

General Terms of Business and Delivery (GTBD)

1. General

- a) These General Terms of Business and Delivery (GTBD) shall apply both to contracts of paromed GmbH & Co. KG and to contracts of paromed OrthoCAM GmbH, depending on the company with which the contract is concluded.
- b) Our services and deliveries shall be provided exclusively on the basis of these GTBD. This shall also apply to all future transactions insofar as they are of the same nature. Terms and conditions of the client ("Buyer") shall not apply, even if we do not separately object to their applicability. Deviating or contradictory terms and conditions shall therefore only apply if they have been acknowledged by us in writing.
- c) The Buyer affirms that he/it is an entrepreneur within the meaning of § 14 BGB (German Civil Code).
- d) At the latest with the acceptance of the goods, the Buyer accepts these GTBD.

2. Offers, orders

- a) Our offers are subject to change and non-binding. Individual agreements made with the Buyer in individual cases shall in any case take precedence over these GTBD. A written contract or our written confirmation shall be authoritative for the content of such agreements.
- b) If, after conclusion of the contract, it becomes apparent (e.g., due to insolvency, application for the opening of insolvency proceedings) that our claim to the purchase price is jeopardized by the Buyer's inability to pay, we shall be entitled to refuse performance in accordance with the statutory provisions and - if necessary after setting a deadline - to withdraw from the contract (§ 321 BGB). In the case of contracts for the manufacture of irreplaceable items (custom-made products), we may declare rescission immediately; the statutory provisions on the dispensability of setting a deadline shall remain unaffected.

3. Prices

- a) Unless otherwise agreed in individual cases, our prices current at the time of conclusion of the contract shall apply, ex works, plus statutory sales tax.
- b) If a change in certain cost factors - acquisition costs (as defined in Section 255 (1) of the German Commercial Code), manufacturing costs (as defined in Section 255 (2) of the German Commercial Code), packing material or freight - of more than 3% occurs between conclusion of the transaction and delivery, the agreed price may be adjusted by us in accordance with the influence of the relevant cost factors, whereby price reductions in other cost factors shall be taken into account in the adjustment in favor of the Buyer. The Buyer has the right to withdraw from the contract in the event of price increases of more than 25%.

4. Shipping and transfer of risk

- a) Unless otherwise agreed, delivery shall be ex works (EXW [D-83115 Neubeuern, Hubertushof - Heft 8] Incoterms 2020). A sale by shipment (§ 447 BGB) or a delivery to the Buyer shall only be owed by us if this has been expressly agreed. The Buyer shall bear the costs of any agreed delivery or sale by shipment. The risk of accidental loss and accidental deterioration of the goods shall pass to the Buyer upon handover at the latest. In the case of sale by shipment, the risk of accidental loss and accidental deterioration of the goods as well as the risk of delay shall pass upon delivery of the goods to the forwarding agent, the carrier or any other person or institution designated to carry out the shipment. Insofar as acceptance has been agreed or is provided for by law, this shall be decisive for the transfer of risk. In all other respects, the statutory provisions of the law on contracts for work and services shall also apply mutatis mutandis to an agreed acceptance. Handover or acceptance shall be deemed equivalent to the Buyer being in default of acceptance.
- b) In the case of delivery or sale by shipment, the goods shall be insured against breakage, transport, fire and water damage at the Buyer's expense only upon agreement.

5. Payment

- a) Our invoices are due for payment within 8 days after invoicing without deduction, unless otherwise agreed. However, we are entitled at any time, also within the framework of an ongoing business relationship, to carry out a delivery in whole or in part only against advance payment. We declare a corresponding reservation at the latest with the order confirmation.
- b) In the case of capital goods, special terms of payment shall apply in accordance with the order confirmation.
- c) If the payment deadline is exceeded, we shall be entitled to charge interest at a rate of 9 percentage points above the respective base interest rate (Section 288 (2) of the German Civil Code (BGB)) without issuing a special reminder.
- d) Payment by bill of exchange or check will not be accepted.
- e) The Buyer shall only be entitled to set off against claims that are legally confirmed or undisputed.
- f) If the Buyer defaults on a payment, all claims we have against him shall become due immediately. In such cases, we shall also have the right to withdraw from individual transactions or from all transactions that have not yet been fully executed.
- g) Other terms of payment shall only apply after written confirmation.
- h) All fees, costs and expenses associated with the payment shall be borne by the Buyer (Section 270 (1) BGB).

6. Reservation of title

- a) We reserve title to all goods delivered until all claims against the Buyer arising from the business relationship - including future claims, also from contracts concluded at the same time or later - have been settled. This shall also apply if individual or all claims have been included by us in a current invoice and the balance has been struck and acknowledged (current account).
- b) The Buyer shall be entitled to process and sell the goods owned by us within the scope of his properly conducted business operations. He is not authorized to dispose of the goods in any other way, for example by pledging or assigning them as security. The Buyer shall inform us without delay of all enforcement measures and other interventions in the goods which affect the Buyer's possession of the goods delivered by us under reservation of title and shall support them in any way in the intervention.
- c) If we assert our claims, the Buyer shall grant us access to the reserved goods, separate the goods for us and return them to us upon our request. The Buyer shall store our goods free of charge.

7. Delivery periods

- a) Delivery periods can be agreed upon bindingly between us and the Buyer, this requires a written agreement.
- b) The delivery period is deemed to have been met if the goods have left the factory/warehouse or, in the case of dispatch, notification has been given that the goods are ready for dispatch.
- c) As long as the Buyer is in arrears with an obligation, our obligation to deliver shall be suspended.
- d) A delivery period shall commence as soon as agreement has been reached on all terms and conditions of the order and any contractual modalities have been clarified. Claims arising from non-compliance with a delivery deadline shall only exist if a grace period of at least eight days has been set in writing and the grace period has not been complied with either.
- e) If, despite proper and sufficient coverage prior to the conclusion of the contract, we are not supplied by our supplier/sub-supplier, or are not supplied on time or correctly, through no fault of our own, we shall inform the Buyer of this in text form or in writing immediately after becoming aware of it. In such a case, we have the option to postpone the delivery for the time of the hindrance or to withdraw from the contract in whole or in part, as far as we have informed the Buyer about the hindrance and have not assumed a procurement risk according to § 276 BGB or a delivery guarantee.
- f) Clause 7e) shall also apply in the event of force majeure. Force majeure shall be any event beyond the control of the respective contracting party by which it is prevented in whole or in part from fulfilling its obligations. This includes any circumstance that makes delivery difficult or impossible, permanently or temporarily, with a duration of at least 14 working days, in particular route closure, impeded ship traffic, strikes, lockouts, natural disasters, fire, war, warlike events, insurrection, official order, pandemic, etc.

8. Warranty

- a) The warranty period shall be one year from delivery or, if acceptance is required, from acceptance. This period shall not apply to claims for damages by the Buyer arising from injury to life, body or health or in the event of an intentional or grossly negligent breach of duty by us or our vicarious agents, which shall in each case be time-barred in accordance with the statutory provisions.
- b) The delivered items shall be inspected carefully immediately after delivery to the Buyer or to the third party designated by the Buyer. With regard to obvious defects or other defects that would have been recognizable in the course of an immediate, careful inspection, they shall be deemed to have been approved by the Buyer if we do not receive a written notice of defect within seven working days after delivery. With regard to other defects, the delivery items shall be deemed to have been approved by the Buyer if we do not receive notification of the defect within seven working days of the time at which the defect became apparent; if the defect was already apparent at an

earlier point in time during normal use, this earlier point in time shall, however, be decisive for the commencement of the notification period for defects. At our, the seller's, request, a rejected delivery item is to be returned to us freight prepaid. In the event of a justified complaint, we shall reimburse the costs of the most cost-effective shipping route; this shall not apply as far as the costs increase because the delivery item is located at a place other than the place of intended use.

- c) In the event of material defects in the delivered items, we shall first be obliged and entitled to rectify the defect or to make a replacement delivery at our discretion within a reasonable period of time. In case of failure, i.e., the impossibility, unreasonableness, refusal or unreasonable delay of the rework or replacement delivery, the Buyer may withdraw from the contract or reasonably reduce the remuneration.
- d) If a defect is due to our fault, the Buyer shall be entitled to claim damages under the conditions set forth in Clause 9.
- e) The warranty shall not apply if the Buyer modifies the delivery item or has it modified by a third party without our consent and this makes it impossible or unreasonably difficult to remedy the defect. In any case, the Buyer shall bear the additional costs of remedying the defect resulting from the modification.
- f) In all cases, the special statutory provisions in the case of final delivery of the unprocessed goods to a consumer shall remain unaffected, even if the consumer has processed them further (supplier recourse pursuant to § 478 BGB). Claims from supplier recourse are excluded if the defective goods have been further processed by the Buyer or another entrepreneur, e.g., by incorporation into another product.

9. Liability

- a) As far as nothing else arises from these GTBD including the following provisions, we shall be liable for a breach of contractual and non-contractual obligations in accordance with the legal provisions.
- b) We shall be liable for damages - irrespective of the legal grounds - within the scope of fault-based liability in the event of intent and gross negligence. In the event of simple negligence, we shall be liable, subject to statutory limitations of liability (e.g., diligence in own affairs; insignificant breach of duty), only
 - aa) for damages resulting from injury to life, body or health,
 - bb) for damages resulting from the breach of an essential contractual obligation (obligation, the fulfillment of which enables the proper execution of the contract in the first place and on the compliance with which the contractual partner regularly relies and may rely); in this case, however, our liability is limited to compensation for the foreseeable, typically occurring damage.
- c) The limitations of liability resulting from clause 9b) shall also apply to third parties as well as to breaches of duty by persons (also in their favor) whose fault we are responsible for according to statutory provisions. They shall not apply as far as a defect has been fraudulently concealed or a guarantee for the quality of the goods has been assumed and for claims of the Buyer under the Product Liability Act.
- d) The Buyer may only withdraw from or terminate the contract due to a breach of duty that does not consist of a defect if we are responsible for the breach of duty. A free right of termination of the Buyer (in particular according to §§ 650, 648 BGB) is excluded. In all other respects, the statutory prerequisites and legal consequences shall apply.
- e) The parties are obligated to mitigate damages (Section 254 (2) BGB). As far as damages resulting from a breach of contract by the other party are foreseeable, the respective other party shall inform the contracting party about this and about the foreseeable extent as well as foreseeable damage mitigation measures. Measures to prevent or remedy damage shall be notified in advance to the other party in each case, as far as they do not necessarily have to be carried out immediately. As far as the other party is aware of or has possibilities to mitigate the damage, it shall point this out to the notifying party.
- f) Contractual and non-contractual claims for damages of the Buyer shall become statute-barred after one year, unless the application of the regular statutory limitation period (§§ 195, 199 BGB) would lead to a shorter limitation period in individual cases. Claims for damages in case of intent, gross negligence, injury to life, body or health as well as in case of liability according to the Product Liability Act shall become time-barred exclusively according to the statutory limitation periods. Other special statutory provisions on the statute of limitations (in particular § 438 para. 1 no. 1, para. 3, §§ 444, 445b BGB) shall also remain unaffected.

10. Software

- a) As far as programs (software) are part of the scope of delivery or are sold or rented separately, the Buyer shall receive a non-exclusive right, unlimited in time (in case of a purchase contract) or limited in time to the rental period (in case of a rental contract), to use the software to the extent granted in the contract upon full payment of the remuneration. Prior to full payment of the remuneration, all data carriers as well as the user documentation handed over are subject to reservation of title in the case of the purchase contract. The software may only be used to the extent corresponding to the licenses purchased by the Buyer. Permitted use includes installation of the software, loading into the working memory and use by the Buyer as intended. The number of licenses and the type and scope of use shall otherwise be determined in accordance with the contract. In no event shall the Buyer have the right to lease or otherwise sublicense the purchased contract software, to publicly reproduce or make it accessible by wire or wireless means, or to make it available to third parties against payment or free of charge, e.g., by way of application service providing or as "software as a service". Clause 10d) remains unaffected.
- b) The Buyer shall be entitled to make a backup copy if this is necessary to secure future use. The Buyer shall visibly affix the note "Backup Copy" and a copyright notice of the manufacturer on the created backup copy.
- c) The Buyer shall only be entitled to decompile and reproduce the Software as far as this is provided for by law. However, this shall only apply on condition that we have not made the necessary information available to the Buyer upon request within a reasonable period of time.
- d) The Buyer shall be entitled to permanently transfer the copy of the software acquired within the scope of a purchase contract to a third party by handing over the license certificate and the documentation. In this case, he will completely stop using the program, remove all installed copies of the program from his computers and delete all copies located on other data carriers or hand them over to us, as far as he is not legally obliged to keep them for a longer period of time. Upon our request, the Buyer shall confirm to us in writing that the aforementioned measures have been carried out in full or, if applicable, shall explain to us the reasons for longer retention. Furthermore, the Buyer shall expressly agree with the third party to observe the scope of the granting of rights according to the contract with us. Splitting of purchased license volume packages is not permitted.
- e) If the Buyer uses the contractual software to an extent that exceeds the acquired rights of use qualitatively (with regard to the type of use permitted) or quantitatively (with regard to the number of licenses acquired), the Buyer shall immediately acquire the rights of use necessary for the permitted use. If he fails to do so, we will assert the rights to which we are entitled.
- f) Copyright notices, serial numbers and other features serving to identify the program may not be removed or modified from the contractual software.
- g) In connection with the purchase of the "PARO 360" software package, the conclusion of a software maintenance agreement is mandatory.

11. Data backup/data loss

The Buyer is obliged to perform a data backup before our service technicians start working on the Buyer's computer system. If it is not possible to do so, we will offer this service to the Buyer upon express request. We cannot be held liable for any loss of data that occurs in violation of the obligation in this paragraph. The costs of any data reconstruction shall be borne by the Buyer.

12. Miscellaneous

- a) The Buyer may not assign claims arising from our business relationship to third parties without our written consent, unless such claims are monetary claims and the legal transaction which gave rise to such claim constitutes a commercial transaction for both parties.
- b) Place of performance is D-83115 Neubeuern. The exclusive place of jurisdiction for all claims arising from the current business relationship is Rosenheim, if the buyer is a merchant.
- c) The law of the Federal Republic of Germany shall apply. The provisions of the UN Convention on Contracts for the International Sale of Goods (CISG) shall not apply.
- d) Should individual provisions of the contract with the Buyer, including these GTBD, be invalid in whole or in part, this shall not affect the validity of the remaining provisions.

Neubeuern, 01.12.2021