

WELCH ALLYN'S STANDARD TERMS AND CONDITIONS

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

1. Issuance of Order. 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, Seller shall, upon receipt of an Order, inform Buyer of the prices and said Order shall become binding when Buyer notifies Seller of agreement on such prices. In the event of any inconsistency between these Standard 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 that may be agreed upon by them ("Documents"). Any transmission that 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, and each party shall properly use such security procedures reasonably sufficient to ensure that all transmissions of Documents are authorized and protected from unsanctioned access.

Documents 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 terminal. Upon proper receipt of any Document, the receiving party shall promptly transmit a functional acknowledgement to the originating party. A functional acknowledgement shall constitute conclusive evidence that a Document has been properly received. Any Document properly received shall not give rise to any obligation unless and until the originating party has received a functional acknowledgement.

If any Document is received in an unintelligible or garbled form, the receiving party shall promptly notify the originating party. In the absence of such notice from the receiving party, the originating party's records of the contents of such Document shall prevail. Any Document properly received shall be considered a writing (or in writing), and any such Document shall be deemed for all purposes to be signed and constitute an original counterpart when printed from electronic files 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 or services 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 or delivery of services.

4. Quantities and Delivery Dates. Shipment of products must be in the quantities specified and received at Buyer's dock on the dates scheduled in the Order unless otherwise agreed. If Seller ships products in excess of quantities Ordered by Buyer, or more than five (5) days in advance of the scheduled delivery date(s) (each, an "Overshipment"), Buyer shall have the right, in its discretion, to reject and return the Overshipment at the Seller's risk and expense, or defer payment on the Overshipment until the delivery date scheduled in the Order. Seller will notify Buyer immediately upon determining that it cannot meet a delivery date or that only a portion of products will be available for shipping in time to fulfill a delivery date. Partial shipments will be permitted only upon 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 products (when available) by expedited means. Seller shall pay the increased cost of any expedited shipping over standard shipping.

5. Rejection. Buyer has thirty (30) days after receipt of products or services to inspect and either accept or reject them. Notwithstanding acceptance, Buyer shall have the right to revoke acceptance and return to Seller for replacement or refund all products or services that are found to be defective or that fail to conform to specifications for the products or services. Buyer shall send Seller notice of discovery of any defective or non-conforming products or services, and, at Buyer's election, Seller shall promptly replace the products (or re-perform the services) 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 or services. Buyer may, and at Seller's direction shall, return defective or nonconforming products to Seller at Seller's risk and Seller shall pay all costs of shipping.

6. Changes and Cancellations. Buyer may, from time to time, change quantities, delivery schedule, terms and place of delivery, products specifications, services to be provided by Seller, and any other requirements contained in an Order. Buyer shall make such changes by issuing to Seller a change order signed by an authorized manager of Buyer ("Change Order"). Changes or other information relayed by other Buyer personnel shall not constitute a Change Order. If a Change Order causes an increase or decrease in price, or extends the time required for Seller to fulfill a delivery date, Seller shall notify Buyer as soon as practicable and the parties shall in good faith negotiate additional adjustments to the applicable Order. Buyer reserves the right to cancel any Order without liability no fewer than four (4) weeks prior to the scheduled shipping date. Buyer further reserves the right to cancel any Order without liability if products are not delivered within seven (7) days following the scheduled delivery date.

7. Specifications. All specifications, drawings, and data submitted by Buyer relating to the products or services are incorporated by reference into applicable Orders. Seller shall obtain Buyer's consent prior to making changes to (i) product specifications, (ii) materials used in products, or (iii) processes or methods used in manufacturing products (including those relating to quality control). Seller shall notify Buyer of proposed changes no fewer than ninety (90) days prior to the date Seller intends to implement such changes.

8. Taxes. All prices are exclusive of all federal, state, local, and foreign excise, sales, and use taxes. Such taxes, where applicable, are the responsibility of Buyer unless Buyer provides a properly executed exemption certificate prior to shipment of products, and Seller shall list such taxes as separate items on any invoice. Buyer is not responsible for taxes based upon Seller's income.

9. Packaging. All products shall be suitably packaged in accordance with standard commercial packaging practices. A packing list must accompany all shipments. Order number, product number (if available), and quantity must appear on all packages, invoices, and other records pertaining to an Order.

10. Warranty. Seller shall uphold all manufacturers' warranties. In addition, Seller warrants that products delivered under all Orders: (i) comply with all applicable laws, rules, and regulations, (ii) conform to applicable drawings, specifications, quality requirements and/or other data provided by Buyer, (iii) conform to published specifications of Seller where Buyer has not furnished specifications different from or more specific than the published specifications, (iv) are free from defects in material and workmanship, and (v) are free from any encumbrances. Any products determined to be defective within one (1) year of the date of original receipt at Buyer's facility shall, at Buyer's option and Seller's sole expense, be repaired or replaced. Upon Buyer's request, Seller shall provide original material certifications for products. Where Seller provides services, such services shall be performed in accordance with all specifications and

instructions of Buyer by qualified personnel exercising the degree of skill and judgment that would reasonably be expected from an experienced professional performing services of a similar nature and consistent with industry standards. Any services determined to be non-conforming within one (1) year of their completion shall, at Buyer's option and Seller's sole expense, be re-performed.

11. Indemnification. Seller shall defend, indemnify, and hold harmless Buyer, its affiliates, and each of their officers, directors, agents, employees and customers or subsequent users, from and against all demands, claims, actions, causes of action, judgments, costs of settlement, assessments, losses, all forms of damages (including, without limitation, consequential, special, incidental, and lost profits whether direct or indirect), liabilities, costs and expenses (including reasonable attorneys' fees and expenses of litigation) resulting from or arising out of (i) any breach by Seller of any of its obligations under an Order, including, without limitation, any defect in services or in design or manufacture of products; (ii) any actual or alleged infringement or violation of any patent, trademark, copyright, trade secret or other intellectual property right of any third party in connection with any products or services (except to the extent such infringement or violation arises solely and directly out of Seller's compliance with Buyer's written specifications); (iii) any injury or death to persons or damage to property in connection with any products or services or the performance of Seller's obligations under an Order; and (iv) any acts or omissions of Seller or its employees, or agents, including, without limitation, any negligence. If Buyer's use of any products or services is, or in Seller's reasonable opinion is likely to be, the subject of an action under (ii), above, Seller, at its sole expense, shall procure for Buyer the right to continue using such products or services. If Seller is unable to do so despite its reasonable efforts, Seller, at its sole expense, shall (1) replace or modify such products or services so that it is non-infringing and substantially equivalent in function to the original products or services, or (2) refund in full the price paid by Buyer for such products or services.

12. Nondisclosure of Confidential Information. Seller shall not disclose, or use for its own or any third party's benefit, any Confidential Information of Buyer except to the extent necessary to provide products or perform services under an Order. "Confidential Information" includes, without limitation, all drawings, samples, models, specifications, documents and data of Buyer furnished to Seller pursuant to an Order, as well as all information concerning Buyer's business affairs, vendors, customers, finances, properties, methods of operation, software, technology and other such information, whether written, oral, or otherwise, accessible to Seller in the course of providing products or performing services. Seller warrants that each employee or agent who undertakes 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 offered to Buyer for products and services under an Order are as favorable as Seller offers to any other purchaser for the same or similar items, taking in account the quantity purchased and the terms and conditions of sale. If cost plus pricing is utilized, Seller shall maintain, for at least three (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 records as confidential information of Seller.

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

15. Manufacturing. Seller shall inform Buyer of any recognized manufacturing quality standards with which it complies and provide copies of any certification of compliance with such standards upon request. Seller shall permit Buyer to inspect its quality and production processes and procedures used to assure the consistent quality of products. All inspections will be conducted during regular business hours on reasonable notice, and Buyer shall treat any confidential information of Seller disclosed to or accessed by Buyer in the course of such inspections in accordance with Section 12 hereof. Seller shall cooperate with Buyer to verify and document its quality and production processes and procedures and, where practicable, to improve them. If Buyer identifies deficiencies in Seller's quality or production processes and procedures, Seller shall, within thirty (30) days of receipt of written notice of deficiency from Buyer, determine appropriate corrective action to remedy such deficiencies and send Buyer written notice of such corrective action and the schedule for implementing it.

16. Governmental Compliance. Seller shall (i) comply with all applicable federal, state, local, and foreign laws, rules, and regulations, and (ii) furnish to Buyer any documentation necessary for Buyer to comply with all applicable federal, state, local, and foreign laws, rules, and regulations in its use of products or services. Seller shall provide Buyer with complete and accurate Material Safety Data Sheets prior to shipment of products. If products or services will be incorporated by Buyer into products or services sold by Buyer under a government contract or subcontract, all laws, rules, and regulations applicable to such contract shall be deemed to apply to all Orders issued pursuant to such contract. Specifically, for United States government contracts or subcontracts ("Federal Contracts"), the following are incorporated herein by reference as applicable: Federal Acquisition Regulation 52.219-8 (Utilization of Small Business Concerns, applicable to Orders over \$150,000); Executive Order 11246 (Equal Employment Opportunity Clause, applicable to Orders over \$10,000); Executive Order 11701 (Employment of Disabled Veterans and Veterans of the Vietnam Era, applicable to Orders over \$10,000); Executive Order 11758 (Employment of Handicapped Persons, applicable to Orders over \$2,500); and Executive Order 12138 (Utilization of Women-Owned Business Concerns, applicable to Orders over \$10,000), and Women-Owned Business Concerns Subcontracting Program, applicable to Orders over \$550,000.

17. Default. If Seller breaches any provision of an Order, Buyer may terminate such Order, in whole or in part, unless Seller cures such breach within ten (10) business days of receipt of Buyer's notice of breach. The term "breach" includes, without limitation, (i) any failure to perform in accordance with an Order or these Standard Terms and Conditions, and (ii) except as prohibited by applicable law, commencement of any proceeding, whether voluntary or involuntary, in bankruptcy or insolvency by or against Seller. In the event of termination, Buyer may procure, upon such terms and in such manner as Buyer reasonably deems appropriate, products or services similar to those ordered under the terminated Order, and, upon demand, Seller shall reimburse Buyer for all costs incurred by Buyer in purchasing such similar products or services. These rights and remedies of Buyer 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 request, Seller shall provide Buyer with an appropriate certification stating the country of origin of products sufficient to satisfy the requirements of (i) customs authorities of any country into which products are shipped, and (ii) any applicable export licensing regulations, including those of the United States.

19. Miscellaneous. Neither Buyer nor Seller shall delegate any duties or assign any rights under an Order without the written consent of the other party. Failure of Buyer to insist upon strict performance of any of these Standard Terms and Conditions, or any additional terms and conditions contained in any Order, shall not constitute a waiver of such terms and conditions or a waiver of any default. These Standard Terms and Conditions shall be governed by and construed under the laws of the State of New York.