

STANDARD TERMS AND CONDITIONS OF SALE AND DELIVERY

1. Area of Application

The following standard terms and conditions shall be valid for all contracts for deliveries and services between us (Schein Orthopädie Service KG) and natural or legal persons, insofar as these persons shall not be consumers within the meaning of section § 13 of the German Civil Code (BGB).

2. Acceptance of the Standard Terms and Conditions

The following conditions shall be valid for all deliveries and services provided by us, provided that no other agreements have been explicitly made in writing to this end. These conditions shall also be valid for all future contracts, provided that their validity shall not be explicitly revoked in individual cases.

Contrary or differing conditions from our contractual partner shall not be accepted or acknowledged. In addition, they shall not form part of a contract even in such cases where we do not explicitly revoke or reject them.

3. Supplementary Agreements, Scheduled Delivery Dates

Any supplementary agreements to this contract, particularly agreements on scheduled delivery dates made outside the contract, shall require written confirmation to be valid. This provision shall not apply to agreements which are made after the conclusion of the contract.

4. Delivery, *force majeure*

Until the conclusion of contract, our offers and quotations shall be subject to change.

Our scheduled delivery dates shall always be understood as being non-binding. Claims for damages on account of late delivery or of failure to deliver shall be excluded, unless these claims shall be based on gross negligence on the part of Schein Orthopädie Service KG. Compensation shall be conditional on the proof and confirmation of our breach of contractual obligations due to wilful intent or gross negligence. This provision shall also apply in the case of compensation for unforeseeable damages. Compensation for damages shall in all cases be limited to the total offer or invoice amount for the relevant delivery, in cases of partial delivery, to the partial amount.

Partial deliveries to a reasonable extent shall be permitted.

In the case of *force majeure* and in other unforeseen and extraordinary circumstances for which we shall not be responsible, – for example in cases of difficulties in procuring materials, disruptions to operations, strikes and industrial action, lock-outs, shortages in adequate means of transportation, government interventions, difficulties or shortages in energy supply, and similar – including where such circumstances shall affect our suppliers – and where such circumstances shall prevent us from timely fulfilment of our contractual obligations, any period of delivery shall be automatically extended by a reasonable and appropriate time period. This provision shall not apply in such cases where we shall be at fault for assumption, precaution or prevention.

Should the aforementioned circumstances cause the provision of services or delivery to be impossible or unreasonable, we shall be released from the contractual obligation to provide the service or delivery.

In case the delay in delivery shall last for a period longer than two months, our contractual partner shall be authorised to withdraw from the contract.

Where the delivery period is extended, we shall be released from the contractual obligation accordingly, or where our contractual partner withdraws from the contract, it may not derive any claims for damages, provided that the aforementioned grounds exist.

We may only invoke the aforementioned circumstances in cases where we shall notify our contractual partner of these circumstances without delay.

In case of small orders with a net merchandise value of under EUR € 30.00, a surcharge for small-volume purchases amounting to € 10.00 shall be charged!

5. Return Shipments

As a matter of principle, return shipments shall require our prior agreement and co-ordination (notification). We shall reserve the general right to refuse return shipments. In the case of return shipments, our contractual partner (buyer) shall provide us with the proof of receipt of goods. Notification of the delivery note number and date by sending us a copy of the delivery note or by enclosing the corresponding return shipment delivery note with the return shipment shall suffice in this regard. We shall only accept return goods in their original packaging and only up to 30 days after the delivery date. The goods to be returned must be in a saleable condition (unworn, undamaged and clean). No credit note or exchange shall be granted for a return of goods which takes place more than 90 days after the delivery date.

For all return shipments / exchanges taking place between 31 and 90 days after the delivery date, we shall charge an administrative charge for handling calculated at thirty per cent of the net value of the order.

The costs for return shipment of goods shall be borne by our contractual partner (customer).

Custom-made products, as well as products from the Ortho Lady and Ortho Gent product ranges, may not be exchanged!

6. Shipment and Transfer of Risk

Insofar as no other agreement is made, the place of performance for the fulfilment of our contractual obligation(s) shall be the place of our registered company offices. Our deliveries shall be effected, insofar as we shall undertake shipment, pursuant to section § 447 of the German Civil Code (BGB). This provision shall not apply, in such cases where we shall effect delivery with our own vehicles, or to mail order sales.

Insurance of the goods against damage incurred in transit shall only be contracted at the express request of, and at the expense of our contractual partner.

The costs for transport and for packing / packaging shall be charged separately, insofar as no other agreement has been made.

Within the scope of the provisions of the (German) regulation on packaging, we accept the return of our product packaging. To avail itself of this service, our contractual partner shall be obligated to bear the expenses to deliver the return packaging to our premises. Returned packaging shall be clean, free of foreign materials and, where necessary, sorted according to its various component packaging materials. Where this obligation on the part of our contractual partner shall not be fulfilled, we shall be entitled to charge the contract partner with the additional costs incurred in cleaning and sorting the returned packaging.

7. Price Increases

Where a contract has been concluded on the basis of our regular prices, and where the material and processing costs that form the basis for the calculation of our regular prices shall increase between the time of contract conclusion and the acceptance of the goods, without us being responsible for such an increase, we shall be entitled to increase our prices in accordance with the increase in costs, provided that there shall be a period of more than four months between the time of contract conclusion and the fulfilment of our contractual obligation(s).

8. Samples, Cost Estimates (Quotations)

Samples shall be invoiced separately. Cost estimates shall only be reimbursed where this is explicitly agreed.

9. Copyright, Confidentiality

We reserve rights of ownership and copyright to all illustrations, (technical) drawings, samples and other documents that we place at the disposal of our contractual partner during the handling and processing of an order. These may not be passed on to third parties without our consent, and upon request shall be returned to us without delay.

10. Terms of Payment

All prices stated are subject to value-added tax at the statutory rate.

Unless agreed otherwise, our invoices shall be payable within fourteen days (subject to a two per cent discount) or on terms of thirty days net. For orders outside of Germany, the payment conditions as shown on the invoice shall apply. Payment shall be made in cash, by cheque or bank transfer without deduction to our (the seller's) designated account(s). Transfer fees shall be for the account of our contractual partner (buyer).

We reserve the right to refuse bills of exchange. Bills of exchange shall in any case only be accepted for purposes of payment. Discount charges and bill of exchange charges shall be for the account of our contractual partner and shall be immediately due for payment.

Default interest shall be charged at eight per cent above the base lending rate. Our right to assert a claim for a higher amount of default damages shall not be affected.

Offsetting against our accounts receivables with counterclaims which have not been explicitly acknowledged by us, or which have not been legally established, shall not be permitted.

Where our contractual partner shall default on its payment obligations, we shall be authorised to withhold our own delivery and service obligations arising from the contractual relationship. After setting a suitable period of time, we shall be entitled to request that our contractual partner provide security for our payment claims arising from the contract. Where this period of time shall elapse without being utilised, we shall be entitled to withdraw from the contract or else demand the immediate payment of our contractual partner's entire payment obligations. In the latter case, we shall be obligated to discount the amount not yet due with the contractual interest at which we refinance ourselves.

11. Warranty on account of Defects

We guarantee that our deliveries and services provided are free of defects for a period of one year from delivery.

Where defects shall occur in the goods delivered or services provided within this period of warranty, we shall be authorised, at our discretion, to fulfil our warranty obligations by way of rectification of the defects or by way of replacement of the defect goods. Only after three failed attempts to fulfil our warranty obligations shall our contractual partner be entitled, at its discretion, to either request a reduction in payment (decrease), or else to withdraw from the contract.

Where we shall be responsible for a breach of contractual obligations, our contractual partner shall be entitled to withdraw from the contract in accordance with the legal and statutory provisions, insofar as the occasion for withdrawal shall not concern a defect.

Insofar as we renew or replace parts within the scope of our rectification of defects, this shall not cause the period of warranty to be extended.

Our contractual partner shall be obligated to inspect goods immediately upon their delivery, insofar as this is feasible in the course of normal business, and if a defect or defects are ascertained, to inform us hereof without delay. Where our contractual partner shall fail to do this; the goods shall be considered as accepted, unless the goods are affected by a defect which was not or would not have been discernible at the time of inspection.

Where this kind of defect shall be ascertained at a later point in time, we must be notified of this immediately after discovery; otherwise the goods shall be considered as accepted, even considering this defect. In order to

protect the rights of our contractual partner, the timely sending of such notification shall be sufficient.

Defects in a part of a delivery shall not entitle a claim or complaint to be made against the entire delivery, unless the defect-free part of a delivery shall be of no interest to our contractual partner.

Our warranty obligations shall lapse, in particular, where the delivered goods / object shall have been altered or modified by a third party or shall have been used in combination(s) with foreign parts not approved by us, and where the defect or damage shall be as a result of this modification or use. Our warranty obligation shall also lapse for defects which may be attributed to normal wear and tear (e.g. batteries, items for single use), overworking, improper use, neglect of care and maintenance as well as to the disregarding of the operating instructions.

Where notification of defects shall be ungrounded (be it because no defect exists, or in cases where we shall not be liable), costs incurred by us in conjunction with such a notification shall be reimbursed.

Claims of our contractual partner pursuant to section § 478 of the German Civil Code (BGB) shall remain unaffected.

12. Compensation for damages, withdrawal on account of the breach of a contractual obligation, warranty

Further claims for damages on the part of our contractual partner beyond warranty claims for breaches of contractual obligations on our part shall be excluded.

Excluded from this provision are damages arising from loss of life, or injury to body or health, where we shall be responsible for the breach of contractual obligation(s) as well as other damages caused by a breach of contractual obligations on our part due to wilful intent or gross negligence. A breach of contractual obligations on the part of a statutory representative or vicarious agent of ours shall be deemed equivalent to a breach of contractual obligations on our part.

The aforementioned limitation of liability shall also not apply where claims for damages shall be asserted on account of a breach of an essential contractual obligation for which we shall be responsible.

Where we have given a guarantee, we shall be liable within the scope of the legal and statutory provisions in this regard.

Our liability pursuant to the Germany Product Liability Act shall remain unaffected by the abovementioned provisions.

13. Retention of Title

All goods delivered shall remain our property (retained goods) until the complete payment of all of our accounts receivables over against the contractual partner for our entire business relationship, regardless of the legal grounds.

The retention of title shall also extend to the balance acknowledged, insofar as we book accounts receivables against the contractual partner in current accounts (current account reservation).

In the event of conduct on the part of our contractual partner which shall be in breach of the contract, in particular in the event of a default of payment, we shall be entitled to take back the retained goods.

Our contractual partner shall be obligated, at its own cost, to insure the retained goods against the risk of accidental loss, in particular against theft, fire damage, breakage and water damage, and, upon our request, to show proof that such insurance has been obtained. Our contractual partner shall be obligated to carry out repairs, maintenance and service works on the retained goods at its own expense, insofar as such repairs and service works shall be required.

Our contractual partner shall be entitled to (re-)sell the retained goods in due course of business. In case of the resale of the retained goods, our contractual partner shall assign the accounts receivables to which it is entitled from the resale, as well as any other claims (including value added tax) against its purchaser or a third party with all ancillary rights to us, regardless of whether the retained goods shall have been sold with or without further processing. We shall accept this assignment. Our contractual partner shall be entitled, even after such assignment, to collect the accounts receivables to which it is entitled from the re-sale, so long as it properly complies with its contractual obligations to us, in particular, its payment obligations, and does not default on payment. Any money received in this way shall be held in trust and ceded to us, insofar as our accounts receivables are still outstanding.

In the case where the contractual partner shall process, remodel or work on the retained goods, such work shall always be carried out on our behalf, and we shall be entitled to joint ownership of the new object(s) in proportion to the value of the processed retained goods to the other goods / materials in the new object(s) at the time of processing or remodelling. Our contractual partner shall now transfer all joint ownership shares it may accrue by way of the mixing, blending or combining of the delivered goods with other objects or products; we shall accept this transfer of joint ownership shares. Our contractual partner shall protect and store the object(s) for us with due diligence.

Our contractual partner shall now assign all accounts receivables and any other claims from the business relationship / transaction to which it shall be entitled as a result of the re-sale of the retained goods, or as a result of any other legal ground arising from the retained goods, to us, to the amount of the value of its proportion of joint ownership for our security; we shall accept this assignment.

At our request, our contractual partner shall notify its third party debtors of this assignment and request these third party debtors to thence only fulfil their contractual obligations to us, and to place at our disposal all documents and information necessary for asserting our claim to the

accounts receivables. We shall also be entitled, at our discretion, to disclose the assignment ourselves.

The assertion of rights or claims arising from the agreed retention of title in the case of our contractual partner's default of payment, including the assertion of the claim to return the retained goods shall not be considered as withdrawal from the contract, unless we shall have explicitly declared this to be so. A pledging of the retained goods by us shall always constitute a withdrawal from the contract.

Our contractual partner shall notify us immediately in writing in case of pledging or other access to the retained goods or the assigned claims and/or accounts receivables on the part of third parties, and shall place at our disposal all necessary documentation required for our intervention.

Insofar as the third party shall not be in a position to compensate us for the legal (court) costs or out-of-court expenses pertaining to a legal action pursuant to section § 771 of the German Code of Civil Procedure (ZPO), our contractual partner shall be liable for the loss incurred by us.

14. Release Clause

Shall the realised value of the securities to which we are entitled pursuant to section 13 of these terms and conditions exceed the value of our total receivables by more than ten per cent in their entirety, our contractual partner shall be entitled to request, at its discretion, the reassignment of existing securities up to the amount in excess (where there is a risk of realisation, by more than fifty per cent).

15. Data Protection

In accordance with our obligation arising from the German Data Protection Act, we advise that we save and store data pertaining to our contractual partner that is necessary for carrying out business.

16. Place of Jurisdiction

The place of jurisdiction for all disputes between the parties arising from the contractual relationship shall be the place of our main registered offices, in Remscheid, Germany.

17. Applicable Law

The mutual contractual obligations shall be governed exclusively by the law of the Federal Republic of Germany.

18. Severability Clause

If individual provisions of these standard terms and conditions of sale and delivery are invalid or should become invalid, the validity of the remaining provisions shall not be affected. The invalid provision shall be replaced by a valid provision which shall correspond to the commercial purpose of the invalid provision.