of a defect which was not evident upon the examination.

3.2 The risk of damage or loss of the contractual product shall pass from Micromed to the customer when handed over to the carrier.

3.3 If the goods delivered show evident defects or deficient quantities, this must be noted by the customer in writing on the certificate of receipt of the carrier upon delivery. This note must provide a sufficiently clear description of the damage or deficient quantity (notice of defect pursuant to Section 438 German Commercial Code [HGB]).

4. Prices and payment terms

4.1 Prices are as given in the order confirmation or invoice of Micromed.

4.2 Prices are ex distributing warehouse of Micromed plus VAT at the statutory rate. The customer shall be charged separately for further ancillary services and costs of carriage, in particular shipping costs, packaging and insurance.

4.3 Invoices are to be paid within 30 days after date of invoice or as prepayment without discount.

4.3 Micromed reserves the right to raise the price appropriately in the event of cost increases occurring after the contract is entered into, in particular as a result of wage agreements or price increases by the suppliers.

4.4 If the customer fails to pay within the period allowed, interest shall be due without further notice at a rate of 8 % p.a. above the respective base interest rate of the European Central Bank calculated on the purchase price. The foregoing shall not affect the right to claim additional damages.

4.5 Micromed shall have the right, despite stipulations by the customer to the contrary, to apply payments received against the customer's older debts first. If costs and interest have already been incurred due to default, Micromed shall have the right to apply any payment first against the costs, then against the interest and finally against the principal performance.

4.6 The customer may only off-set undisputed claims or claims which have been determined non-appealable by a court of law. The customer may only exercise a right of retention with respect to counterclaims based on the same contractual relationship.

5. Cancellation charges, rights of lien

5.1 In the case of customer's cancellation of the contract, Micromed has the right to claim 10% of the purchasing price for costs that arise due to the order processing and for the loss of profit.

5.2. The customer has no right to rescind the contract if he ordered customized articles, sterile products and implants. This does not apply if it is rescinded due to a defect for which Micromed is responsible for, in the above mentioned products.

6. Packaging

Except when otherwise stipulated, Micromed determines kind and scale of packaging. The choice of packaging takes place taking account of the necessary caution to the best of Micromed's judgement

7. Data processing

The customer hereby gives its express consent to the processing of data which Micromed gains knowledge of during the course of the contractual relationships and which are necessary for the order processing. The customer is also in agreement with the use by Micromed of such data obtained from the customer in connection with the business relationship with the customer also within Micromed for business purposes within the meaning of the German Data Protection Act (Bundesdatenschutzgesetz – BDSG).

8. Reservation of title

6.1 The products delivered shall remain the property of Micromed pending performance of all obligations due under the contract, including future obligations, and, in addition, with respect to the entire business relationship with the customer.

6.2 The customer has the right to on-sell the goods with reserved title in the normal course of business subject to reservation of title. The customer hereby assigns to Micromed as security, its future claims arising from the on-sale of such goods with reserved title in the amount of the respective invoice value, pending payment in full of all the claims set forth in clause 6.1. The customer is entitled to collection of the claim also after the transfer. Micromed's right to collect the claim itself remains unaffected by this provision. Micromed undertakes not to collect the claim as long as the customer meets its payment obligations, is not in default and particularly does not file for the opening of insolvency proceedings or ceases to pay. However, if this should be the case, the customer is obligated, at the request of Micromed, to provide Micromed with the names and addresses of its respective customers and advise of the type and scope of the claims the customer has against them. Micromed must be provided with all corresponding data; the respective customers must be notified of the transfer of the claim.

6.3 The customer is not allowed to pledge or assign as security the goods with reserved title. In the event of attachment by third parties of the goods with reserved title or in the event of filing for the opening of insolvency proceedings concerning the assets of the customer, the customer shall indicate that they are the property of Micromed and advise Micromed thereof immediately in writing.

6.4 Any combination, amalgamation, processing or transformation of the goods with reserved title shall be effected exclusively for Micromed. In such a case Micromed shall acquire a joint ownership share in the finished goods or the new product corresponding to the value of the goods with reserved title in proportion to the value of the finished goods or new product.

6.5 In the event of behaviour contrary to the contract, particularly with default in payment, including payments due on other and future products or services supplied to the customer by Micromed or if there is any cause to suspect a deterioration in the financial circumstances of the customer, Micromed is entitled to recover the goods

with reserved title. The exercise of the rights from the retention of title or the demand of recovery do not constitute a rescission from the contract. Without prejudice, Micromed reserves the right to claim compensation for damages and to rescind the purchase contract. The entire costs of recovery and exploitation shall be borne by the customer. To enforce these rights Micromed may demand the assignment of the customer's rights to recover possession from its customers.

6.6 The customer is obliged to handle the goods with reserved title carefully. The customer is particularly obliged to insure the goods with reserved title appropriately in accordance with the replacement value against damages due to fire, water and theft. Articles supplied for testing and demonstration purposes shall remain the property of Micromed. The customer is obliged to ensure that such articles are properly stored; they may only be used for purposes reached to this effect with Micromed.

7. Warranty

7.1 Micromed warrants that the contractual products are free from defects and that they are suitable for the use presupposed in the contract and/or for normal use.

7.2 The customer is responsible for inspecting and guaranteeing the quality (e.g. constituency, accuracy of measurements, etc.) of material furnished for processing. The purchaser will supply the relevant material free of charge. We will perform no more than an incoming control of the material supplied to us, checking the number of items, identity of items and a visual inspection for obvious transportation damage. We only have an obligation to check that the material complies with the specifications provided by the purchaser if there are obvious reasons to do so. We have no obligation to carry out further inspections. An inspection can be expressly agreed, in which case the purchaser will pay the costs of the same.

7.3 All consulting services, Data and information on the suitability and application of our goods are not binding and do not exempt the purchaser from performing his own tests and trials. The purchaser is responsible for complying with legal and public authority requirements when using our goods. Any liability for the functionality of or between the products is excluded.

7.4 Normal wear and tear is exempted from liability.

7.5 Claims on account of defects do not exist in the following cases:

- if the product is modified, improperly installed, serviced, repaired, used or exposed to ambient conditions by the customer or third parties which do not correspond to the manufacturer's installation requirements, unless the customer can prove that these circumstances were not the cause of the defect complained of
- if the serial number, type reference or similar identification marks are removed or rendered illegible.

7.6 In the event of a defect Micromed shall either initially repair or replace the goods concerned at its discretion. Replaced parts are disposed of by Micromed. If Micromed is unable to repair or replace the goods, if disproportionate costs are involved or if Micromed fails to remedy defects within a reasonable extended deadline set in writing, the customer shall have the right either to rescind the purchase contract or to reduce the purchase price. If Micromed supplies a replacement product for the purpose of subsequent performance, the customer must return the defective product.

7.8 The warranty provisions of the aforementioned sections

7.1 to 7.8 apply respectively for the rendering of work performances. In particular, Micromed shall either eliminate the defect or render a new performance in its own discretion as far as the agreed work does not show the contractual functions or characteristic features. If the subsequent performance fails, the customer is not entitled to a deduction of the compensation or refund of the expenses in case the defect had been eliminated by the customer itself. Rescission from the contract and claim to refund of the expenses after elimination of defects by the customer itself is excluded if it only concerns minor defects.

7.7 If the Product forms part of a purchase of consumables [Verbrauchsgüterkauf], the rights of the customer under Sections 478, 479 BGB (German Civil Code) shall remain unaffected. In case of doubt, the customer must prove to Micromed that the purchase in question was a purchase of consumables. Claims on account of defects are only transferable given the consent of Micromed.

7.10 All further claims by the customer or claims by the customer other than those provided for in these Terms and Conditions shall be excluded irrespective of the legal ground therefor, save as otherwise provided for under the terms hereof. This shall not affect the statutory provisions on the purchase of consumer goods [Verbrauchsgüterkauf].

9. Industrial property rights and copyrights

9.1 The customer may neither remove, alter, conceal or otherwise obliterate references on the contractual products relating to copyright, trademarks or other property rights. Only given the prior written consent of Micromed is the customer entitled to translate for commercial purposes the documentary material supplied with the products.

9.1 Micromed provides no warranty that the contractual products do not infringe third party industrial property

rights or copyrights. The customer shall inform Tech Data without delay of all and any claims raised against it on such grounds.

9.1 Insofar as the products delivered were produced in accordance with the customer's designs or instructions, the customer shall hold Micromed harmless from all claims raised by third parties on the grounds of an infringement of industrial property rights and copyrights.

10. Liability

10.1 Save as otherwise provided for in the provisions set forth herein below, further-reaching claims by the customer are excluded – on any legal grounds whatsoever. Micromed shall not be liable for damage not arising in the goods delivered themselves, in particular Micromed shall not be liable for lost profits or other property damage suffered by the customer.

10.4 If the liability of Micromed is excluded or limited, such exclusion or limitation shall also apply to the personal liability of personnel and employees, co-workers, representatives and agents employed in the performance of an obligation.

10.5 At any event the duty to provide compensation in case of property damage for which Micromed is responsible is limited by the amount of cover of the business liability insurance and product liability insurance taken out by Micromed.

11. Export and import

11.1 All contractual products and technical know-how supplied by Micromed are supplied in compliance with the provisions of the German Act on Foreign Trade and Payments (AWG) / the German Foreign Trade and Payments Regulation (AWV) / the EC Dual Use Regulation and the US export provisions currently in force and effect and are intended for use and to remain in the country of destination agreed with the customer.

11.2 The customer is obliged to obtain details of the provisions and regulations currently in force on its own initiative. Irrespective of whether the customer indicates the final destination of the contractual products supplied, the customer shall be obliged, on its own responsibility, to obtain any licence or permit which may be necessary from the relevant foreign trade authority responsible prior to exporting such products. Micromed has no duty to provide information.

11.3 Any on-supply of contractual products to third parties by the customer with or without the knowledge of Micromed shall require the simultaneous transfer of the export licence conditions. The customer shall be fully liable in case of non-compliance with the relevant regulations.

11.4 If we supply to purchasers outside of USA/Canada and said purchasers then export the supplied products to USA/Canada, they shall take out and maintain a product liability insurance policy with minimum coverage of 5 million euros and assume liability for these products within the USA/Canada.

12. Place of Jurisdiction, Place of Performance, Miscellaneous

12.1 The customer shall have no right to assign its claims arising out of the contract.

12.2 The place of performance and jurisdiction is Rottweil.

12.3 The contract shall be governed by and construed in accordance with the laws of the Federal Republic of Germany. The application of the Vienna Convention (United Nations Convention on Contracts for the International Sale of Goods – UNCITRAL) is excluded.