

1. Scope

The following provisions shall apply to all present and future transactions based on contracts between SenTec AG (hereinafter referred to as SenTec) and customers of goods and services, in particular, but not limited to, her distribution appointments. They also shall apply to any future contracts involving those parties. They are the basis for all relevant quotations, confirmations, brochures, price lists, advertisements, etc., irrespective of whether these have been communicated by SenTec orally, in writing or electronically. SenTec accepts orders exclusively on these General Terms of Business. Any other terms and conditions shall not become part of a contract although not being explicitly rejected by SenTec. Should SenTec accept orders without any explicit objection, this does not mean that SenTec accepts the buyer's terms and conditions of purchase. When placing an order, the purchaser shall declare agreement of his terms and conditions with SenTec's General Terms of Business. Should he omit to provide the said explicit declaration, SenTec's acceptance of the orders shall in all cases be based on SenTec's General Terms of Business. Changes in these General Terms of Business shall be notified to the other Party hereto in writing and shall be deemed approved when not contested in writing by the other Party hereto. The other Party hereto shall send its protests to SenTec within a period of 20 (twenty) working days after notification of the said change. Should specific clauses of these General Terms of Business be initially or become retrospectively invalid and any other agreements made, these shall not affect the validity of any other provisions, including specific provisions not becoming part of the contract. Should specific clauses become ineffective, the Parties hereto agree to replace any ineffective clauses by clauses being equal in financial effect to the original clause.

2. Quotations, order confirmation, product changes

Orders can be placed at SenTec in writing, via the Internet, by telephone or fax. After receipt of an order SenTec will confirm it in writing. This order confirmation is decisive for the scale and configuration of delivery. The order confirmation must be verified by the customer. Any discrepancies to the order should be reported within 2 (two) working days. Otherwise the provisions of the order confirmation govern the contract. SenTec reserves the right to alter products (including third-party products) at any time without detriment to product function or performance.

3. Delivery dates

SenTec delivers the ordered products by the dates and INCOTERMS specified in the order confirmation. The customer undertakes the necessary precautions to be able to pick up and/or receive these products at the stated delivery address during standard working hours in the country of delivery. If hindrances arise which are beyond SenTec's control (e.g. natural occurrences, mobilization, war, riot, epidemics, accidents and illness, serious breakdowns, industrial disputes, delayed or faulty deliveries and official actions), the delivery dates will be deferred for the duration of the hindrance and a reasonable period thereafter is to be fixed by the parties. The postponement does not entitle the customer to cancel the contract, refuse acceptance, seek abatement and/or claim compensation.

4. Prices and payment terms

The customer undertakes to pay the agreed prices according to the agreed payment terms. Specified product (net) prices are exclusive of charges for forwarding, insurance and installation, and also of taxes; these charges are invoiced separately. SenTec reserves the right to make appropriate price adjustments effective for future transactions in the event of changes in exchange rates, duties, taxes, freight and insurance charges, and purchases prices (e.g. for components and services). SenTec cooperates with an international commercial credit and collection institution. SenTec can grant credit to customer within the limits offered by this institution only. While the amounts receivable from the customer do not superate the granted limit, invoices are to be settled without further deductions according to the payment terms stated in the order confirmation. Unless

otherwise agreed and stated in the order confirmation, SenTec will confirm the following standard term of payment: 100% pre-payment. The customer bears all expenses related to his remittances. If payment terms are not complied with, SenTec is entitled to

I. hand over all information on the case to the commercial credit and collection institution

II. and/or declare all claims on the customer to be due with immediate effect

III. and/or demand securities for all outstanding claims

IV. and/or execute outstanding deliveries only against advance payment.

Any amounts not paid when due will be subject to a late payment fee computed daily at a rate equal to two percent (2%) per month or the highest rate permissible under applicable usury law. SenTec's costs and expenses, including reasonable attorneys' fees, incurred in collection of any amounts not paid when due, whether or not suit is commenced, will be added to the amount due. On expiry of a reasonable respite given in writing, if securities have not been furnished or if payments have not been made, SenTec can withdraw from the contract and/or demand compensation, even if the goods or part thereof have already been delivered. The customer may offset potential claims against SenTec only if these are recognized by SenTec or a legal judgement has been obtained.

5. Reservation of property rights

Ownership of the products delivered does not pass to the customer until the full purchase price has been paid. The customer authorizes SenTec to register the reservation of property rights at the relevant record office. If the customer is a commercial enterprise, the following provisions also apply: The customer may resell the reserved products in the context of a regular business transaction, but immediately assigns to SenTec in full all claims on his customers arising there from to secure the demands for payment. SenTec accepts this assignment. The customer will immediately inform SenTec in writing of third-party appropriation of the reserved products or of the assigned demands, and inform third parties of SenTec's rights. If the customer is partially or wholly in arrears with one or more payments, discontinues his payments or if a petition in bankruptcy involving his assets has been filed, he may no longer possess the reserved goods. In such an eventuality SenTec is entitled to withdraw from the contract or to take back the reserved products or revoke its right to collect the claims arising from the resale, to ask for information about the recipients of the reserved products, to notify them of the assignment of the claims, and to collect the claims itself.

6. Warranty and liability

SenTec warrants under the conditions set out below the quality of materials and assembly of the products and spare parts it supplies within the compass of the product specification. The customer must check the products on receipt and report any defects to SenTec in writing within five (5) working days thereafter, otherwise the products will be regarded as approved in all functions and faultless. SenTec specifically excludes from the guarantee:

- defects attributable to faulty installation by the customer or by a third-party commissioned by him;
- operating errors, interference in or modification of products by the customer or an unauthorized third-party;
- defects caused by external agencies;
- the suitability of products for a particular purpose;
- performances designed to comply with customer specifications.

When products are found to be defective, SenTec's only obligation is to at SenTec's own choice repair or replace those defective products within a reasonable time frame. Customer claims for compensation, abatement or contract cancellation are precluded unless repair or replacement fail to provide remedy. If repair or replacement fail to provide remedy, the customer is entitled to demand annulment (cancellation) or abatement of the contract, compensation being precluded. In any case, the faulty products must be returned to



GENERAL TERMS OF BUSINESS

SenTec in their original packaging along with SenTec's delivery note and a defect report. Parts replaced become property of SenTec. Service and repair work under warranty conditions is carried out by SenTec or partner firms appointed by SenTec. Service and repair lead times are regarded as agreed approximations and can vary in individual cases (e.g. remote equipment installation locations); they do not apply to spares/components which are not absolutely essential to keep the product in good working order. Servicing can also be performed via the telephone or the Internet. Insofar as agreed, servicing can comprise installation, integration, marking, disposal, training or consultation in addition to repairs. Unless otherwise agreed, the following are not included in SenTec's servicing commitment: cases in which guarantee and liability are excluded under the terms set out in clause 6; configuration work; product location changes; preventive maintenance; replacement of consumables; temporary allocation of replacement sensors, electronic boards and data storage devices; work that is not essential to repair; work on the customer's electrical environment; backup of software and/or data; removal of customer's modifications to a SenTec product or its components. Harmful products will be either modified or replaced by SenTec or exchanged for non-harmful products. Alternatively the purchase price less reasonable compensation for use will be refunded to the customer. For third-party products only the respective manufacturer's guarantee terms apply.

- SenTec warrants quality of material and assembly of
- the V-Sign™ Digital Sensor model A/P, model A/P/N and the SpO2 Softsensor, excluding the cable, within a period of nine months after purchase by retailer, but no longer than six months after delivery to end-customer (date of invoice, installation or acceptance into service, whichever dates first)
 - the SenTec Digital Monitor as defined in Exhibit A and electric or electronic accessories except cables within a period of eighteen-months after purchase by retailer, but no longer than twelve months after delivery to end-customer (date of invoice, installation or acceptance into service, whichever dates first)
 - the perishable and disposable products within the expiration date printed on the label.

The warranty period for products replaced under warranty conditions runs at most until the expiry date of the original (first) warranty. In manufacturing its own products and carrying out work under the terms of its guarantees SenTec uses original parts or components which, new or not used, comply with industry standard ISO9001/ISO13485. In conformity with the foregoing stipulations SenTec only warrants these parts and components when the customer has applied unsuccessfully to the relevant manufacturer. Liability for damage arising, excluding consequential and indirect damage, is limited firstly to cases of seriously negligent breach of contract and deceitful concealment of the defect and secondly in amount to a sum of CHF 10.000.000,- per claim or per series of connected claims. Liability is also excluded if the damage arising could have been prevented by damage reducing measures that the customer could reasonably have been expected to take such as regular maintenance. Claims under the terms of EU-Medical Device Directive (93/42/EEC), country-specific regulations and product liability legislation are unaffected by the foregoing liability limitations. All rights and titles of wider scope, irrespective of their legal basis, are excluded.

7. Intangible property rights, exemption from patent and trademark demands

All intangible property rights remain with SenTec. SenTec will exempt its customer from third-party claims for infringement of a third-party intangible property right, provided the customer has reported such claims to SenTec immediately in writing and enables SenTec to take all necessary defensive measures in law (these include e.g. the conduct of litigation, including effecting a settlement). In all this the customer will provide all possible support to SenTec.

8. Software

Software supplied by SenTec but not manufactured by SenTec itself is covered by the provisions of the relevant licence agreement. These accompany the respective product. The customer explicitly declares his acceptance of them.

9. Export

The products supplied can contain technologies and software which are subject to the customer-applicable export control regulations of Switzerland, the European Union (EU), the United States of America or the countries to which the products are supplied or in which they are used. The customer undertakes to respect these regulations. Under the terms of the aforementioned export regulations the products must in particular not be supplied or licensed to specified users or countries engaged in activities inconsistent with the UN convention on human rights or with the statutes of the International Red Cross organization in Geneva. The customer is aware that the export control regulations impose different restrictions according to the goods purchased and that they are regularly altered. He declares that he will consult the current regulations prior to each export or re-export of the products.

10. Secrecy

The contracting parties will treat as confidential all trade and manufacturing secrets marked or openly perceivable as such which come to their knowledge in the course of their business relationship, and continue to do so after termination of that relationship.

11. Obligation to provide information

The customer declares his readiness to provide SenTec with all information necessary to discharge its contractual obligations, to guarantee SenTec access to the products and to provide all necessary cooperation.

12. Data protection

Customer data are subject to electronic processing in the course of business dealings. Both parties undertake to comply with data protection legislation when using data relating to persons.

13. Jurisdiction and venue

Only substantial Swiss law is applicable, excluding any conventions on international sales of goods and similar instruments. The venue for all disputes arising from or in connection with the contractual relationships is the headquarters of SenTec AG.

14. Miscellaneous

SenTec is entitled to allow individual obligations to be discharged by subcontractors. The customer is not entitled to assign claims arising from this agreement. In the event of a majority of the customer's capital being acquired by a third-party, or in the event of the customer being taken over by or merging with a third-party, the customer must immediately notify SenTec of this situation in writing. On the basis of this notification SenTec has the right to cancel the contract at not less than three (3) months' notice. Cancellations need to be in writing and must be forwarded by registered mail.

SenTec AG
Ringstrasse 39
CH-4106 Therwil
Switzerland

www.sentec.ch

Status: February 2010