

WELCH ALLYN'S STANDARD TERMS AND CONDITIONS

Seller agrees to be bound by these terms and conditions by the acceptance of any Welch Allyn ("Buyer") purchase order. "Acceptance" shall include written acknowledgement, furnishing of any products, or Seller's acceptance of any payment made by the Buyer. No deletion, addition, or amendment of the Standard Terms and Conditions, or of any additional terms and conditions contained in any specific purchase order, is binding without Welch Allyn's written agreement.

1. **Issuance of Orders.** Purchase orders ("Orders") shall contain a description of the Products or Services ordered, the quantities or estimated quantities and prices, the delivery schedule, and the terms and place of delivery. If prices are not specified, then Seller shall, upon receipt of Order, inform Buyer of the prices and said Order shall become binding when Buyer notifies Seller of agreement on the price(s). In the event of any inconsistency between these terms and conditions and other specifically-negotiated terms of an Order, the terms and conditions of the Order shall prevail. Any forecasts provided by Buyer are only an accommodation to Seller, and shall not constitute a commitment of any type by Buyer.

2. **Electronic Transmissions.** Each party may electronically transmit to or receive from the other party any transaction sets ("Documents") that may be agreed upon by the parties. Any transmission of data which is not a Document shall have no force or effect between the parties unless justifiably relied upon by the receiving party. All Documents shall be transmitted in accordance with industry guidelines.

Each party shall properly use those security procedures which are reasonably sufficient to ensure that all transmissions of Documents are authorized and to protect its business records and data from improper access.

Transmissions shall not be deemed to have been properly received, and no Document shall give rise to any obligation, until accessible to the receiving party through such party's designated computer. Upon proper receipt of any Transmission, the receiving party shall promptly transmit a functional acknowledgement in return. A functional acknowledgement shall constitute conclusive evidence that a transmission has been properly received. Any transmission which has been properly received by a party shall not give rise to any obligation unless and until the transmitting party has properly received in return an acceptance transmission. If any transmission is received in an unintelligible or garbled form, the receiving party shall promptly notify the originating party (if identifiable) in a reasonable manner. In the absence of such a notice, the originating party's records of the contents of such transmission shall control.

Any Document properly transmitted shall be considered to be a "writing" or "in writing"; and any such Document shall be deemed for all purposes (a) to have been "signed" and (b) to constitute an "original counterpart" when printed from electronic files or records established and maintained in the normal course of business. Documents, if introduced as evidence on paper in any judicial, arbitration, mediation or administrative proceedings, will be admissible as between the parties to the same extent and under the same conditions as other business records originated and maintained in documentary form.

3. **Payment.** Buyer shall send payment for Seller's invoices for Products not later than the 25th day of the month following the month in which such invoices are received. Invoices shall be issued by Seller only after shipment of Products.

4. **Quantities and Delivery Dates.** Shipment of Products must be in the quantities specified and received at Buyer's dock on the date(s) scheduled in the order, unless otherwise agreed. If Seller ships Products in excess of quantities ordered by Buyer, or more than 5 days in advance of the scheduled delivery date(s) (Overshipments), Buyer shall have the right in its discretion to reject and return the Overshipment at the Suppliers' risk and expense, or to defer payment on advance Overshipments until the delivery date scheduled for the relevant Products. Seller will notify Buyer immediately upon determining that it cannot meet a delivery date or that only a portion of ordered Products will be available for shipping in time to fulfill a delivery date. Partial shipments are permitted only with Buyer's prior written authorization. Buyer may, at its option, either approve a revised delivery schedule, cancel the order in whole or in part or require Seller to ship the Products when available by an expedited means of transport. Seller shall pay the increased cost of expedited shipping over standard shipping costs.

5. **Rejection.** Buyer has 30 days after receipt of the Products or Services to inspect, and either accept or reject them. Notwithstanding acceptance, Buyer shall have the right to revoke acceptance of and return to Seller for credit or replacement all Products that are found to be defective or that fail to conform to the Product specifications. Buyer shall send Seller notice of discovery of any defective or non-conforming Products, and at Buyer's election, Seller shall promptly replace the Products at its expense, using an expedited means of shipping if requested by Buyer, or refund the purchase price of the defective or non-conforming Products. Buyer may, and at Seller's direction shall, return such Products to Seller at Seller's risk, and all transportation and handling charges, both to and from the original destination, shall be paid by Seller.

6. **Changes and Cancellations.** Buyer may, from time to time, change delivery schedules, place of delivery, Product specifications, quantities of Products, packaging, methods of shipment, or services to be furnished by Seller under previous orders. Changes shall be made by a change order which has been signed by a manager of Buyer's Sourcing Department and accepted by Seller. Information and advice provided by other Buyer personnel shall not constitute a change order. If any change order causes an increase or decrease in the price of Products, or increases the time required for shipment, Seller shall notify Buyer as soon as practicable, and the parties will negotiate in good faith an adjustment in terms. Buyer reserves the right to cancel purchase orders more than 4 weeks before the shipment date scheduled in the order that is to be cancelled. Buyer also reserves the right to cancel any order without liability if delivery of Products is not made within 7 days after the time scheduled in the order.

7. **Specifications.** All specifications, drawings, and data submitted by Buyer relating to the Products are incorporated by reference into the purchase orders and the Agreement. Seller must obtain Buyer's consent prior to making changes to: i) Product specifications, ii) materials used in making the Products, or iii) processes or methods used in manufacturing the Products (including quality control processes). Seller will notify Buyer of proposed changes at least 90 days before Seller intends to implement the changes.

8. **Taxes.** All prices are exclusive of all federal, state, and local excise, sales, and use taxes. Such taxes, when applicable, will appear as separate items on the invoice

and are the responsibility of Buyer, unless Seller receives a properly executed exemption certificate from Buyer prior to shipment. Buyer is not responsible for taxes based upon Seller's income.

9. **Packaging.** All Products shall be suitably packaged in accordance with standard commercial packing practices. A packing list must accompany all shipments. Order number, Product number (if available), and quantity must appear on all packages, invoices, and other documents relative to an Order.

10. **Warranty.** Seller will uphold all Manufacturer's Warranties. In addition, Seller warrants that Products delivered under all Orders shall (1) comply with all applicable laws, rules, and regulations, (2) be free from any encumbrances, (3) meet the specifications contained in the appropriate Product specifications prior to shipment, and (4) be free from defects in material and workmanship. Any Products found defective within one year of the date of original receipt at Buyer's facility shall be repaired or replaced at the expense of Seller. Seller will provide a certification of material when requested by the Buyer. Buyer also shall be entitled to the benefits of any additional warranty provided by the manufacturer of the Products, if separate from the Seller's warranty.

11. **Intellectual Property.** Seller shall defend, indemnify, and hold harmless Buyer and its affiliates, subsidiaries, assigns, subcontractors, and customers from and against all claims, losses, demands, fees, damages, liabilities, costs, expenses, obligations, causes of action, suits, or injuries, of any kind or nature, arising from (i) any actual or claimed infringement of patents, trademarks, service marks, mask work rights, or copyrights or misappropriation of trade secrets with respect to Products and Services, except to the extent that the infringement or misappropriation arises solely and directly out of compliance with Buyer's written specifications. If Buyer's use of any Product or Service is enjoined ("Infringing Product"), Seller shall at its expense use reasonable efforts to procure the right for Buyer to continue using the Infringing Product. If Seller is unable to do so, Seller shall at its expense (i) replace the Infringing Product with an equivalent noninfringing product, (ii) modify the Infringing Product to be noninfringing, or (iii) refund in full the costs paid by Buyer for the Infringing Product.

12. **Nondisclosure of Proprietary Information.** Seller shall not use or disclose any confidential information of Buyer except for purposes of performing Services or providing Products under an Order. "Confidential Information" includes, without limitation, all information designated by Buyer as confidential, all information or data concerning Buyer's Products and business operations, or information obtained through access to any computer network, voice mail, or communications system operated by or for Buyer. Seller warrants that each employee, agent or subcontractor who performs work under an Order has been informed of the obligations contained herein and has agreed to be bound by them.

13. **Most Favored Customer.** Seller warrants that the prices and terms and conditions offered to Buyer are as favorable as Seller offers to any other purchaser, under similar terms and conditions. If cost plus pricing is utilized for Orders, Seller shall maintain, for at least 3 years, complete records sufficient to validate Seller's costs. Such records may be audited by Buyer during regular business hours on reasonable notice, and Buyer shall treat such information as Seller's confidential information.

14. **Discontinuation of Products.** Seller shall provide Buyer written notice of all discontinuation of Products at least 9 months prior to the last order date, and the notice shall include Buyer's part numbers, substitutions, and last order and shipment dates.

15. **Manufacturing.** Seller will inform Buyer of any recognized manufacturing quality standards with which it complies, and upon request provide copies of any certifications of compliance with such standards. Seller will permit Buyer to inspect the quality and production processes and procedures used to assure the consistent quality of the Products. All inspections will be conducted at agreed-upon times after Buyer provides reasonable advance notice of the inspection, and any confidential information obtained by Buyer via an inspection will not be disclosed or used for purposes other than administration of contracts with Seller. Seller will cooperate with Buyer to verify and document the quality and production processes and procedures used in manufacturing the Products, and, where practicable, to improve them.

16. **Governmental Compliance.** Seller shall (i) comply with all federal, state, local, and foreign laws, rules, and regulations applicable to its obligations under an Order, and (ii) furnish to Buyer any information required to enable Buyer to comply with such laws, rules, and regulations in its use of the Products or Services. If Products and Services are incorporated by Buyer into products and services sold under a federal contract or subcontract, those procurement regulations that are required by federal statute or regulation to be inserted in such contracts or subcontracts shall be deemed to apply to the affected Order. Seller warrants that all Material Safety Data Sheets required to be provided by Seller for Products shall be provided to Buyer prior to shipment of the Products and shall be complete and accurate. The equal opportunity clauses of Executive Orders 11246, 11701, and 11758, and the equal opportunity requirements of Executive Order 12138 are incorporated herein by specific reference, where applicable.

17. **Default.** If Seller breaches any provision of an Order, Buyer may terminate the Order in whole or in part, unless Seller cures the breach within ten work days after receipt of Buyer's notice of breach. The term "breach" shall include without limitation any failure to perform in accordance with an Order or these terms and conditions, and except as prohibited by US bankruptcy laws, commencement of any proceeding, whether voluntary or involuntary, in bankruptcy or insolvency by or against Seller. In the event Buyer terminates an Order in whole or in part, Buyer may procure, upon such terms and in such manner as Buyer reasonably deems appropriate, products similar to the Products or Services as to which this Order is terminated. Seller shall reimburse Buyer upon demand for all additional costs incurred by Buyer in purchasing such similar products or services. These rights and remedies are in addition to, and shall not limit or affect, any other rights or remedies available to Buyer at law or in equity.

18. **Import Requirements.** Upon Buyer's request, Seller shall provide Buyer with an appropriate certification stating the country of origin for Products, sufficient to satisfy the requirements of (i) the customs authorities of the country of receipt, and

(ii) any applicable export licensing regulations, including those of the United States.

19. **Miscellaneous.** Neither Buyer or Seller shall delegate any duties or assign any rights under an Order without the consent of the other party. The waiver of any term or condition of an Order must be in writing, and no such waiver shall be construed as a waiver of any other term or condition except as provided in writing, nor as a waiver of any subsequent breach of the same term or condition. These Standard Terms and Conditions shall be governed by and construed under the laws of the State of New York.