

## General Terms and Conditions for Sale and Delivery Löwenstein Medical Technology GmbH & Co. KG, Hamburg as of 08 July 2016

### 1 General Information

- 1.1 The business relationship between the customer (Purchaser) and Löwenstein medical technology GmbH + Co. KG (Seller) shall exclusively be governed by the terms and conditions for sale and delivery as provided below; this shall also apply to any future deliveries, services and offers. They are accepted by Purchaser upon placement of the order, no later, however, than on acceptance of the first delivery or performance of service; they shall apply for the duration of the entire business relationship in their relevant current version. "Consumer" within the meaning of these General Terms and Conditions for Sale and Delivery shall be any natural person who when concluding the contract is acting for purposes that cannot be attributed to its commercial or self-employed professional activity. "Entrepreneur" shall be any individual or legal entity or partnership capable of being subject to legal rights and duties to the extent that it acts in performance of its commercial activities or as self-employed, also in the event that these activities are attributable to the public law sector.
- 1.2 Any deviating terms and conditions of the Purchaser are hereby expressly rejected; even the performance of the contract shall not render them valid. Any further agreements, in particular warranties, amendments, or side agreements shall only be valid upon our express consent.

### 2 Offers and Orders

- 2.1 Our offers are subject to change and are non-binding, also with regard to prices and delivery times; this shall also apply to brochures, advertisements etc. We reserve the right to implement technical changes and changes regarding form, colour /or weight, unless this would be unreasonable to the Purchaser. If the Purchaser is an entrepreneur, only the product specifications of the manufacturer shall be deemed agreed upon as specification of the respective goods. Public statements of the Seller, the manufacturer or its vicarious agents, in particular, by means of advertising, or in connection with labelling regarding certain product characteristics shall not be considered contractual specifications as to the characteristics of the object of purchase.
- 2.2 We request all orders to be made in writing. A minimum quantity surcharge will be added to small orders. Shipping charges apply to deliveries made in Germany. Please refer to our price list for details.
- 2.3 The contract shall only be formed by our written acceptance; if no written acceptance is provided; the contract shall be formed by delivery and at the terms contained in our invoice.

### 3 Delivery, Times of Delivery and Performance

- 3.1 Unless expressly agreed upon otherwise, Purchaser shall take over the ordered goods no later than within two working days after they have been made available for collection, unless the goods are to be dispatched by us. In case of sale of goods which are in stock or warehouse sales, goods are considered ready for collection on the day of contract conclusion if Seller has advised Purchaser that this concerns goods in stock.
- 3.2 The risk of unintentional loss or the unintentional deterioration of the goods shall be transferred to Seller with the handover of the goods to Purchaser. If the goods are dispatched, the risk shall already be transferred to Purchaser on the delivery of the goods to the forwarding agent, the carrier or any other person or institution used for carrying out the dispatch, if the Purchaser is an entrepreneur. If the Purchaser is a consumer, this shall only apply if the dispatch has been made at his request. Dispatch shall be made at the expense of Purchaser by freight, forwarding agency, post and similar means of dispatch at our discretion ex-works in Hamburg or ex-warehouse of our external branches. If a certain mode of dispatch is prescribed to us, the resulting costs shall be invoiced to Purchaser, even if delivery usually would be free of charge.
- 3.3 If a certain time for delivery or performance is agreed upon, it shall commence on the date of the conclusion of the contract, however, not before we receive the stipulated down payment of the Purchaser. Timely dispatch of the goods shall be sufficient for observing the stipulated time periods for delivery or performance.
- 3.4 Time for delivery or performance shall be extended accordingly in a reasonable way in the event of obstacles beyond our sphere of influence, such as force majeure, administrative acts, export/import restrictions, industrial action. If such an obstacle should lead to a delay in the performance by more than three months, Purchaser may withdraw from the contract following a reasonable grace period in accordance with section 3.5. If delivery or performance becomes permanently impossible due to the aforementioned occurrences, we shall also have the right to withdraw from the contract. In such case, damage claims by the Purchaser shall be excluded; section 7. remains unaffected. In the event of a permanent obstruction in the performance, Purchaser shall also be entitled to withdraw from the contract. We shall immediately inform Purchaser of the delay in delivery, and in the event of a withdrawal from the contract we shall immediately return any payments already made. This regulation shall also apply in the event of loss and/or default for our own deliveries, unless we are not responsible for the loss and/or the delay.
- 3.5 In the event of a failure to meet the stipulated delivery times or delivery periods, the Purchaser has the right to withdraw from the contract, if we fail to deliver after the expiration of a reasonable grace period of at least 14 days set by the Purchaser. The grace period must be set in writing. Any further claims or rights of Purchaser shall be excluded, unless the conditions for our liability according to sections 7.1 and 7.2 are fulfilled.
- 3.6 In the event that the Purchaser – for reasons attributable to him – is not able to accept the goods within two working days after the goods have been supplied (see section 3.1), this shall result in default of acceptance and the transfer of the risk of performance at the time we notify the Purchaser of the supply (see section 3.1).
- 3.7 In case of damage to goods in transit, visible damage shall be reported immediately in writing on delivery to the person/company carrying out the delivery. Additionally, for entrepreneurs, the further regulations of section 4.1 apply correspondingly. Special regulations regarding the reporting of defects set by the person/company carrying out the delivery must be observed. This report shall be sent to us without undue delay, together with a report on the damages.

- 3.8 In case of products manufactured to specification, Purchaser shall be responsible for all consequences which may result from infringements of industrial/intellectual property rights of third parties; in particular, Purchaser shall indemnify Seller from claims by third parties without undue delay.

### 4 Defect Notification and Warranties

- 4.1 In the event that the Purchaser is an entrepreneur, obvious defects must be reported to us in writing immediately after delivery of the goods. Hidden defects must also be reported in writing immediately after their discovery. In the event that the Purchaser is not an entrepreneur, obvious defects shall be reported to us in writing no later than within 2 weeks after delivery or performance; posting the notification within the time limit is deemed sufficient.
- 4.2 If the Purchaser is an entrepreneur and if the delivery or performance is defective, we shall, at our discretion, either rectify the defect or replace the defective object of delivery with one that is free of defects. If the Purchaser is a consumer, he is entitled to choose between the rectification of the defect and the delivery of an object free of defects. We shall be entitled to refuse the type of supplementary performance chosen by Purchaser if this is only possible at a disproportionate expense. If the other form of supplementary performance is only possible at disproportionate expense, we may also refuse this form. The right to reject the supplementary performance entirely shall also be applicable for us towards Purchasers who are entrepreneurs. The rights of the Purchaser are determined in accordance with section 4.4 in this case. If the Purchaser is an entrepreneur, he shall return the object of delivery to us for the purpose of rectification of defects at Purchaser's costs and Purchaser's risk. We shall, in no case, be liable for costs which result from the fact that the object of Purchase has been moved to a location different from the place of performance. At our discretion, we shall have the right to rectify the defects on the premises of the Purchaser.
- 4.3 If the Purchaser is an entrepreneur, our liability for products supplied by third parties shall be limited to assignment of the claims which we have against the supplier of such products, provided, however, that, when effecting such assignment, we shall make available to Purchaser all details available to us regarding the supplier which enable Purchaser to pursue its claim.
- 4.4 In the event that repair or replacement or rectification of the performance is ultimately unsuccessful, or in the event of a rejection of the supplementary performance due to disproportionate expense in accordance with section 4.2, Purchaser has the right either to reduce the consideration or withdraw from the contract. The right to withdraw from the contract shall be excluded in case of only minor defects.
- 4.5 In the event that the Purchaser decides to withdraw from the contract due to a defect in quality or defect in title, and after a failed supplementary performance, Purchaser shall not be entitled to any compensation claims regarding the defect, regardless of the regulations in section 7.1 and 7.2. In the event that the Purchaser decides to claim damages after repair/replacement was ultimately unsuccessful, the goods shall remain with the Purchaser unless this is to be considered unreasonable for Purchaser. The damage claim shall be limited to the difference between the purchase price and the value of the defective goods if the Purchaser is an entrepreneur. That shall not apply if the breach of contract was caused fraudulently.
- 4.6 If the Purchaser is an entrepreneur, in the event of a defective assembly instruction, we shall merely be obliged to provide a correct assembly instruction, and only if the goods were not assembled correctly.

### 5 Warranties

- 5.1 The end customer is granted a warranty within the scope of the provisions valid at the time of the conclusion of the sale contract. These are found in the provisions of the instruction manual belonging to the relevant product and the warranty conditions retrievable from the Internet, which are referred to in the instruction manual. Further warranties shall not be granted to the end customer. The entitlements under warranty of the end customer towards their Seller shall remain unaffected by the provisions via the warranty.
- 5.2 We shall grant warranties in accordance with the provisions in section 5.2-5.5 to Resellers: The term of the warranty from the date of purchase is stated in the instruction manual belonging to the relevant product, which is retrievable from the Internet at [www.loewensteinmedical.de](http://www.loewensteinmedical.de). With products with a shorter sell-by date according to the labelling, the warranty shall end on expiry of the sell-by date. The claim under warranty shall expire with the resale of the goods. Minor external defects, which have no effect on the use of the product, shall be excluded from the claims under warranty. Defects as a result of improper storage and treatment, incorrect operation, unauthorised external use or force majeure shall be excluded from the warranty. In the case of a wrong delivery or in the event of a wrong advice evidenced by the end customer claims under warranty shall not be applicable. Moreover the Reseller must reimburse the purchase price to the end customer for the return of the product. In the event that an end customer makes a claim towards the Reseller based on a defective product, the Reseller must examine whether an actual defect exists. The Reseller must record all defects claimed from him for statistical reasons and process the same so that these can be allocated to individual cases.
- 5.3 Resellers who are authorized to process claims under warranty must repair the defective goods themselves. In the event that the customer should purchase the products from an authorised dealer, who is not resident in the Federal Republic of Germany, the performance under warranty shall always be made by the authorised dealer from whom the end customer has purchased the product. We shall only reimburse the authorized resellers for the value of the material of the installed replacement parts in the framework of the warranty in accordance with the following provisions: The purchaser is not entitled to claim remuneration for his performance. Replacement parts are to be sent to us in conjunction with an accumulative report written on the form "Reclamation Data – Warranty Claim" respectively at the beginning of January, April, July and October. The accumulative report has to contain the following information: Device type, serial or batch number, hours of operation/period of time during which the product had been in use, date of delivery, number of the delivery receipt, exact description and item number of the defect part, exact description of the defect and its cause, miscellaneous

remarks and number of client report. The replaced parts shall become our property. The reimbursement of freight costs and a payment for the performance is excluded.

- 5.4 Resellers who are not authorized to process claims under warranty for Löwenstein Medical Technology products must send the defective goods at their own expense and risk to us. A returned device must be accompanied by the reason for the return, written clearly on the slip for returns and repairs, along with a copy of the delivery note or proof of purchase which contains the name of the salesperson and the date of purchase. We shall either repair or replace the defective product at our own discretion.
- 5.5 Further or other claims, in particular, those for replacement of damages in addition to the product, are excluded for resellers in the framework of this warranty for resellers, unless we are liable under application of section 7.1 and 7.2.

## 6 Prices and Payments

- 6.1 Valid prices are those specified on our pricelist in the version applicable at the time of the conclusion of the contract. In the event that the Purchaser is an entrepreneur, we shall be entitled to claim from Purchaser additional costs resulting from cost increases after conclusion of the contract (for example new or increased tariffs, taxes or other duties, increase in shipping costs etc.).
- 6.2 Payment shall be made in cash, without undue delay, upon receipt of the invoice without any deduction, unless the Purchaser is expressly granted the right to pay within 14 days from the date of the invoice with a discount of 2 % or within 30 days of the date of the invoice without any deductions. After expiry of said time limit of 30 days, Purchaser shall be in default regarding the payment. Actual receipt by the Seller shall be relevant for determining whether payment was timely. Checks and bills of exchange shall only be accepted on account of performance. In the event that the payment is not made in cash, it shall be made by bank transfer to the bank account specified in the invoice, quoting customer number and invoice number. Transfer costs, bill of exchange taxes and discount charges shall be borne by Purchaser.
- 6.3 A set-off shall only be permitted if the corresponding counterclaims are undisputed or have been determined by a court of law. If the Purchaser is an entrepreneur, it may only rely on the rights of retention and/or other rights to refuse performance if Purchaser's counterclaims are undisputed, or have been established by a court of law, and only if such claims are based on the same contract of purchase.
- 6.4 If the Purchaser is an entrepreneur and if terms of payment are not met, or if we become aware of circumstances that are grounds for concern, whether a deterioration of Purchaser's financial situation or an insolvency, we shall be entitled to cease any deliveries or, at our discretion, to demand prepayment of all claims, including those which are not yet due, or for which the time of payment has been extended, as well as those resulting from bills of exchange; alternatively, we may demand that adequate security is provided. If the Purchaser fails to provide prepayment, or adequate security upon request within a reasonable deadline set by us, we shall have the right to withdraw from all contracts. Further more, we shall be entitled to demand from Purchaser reimbursement of all costs incurred, and yet to be incurred, including lost profits.
- 6.5 As for returned goods, either for exchange or for credit, which result from incorrect orders or reasons we are not responsible for, we shall have the right to demand from Purchaser a handling fee in the amount of 3 % of the net value of the goods, however, not less than € 15.50.
- 6.6 Return of consumables is excluded.

## 7 Liabilities

- 7.1 We shall be liable for damages incurred by Purchaser only in the event of intentional or gross negligence. If we commit an essential breach of obligation, we are also liable for merely slight negligence. All contractual duties are deemed essential, without which the conclusion of the contract would not even be possible and which the contractual partner should reasonably be able to expect. In the event that the Purchaser is an entrepreneur, our liability for slight negligence shall be limited to the direct and foreseeable damage typically occurring with regard to the respective goods and the respective contract. The aforementioned provisions shall also apply in case of negligence of our legal representatives or our vicarious agents.
- 7.2 The aforesaid limitations of liability shall not apply to claims resulting from product liability. Moreover, they shall not apply to damage to life or health or loss of life attributable to us, intentional concealment of a defect or accepted defect in the quality.
- 7.3 The statute of limitations for damage claims regarding a defect of goods applies one year after the delivery of the goods. This shall not apply if we acted with malicious intent or in the event of a case under section 7.2.
- 7.4 We produce medical devices bearing a CE-labelling according to the German Medical Devices Act. Due to this CE- labelling, the products may be launched in the member states of the European Union and the European Economic Area (EEA). A Purchaser who exports our products to countries outside these areas shall be responsible for checking whether the product may be launched in the respective country of destination. We do not grant any warranty for our products being allowed to be exported to countries outside EU and EEA and are not liable for damages arising from the breach of legal provisions in the respective country of destination.

## 8 Reservation of Title and Security Interest

- 8.1 Title of the goods delivered shall remain with us until the purchase price has been paid in full. If the Purchaser is an entrepreneur, the title of the goods delivered shall remain with us until the purchase price and all open claims resulting from the business relation with the Purchaser have been settled in full, including future claims and including obligations resulting from cheques and bills of exchange created in connection with the business relation. This reservation of title shall not be affected by certain claims being included in a current account, or in cases where an account balance is established and has been accepted. In such case the reservation of title shall constitute security for the resulting balance in our favour. The reservation of title shall expire with the settlement of these current account balance claims.

8.2 Purchaser shall treat carefully and maintain the goods subject to reservation of title. If the Purchaser is an entrepreneur, he shall inform us immediately of any access of a third party to the goods, such as in case of any seizure, and of any damage to or loss of the goods. Goods covered by this reservation of title in accordance with section 8.1 shall not be pawned or assigned for security. If the Purchaser is an entrepreneur, he shall only be entitled to resell the goods if this occurs within the ordinary course of business. This right shall cease immediately if an application for the initiation of insolvency proceedings is filed or a compulsory settlement of debts (Sequestration) with regard to the assets of the Purchaser is ordered. Purchaser shall inform us without undue delay of any change of the immediate control over the goods and of any change of Purchaser's residential address. If the Purchaser is not an entrepreneur, he shall notify us of a change of residential address as long as the reservation of title under section 8.1 exists.

8.3 Until all our claims resulting from deliveries and services under section 8.1 have been settled, Purchaser hereby assigns to us as a security all claims resulting from the resale of the goods including ancillary claims in advance. In the event that the Purchaser includes the claim in a current account between Purchaser and his customer, the entire claim out of the current account is assigned. After a balance has been agreed upon, the said claim is replaced by the newly specified balance that shall be considered assigned up to an amount equivalent to the original claim out of the current account. Purchaser shall be entitled to collect said assigned claims as long as Purchaser has fulfilled its obligations towards us and as long as we have not objected to such collection. We shall be entitled to withdraw the direct debit authority for justified reasons, in particular, for default of payment, cessation of payment, application for bankruptcy for the assets of the Purchaser, bill protest or justified indications for excessive debts or impending inability to meet payment obligations. Additionally, after prior notification with a reasonable grace period we may disclose the assignment of collateral, utilize the assigned receivables as well as demand the disclosure of the assignment of collateral by the Purchaser towards his customers. Debited amounts must be assigned to us as far as receivables from the business relationship of the Purchaser with us are due.

8.4 In the event that our security interests are affected by measures of third parties such as seizure or attachment of deliveries and/or attachment of claims, Purchaser shall inform us immediately by providing us with the documents available to him (e.g. protocols regarding the seizure etc.); Purchaser shall also inform the third party of our security interests. Purchaser shall bear all costs for legal defence measures incurred by us as a result of third parties' interference with our security interests.

8.5 We shall be entitled, in the event of violations of the contract on part of the Purchaser, in particular owing to default of payment, but also due to impending cessation of payment, inability to pay or negative credit enquiries, which would indicate a significant deterioration in the assets of the Purchaser, to demand the return of the reserved goods and/or to withdraw from the contract after the grace period; the Purchaser shall here and now expressly and irrevocably grant his agreement to the return of the goods. The same shall apply in the event that foreclosure, bill or cheque protests are made against the Purchaser. The demand for the return does not represent a withdrawal, unless this is expressly declared.

8.6 As far as the achievable value of all security rights that we are entitled to exceeds the secured claims by more than 10%, we shall release a relevant portion of the security rights on the request of the Purchaser. It is presumed that these conditions are fulfilled, if the estimated value of the securities that we are entitled to reaches or exceeds 150% of the value of the secured claims. The Purchaser is entitled to choose which security rights are to be released.

8.7 Any modification to or processing of the goods by the Purchaser shall at all times be carried out in our name and on our behalf. In the event that the goods are processed with goods not owned by us, we shall obtain co-ownership in an amount equivalent to the ratio between the value of the goods supplied by us to the value of the other goods processed. This shall apply also if the goods are combined with goods not owned by us.

## 9 Storage of Data

The Purchaser is hereby informed that all data referring to him and arising from the business relationship is stored by our electronic data processing systems and is passed on exclusively to persons rendering services regarding the execution of orders. This also applies to personal data in the meaning of the German Federal Data Protection Act (Bundesdatenschutzgesetz).

## 10 Place of Fulfilment, Legal Venue and Applicable Law

Place of fulfilment of delivery and payment shall be Hamburg. The valid law shall be the law of the Federal Republic of Germany, excluding the conflict of law provisions. The application of UN Convention on Contracts on the International Sale of Goods (CISG) shall be excluded. The exclusive venue for business transactions with entrepreneurs, legal entities of public law or public fund assets is Hamburg. We shall, however, also have the right to file claims at any other venue as provided by law.

## 11 Construction and Operation of Pressure Tanks

Construction and operation of pressure tanks, and tanks for pressurized gas, including the related equipment are subject to special legal regulations. Purchasers shall observe the specific and also any further applicable legal requirements and technical standards, in particular the requirements of the laws regarding transport of hazardous goods.

## 12 Final Provisions

In the event that a provision contained in these general terms shall be or become void, unenforceable and/or impracticable wholly or in part, this shall not affect the validity of the remaining provisions. Void, invalid and/or impracticable provisions shall be replaced by valid and practicable provisions which come as closely as possible to the original economic intent. This shall correspondingly apply to gaps in these general terms. The original German version of the General Terms and Conditions for Sale and Delivery shall prevail. Versions in other languages are merely deemed translations.