

General Purchasing Terms and Conditions of Neuroth AG, 25th of May, 2012.
Schwarzaau im Schwarzaual 51,
A-8421 Wolfsberg im Schwarzaual
(herein after referred to as Neuroth)

1. Preface - Proper Conditions

- 1.1. The privity of contract between the Parties acts in accordance with the following conditions. These shall have - unless otherwise regulated by the Parties - exclusive validity.
- 1.2. Any modifications or amendments shall be in writing (e.g. e-mail, fax, post) and require a written signature.
- 1.3. Other General Terms, in whatever form, do even not apply if they aren't explicitly contradicted in particular cases. The term "*supplier*" in the following text comprises in equal measure suppliers, service providers, consultants etc. The term "*delivery*" comprises all supplier services (e.g. merchandises, services, consulting, know-how etc.).

2. Neuroth-Group - transferable rights

- 2.1. Neuroth has the right to communicate entirely or partially all rights and duties from a concrete contractual relationship, by means of a written notice, to companies which are bound to the Neuroth-Group as defined by §15 of the corporation law (subsidiaries, co-subsidiaries, second tier subsidiaries etc.) and to companies which are operating under the brand Neuroth, as well as to corporations which are bound by the §15 of the corporation law to the companies operating under the brand Neuroth (shortly Neuroth-Group).

3. Offer and ordering

- 3.1. Orders are binding for Neuroth only in written form (e.g. e-mail, fax, post) and with a written signature. Oral orders and agreements require a supplementary written confirmation as well as a written signature from Neuroth to be legally valid.
- 3.2. Orders shall be confirmed by the supplier within three working days by a confirmation of order and by a binding specification of the date of delivery. If the supplier doesn't accept the order at the time since entrance of the order, Neuroth will be entitled to withdraw it.
- 3.3. Supplier is obliged to deliver exclusively binding offers, whereupon Neuroth shall not be charged for tender preparation costs. The activities of the supplier during the initial business contact will not be reimbursed.
- 3.4. Neuroth can unilaterally demand amendments to the delivery item, even after the order, as long as it is reasonable for the supplier. In such case the impacts, especially on possible additional or reduces costs and deadlines, shall be suitably and mutually settled.

4. Prices and terms of payment

- 4.1. The prices are calculated as fix prices exclusive the lawful value added tax in each case. This excludes a unilateral

increase in price as well as additional claims and charges by the supplier.

- 4.2. The payment shall occur according the agreement within the limit of 90 days net, unless otherwise regulated, whereupon the up-to-date receipt of an auditable invoice will be expected. In case of precipitate receiving of deliveries the term of payment acts in accordance with the agreed day of delivery.
- 4.3. The invoices have to refer to a delivery note or activity confirmation (if it doesn't exist on the order) and in case of ability for input tax deduction on the services of the supplier, they have to comply with the requirements of the Austrian Value Added Tax Act, which authorize Neuroth to an input tax deduction.
- 4.4. The implicit payment shall not mean neither an approval of the orderliness of the delivery nor a renouncement by Neuroth on the existing rights.
- 4.5. In case of an incorrect delivery Neuroth will be authorized to detain the payment entirely or partly until the delivery is properly performed. All possible existing rights of the supplier to detain a delivery are excluded.
- 4.6. The supplier is not, without a prior written agreement (e.g. e-mail, fax, post) and a written signature of Neuroth, authorized to assign his requirements against Neuroth to third parties or to confiscate them through third parties (prohibition of assignment). The supplier is not authorized to set off his own requirements against the requirements of Neuroth (contractual exclusion of set-off).

5. Delivery and quality of delivery

- 5.1. Appointed days, deadlines and quantities are binding for the supplier. Relevant for the observance of the time limits and/or deadlines is the date of receipt at Neuroth. The supplier is obliged to inform Neuroth unasked and immediately, in writing, about any possible delay or variation in quality and their causes, as well as to take any measure at his own costs which is necessary to avert or shorten the delivery delay or to minimize the possible loss.
- 5.2. The supplier commits to identifying deliveries of goods clearly with reference number, item number, position number and quantity well visibly on the package, as well as entirely enclose the accompanying documents, customs tariff number and the proof of origin prescribed by the customs law, in the delivery.
- 5.3. The supplier shall choose the form of the package considering the specific requirements of the delivery item in a such appropriate manner that this cannot be damaged neither during the transport nor during the storage. Partial or beforehand deliveries require a written authorization by Neuroth.
- 5.4. Neuroth is authorized, in case of an exceeding of the deadline caused by the supplier, to claim a contract penalty amounting to 5,0% (five point zero percent) of the value of the ordered delivery. For every beginning working day of the delay the amount of 0,2% (zero point two percent) will be added. However, not more as a total of 10,0% (ten point zero percent) of the total value of the

ordered delivery will be charged for the penalty. The assertion of other claims as well as other beyond-going losses will be explicitly reserved for Neuroth.

- 5.5. In case of exceeding the deadline, Neuroth has the authorization, but no obligation, to purchase the ordered deliveries elsewhere. A precondition to this right is that Neuroth will communicate the alternative acquisition to the supplier in written form (e.g. e-mail, fax, post) and the supplier has not redressed within at most five working days after receiving the notice. The additional costs that occur within the framework of the alternative acquisition shall be paid by the supplier.
 - 5.6. The delayed delivery shall be on demand of Neuroth reduced by the amount of the alternative acquisition. If the delivery will delay again, Neuroth will be authorized to dissolve the contract or the order with immediate effect despite of a fair extension of time, in writing (e.g. e-mail, fax, post) without the supplier having the right to derive or assert a claim of any kind.
 - 5.7. All deliveries shall be carried out according to DDP (Incoterms 2010) to the delivery address communicated by Neuroth. Place of delivery shall be the delivery address and in case of doubt, the head office of Neuroth AG.
 - 5.8. If Neuroth should not be able to take fix ordered delivery items, for a reason which the supplier doesn't have to answer, shall Neuroth immediately inform the supplier and will avert or at least minimize the possible damage in good faith through appropriate measures (duty to avert, minimize or mitigate loss). A possible duty of Neuroth for damage compensation exists only when the delivery items cannot be otherwise used by the supplier. The compensation of damage limits to the verifiable cost price of the service described through the order. The supplier shall make the credit calculated according to the § 1168 ABGB (Civil Code of Austria) about the sum he saved by not carrying out the work or gained from using the product elsewhere, or voluntary missed to gain. Further claims of the supplier, especially on the lost profit, will be excluded.
6. Warranty rights
- 6.1. The supplier guarantees that the contractual services are free from defects.
 - 6.2. Considering the pre-delivery inspection that the supplier shall carry out, Neuroth shall only make a receiving inspection in view of externally visible damages and externally identifiable anomalies concerning identity and amount. The supplier is on his own and fully responsible of the correct and conformable documented quality of his delivery items and explicitly renounces the objection/plea of the not executed or not properly executed notices of defect according to the § 377 UGB (Austrian Business Enterprise Code).
 - 6.3. In case of a delivery of goods in which Neuroth observes defects through a random sample, Neuroth will be authorized, without prejudice to existing rights (warranty, damage compensation) to refuse the whole

delivery batch out of which the random sample was taken.

- 6.4. The supplier is obliged to sort out the damaged deliveries and to provide a compensation delivery. The involved costs shall be paid by the supplier. If the supplier doesn't comply with this responsibility, he will be bound to meet the costs in full amount for quality improvement and sorting out carried out by Neuroth. Irrespective of the conditions above, the supplier commits himself to absorption of costs for any execution by substitution and/or covering purchase and costs in case of business interruption.
 - 6.5. In addition, in case of an incomplete delivery, Neuroth will be authorized to claim all demands out of the warranty and damage compensation rights and to claim optionally subsequent improvement/exchange, compensation delivery, reduction of price, revokement of the contract or damage compensation.
7. Liability
- 7.1. The supplier shall reimburse Neuroth for all kinds of damages, consequential harms caused by a defect, expenditures and costs (including callback costs) of any kind and shall indemnify and hold Neuroth harmless against claims of third parties based on defects of the delivery items or other violation of the contract by the supplier.
 - 7.2. The supplier is obliged to reimburse Neuroth, also all damages according to the PHG (Austrian Product Liability Act), as well as to indemnify and hold Neuroth harmless regarding all product liability requirements from third parties. § 2 is excluded for the products which are delivered to Neuroth by suppliers. That means that any damage shall be reimbursed which occur through a defective product of the supplier, also on items which are predominantly used in the Neuroth company. Equally, the cost-sharing rule will be excluded between the supplier and Neuroth.
8. Information requirements
- 8.1. The supplier is obliged to inform Neuroth immediately and unsolicited in writing (e.g. e-mail, fax, post) about existing business relationships with competitors in the branch of business of Neuroth, especially hearing aid acousticians, -dealers and hearing aid manufacturers, especially previous to the beginning of the business relationship.
9. Secrecy
- 9.1. The supplier is obliged to keep secret, without time limit, all commercial and technical information and/or the results he has worked out which come to his knowledge, unconcerned in which way they came to his knowledge. The supplier commits himself to transfer the secrecy to contractual partners or otherwise involved third parties to the same extent.
 - 9.2. The duty to secrecy according to the previous passage doesn't apply if the respective data shall be verifiably

directed to a court of justice or to an authority due to a statutory or a judicial duty or if the data is state of the art and accessible to the generality or if the data is forwarded without the supplier's help or if the supplier was already verifiably familiar with the respective concrete form of the data or if the data was or will be communicated by a third party, not sworn to secrecy, having the authorization to forward it. The same is valid if the respective data will be developed independently by the supplier without the help of Neuroth and without exploitation or use of the information or knowledge of the facts acquired through the business relationship.

- 9.3. The supplier commits himself to handle the business relationship in confidence and will only be authorized to advertise the business relationship to Neuroth or to make it public after a written approval (e.g. e-mail, fax, post).

10. Industrial property right

- 10.1. The supplier assures that the offered and/or ordered deliveries are exempt from rights of third parties. Should, however, a third party claim Neuroth concerning a possible violation of the property right, the supplier shall discharge Neuroth from such claims and indemnify and hold Neuroth harmless.

11. Other regulations

- 11.1. For possible disputes concerning these general terms and all contractual relationships between the Parties, also including such about the existence or non-existence of a contract, the appointed court of jurisdiction according to the § 104 JN/Art 23 EuGVVO (Brussels Regime), will be the relevant court in Graz. In addition, Neuroth is authorized to sue at the supplier's domicile. The application of the United Nations Convention on Contracts for the International Sale of Goods (abbr.: CISG) will be excluded according to Article 6 as well as the application of the international civil law. These general terms as well as all contractual relationships between the Parties underlie exclusively the Austrian legislation. The contractual language is German; insofar as the contractual partners use aside another language, the German version shall prevail.
- 11.2. Force majeure like wars, natural disasters or other unpredictable and inevitable events shall relieve the contractual partners from their contractual obligations for the duration of the incident and to the extent of its impact. The contractual partners are however obliged, in reasonable limits, to give the necessary and/or required information to the respective partner and to adapt their liabilities to the altered circumstances in good faith.
- 11.3. Should the agreement contain omissions or if one or several appointments should be or become invalid or impracticable, the omissions or the impracticable or the invalid appointments shall be replaced retroactively by new appointments which correspond the intended purpose as regards content and profitability.

- 11.4. Cancellations, changes and supplements to this agreement need to be in written form (e.g. e-mail, fax, post) and signed. This shall also be valid concerning a cancellation of the written form requirement. Additional agreements are not concerned.