

Unilateral Guidelines for the Distribution of Oticon, Inc. Products

Effective: November 9th, 2007

Oticon, Inc. ("Oticon") is a manufacturer of premium digital hearing aids. The reputation, brand image and value of Oticon products is enhanced by offering Oticon products only through high quality distributors that (i) provide end users with high levels of expertise and service, including proper fitting of Oticon products through personal relationships; (ii) employ credentialed and trained hearing care professionals; (iii) provide services and support to end users after purchasing Oticon products; and (iv) comply with all applicable federal and state laws and regulations pertaining to dispensing hearing instruments. Oticon believes these aspects of the distributor-customer relationship are critical to the successful dispensing of Oticon products, and are best achieved by distributors that exclusively fit and sell Oticon products to end users through "face-to-face" in-person consultations.

For these reasons, Oticon has unilaterally adopted these Unilateral Guidelines for the Distribution of Oticon Products (the "Guidelines") which are applicable to distributors who either collect money from the sale of Oticon products and/or dispense Oticon products to end users ("Distributor(s)"). Oticon will supply its products to Distributors that themselves fit and sell Oticon products to end users through face-to-face in-person consultations. Oticon will, without assuming any liability, refuse to accept new orders from Distributor(s) that fail to unilaterally fit and sell Oticon products to end users with face-to-face in-person consultations. Examples of violations of the Guidelines include sales of Oticon products through catalogues, mail order, or over the internet, as such sales are effectuated without face-to-face in-person consultations between end users and Distributors.

Each Distributor is free to choose whether or not they will honor these Guidelines. Oticon will determine independently that the requirements of these Guidelines are being met. Oticon will notify Distributors not meeting these Guidelines, in which case Oticon will cancel all pending orders and decline to accept any new orders.

Please note that these Guidelines do not in any way constitute a request for, nor will Oticon accept an agreement with any Distributor concerning compliance with these Guidelines. These Guidelines do not constitute a "policy" as that term is used in any distribution agreement. Oticon will not discuss any conditions of acceptance related to these Guidelines, as it is non-negotiable and will not be altered for any Distributor. Nor will Oticon communicate with any Distributor concerning another Distributor's compliance with these Guidelines. Oticon employees, other than the Oticon Guidelines Administrator, have no authority to modify or grant exceptions to these Guidelines.

Additionally, Oticon employees have been instructed not to discuss these Guidelines. Therefore, please do not attempt to do so. Any questions regarding these Guidelines should be set forth in writing and directed to: Oticon Guidelines Administrator, Oticon, Inc., 580 Howard Avenue, PO Box 6724, Somerset, New Jersey 08875.

These Guidelines may be modified, suspended or discontinued at any time, with notice to all Distributors, at the sole discretion of Oticon. Additionally, Oticon reserves the right to unilaterally grant exemptions to these Guidelines, in which case the Oticon Guidelines Administrator will so advise the exempted Distributor.

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