

Spacelabs Healthcare U.S. Terms and Conditions of Purchase

1. Agreement Terms.

1.1. Acknowledgement and Acceptance. These Terms and Conditions of Purchase ("Terms") have been incorporated by reference into a purchase order issued or signed by an authorized employee of Spacelabs ("Purchase Order") or Master Supply Agreement regarding the purchase of Products ("Products") and provision of related services ("Services"). These Terms and the Purchase Order or Master Supply Agreement, as applicable will be collectively referred to herein as this "Agreement."

1.2. Entire Agreement. This Agreement, including any attachments, exhibits or other written documents that are explicitly incorporated by reference by the text of this Agreement, constitutes the entire agreement between Spacelabs and Supplier regarding the subject matter of this Agreement and may not be modified except in writing signed by a duly authorized employee of Spacelabs and Supplier.

1.3. Supplier Documents. Spacelabs will not be bound by the terms and conditions of any quotation, order confirmation, sales order or other instrument issued by Supplier (each, a "Supplier Document") unless such Supplier Document is counter-signed by an authorized employee of Spacelabs. Spacelabs' performance under this Agreement will not, under any circumstances, be deemed Spacelabs' acceptance of any of the terms and conditions contained in a Supplier Document. If Supplier issues a Supplier Document, then such issuance will be deemed to constitute Supplier's acceptance of the terms and conditions of this Agreement, but all other terms and conditions contained in the Supplier Document will be of no force or effect and will not be deemed to supersede, replace, modify, augment, enhance, delete, remove, amend or otherwise alter any of the terms and conditions of this Agreement. Supplier's performance or fulfillment of any part of the tasks described in the Purchase Order or Supplier's acceptance of any payment by Spacelabs for any Products or Services described in the Purchase Order will also be deemed to constitute Supplier's acceptance of all of the terms and conditions of this Agreement.

1.4. Precedence. In the event of any conflict between the terms and conditions of a Purchase Order and these Terms, the terms and conditions of the Purchase Order will take precedence.

2. License.

2.1. License Grant. Subject to the terms and conditions of this Agreement, Spacelabs hereby grants to Supplier, for the term of this Agreement, a non-exclusive, non-transferable, non-sublicensable license for Supplier to use the information, materials, knowledge, data, drawings and other specifications involving or relating to the generation, manufacture and processing of the Products (or performance of the Services) provided to Supplier by Spacelabs ("Technical Information"), solely to manufacture the Products and perform the Services and solely for sale to and performance for Spacelabs.

2.2. Restrictions and Reservation of Rights. Supplier agrees not to use the Technical Information except as expressly permitted in Section 2.1. All intellectual property rights in and to the Technical Information are and will at all times be owned by Spacelabs, subject only to the license rights expressly granted to Supplier in Section 2.1. Any and all rights not expressly granted to Supplier herein are reserved by Spacelabs.

2.3. Information Exchange. Spacelabs will provide to Supplier such Technical Information as Spacelabs determines in its sole discretion is advisable to facilitate Supplier's manufacture and delivery of the Products and performance of the Services. All Technical Information will constitute the Confidential Information (as defined in Section 9.1) of Spacelabs.

3. Shipping and Delivery.

3.1. Shipping. Supplier will notify Spacelabs at the time of shipment as to the quantity of Products shipped and the specific shipping information. Shipping quantities may not vary from those established by the Purchase Order unless otherwise mutually agreed upon in writing by the parties. In the event any shipment is delayed and may not be timely, Spacelabs may direct Supplier to ship such Products by premium transportation designated by Spacelabs, and Supplier will bear the expense of any difference in cost due to such premium transportation. Supplier will ship the Products to the delivery address(es) set forth in the applicable Purchase Order. Spacelabs may, from time to time, instruct Supplier to deliver all or a portion of the Products ordered pursuant to a Purchase Order to non-Spacelabs locations, or to store all or portions of such Products for subsequent shipment without charge following packaging. Until the Products are shipped, Supplier will store the Products separately from any other material stocks.

3.2. Delivery. Unless another Incoterm is identified on the face of the Purchase Order, the Products will be delivered DDP (INCOTERMS 2010). Title and risk of loss will pass from Supplier to Spacelabs at Spacelabs' designated final delivery location.

3.3. Packing. Supplier will be responsible for the safe packaging of the Products, and Supplier warrants that upon their delivery, they will be undamaged and in marketable condition. All special packaging or handling requirements will be noted on the packing slip, including but not limited to static sensitive devices, cleaned for BCG or 02, and limited shelf life conditions. Supplier will separately number all containers showing the corresponding number on the invoices. An itemized packing slip, bearing Spacelabs' order number, must be placed in each container. No extra charge will be made for packaging or packing materials.

3.4. Time of Delivery. Time of delivery is of the essence. Spacelabs reserves the right to cancel any order and reject any Product upon default by Supplier in the time of delivery. Spacelabs also reserves the right to refuse shipments made in advance of the schedule of deliveries requested by Spacelabs.

3.5. Product Changes. Supplier agrees to provide Spacelabs with advance notification of proposed changes by Supplier to Product specifications, component specifications, raw materials, manufacture process, manufacture location, test methods, critical suppliers (including suppliers of Product components), or Product components. Such changes will be submitted 60 days prior to the planned implementation date via <http://www.spacelabshealthcare.com/support/supplier-change-request> and are subject to Spacelabs' written approval prior to implementation, which will not be unreasonably withheld.

3.6. Engineering Changes. Spacelabs may at any time request that Supplier incorporate engineering changes into a Product (each an "Engineering Change"). Such request will include a description of the proposed Engineering Change sufficient to permit Supplier to evaluate the feasibility and cost. Supplier's evaluation of the Engineering Change will be delivered promptly to Spacelabs and will state the increase or decrease in Supplier's actual costs (if any) resulting from such Engineering Change and the amount of time (if any) required to implement such Engineering Change.

Supplier will not proceed with the Engineering Change unless and until it receives written instructions to do so from Spacelabs in the form of a released Engineering Change order ("ECO"), in which case: (i) the Product price will be adjusted in the amount of such increase or decrease in Supplier's actual costs due to such Engineering Change; (ii) the delivery schedule for the Product will be amended to reflect such additional implementation time; and (iii) the specifications for the Product will be amended to reflect the Engineering Change. Supplier will not refuse to implement any Engineering Change requested by Spacelabs unless Supplier reasonably determines that such Engineering Change is technically unworkable.

3.7. Ownership of Spacelabs Furnished or Paid for Materials. All tools, drawings, specifications, products, components, documents and any other material, information or data, including the Technical Information, furnished by Spacelabs or paid for by Spacelabs (the "Material") will be and remain the property of Spacelabs. Title to, and the right of possession of, all Material will remain with Spacelabs. Supplier will

maintain in good condition and repair, at Supplier's expense, all Material, and Supplier will use the Material solely for the performance of work for Spacelabs.

3.8. Cancellation. Spacelabs may cancel this Agreement for convenience, in whole or in part, at any time by delivery of written notice. To the extent that any unused inventory (or portion thereof) procured by Supplier cannot be used by Supplier in the manufacture, testing or assembly of other products for Spacelabs or any of Supplier's other customers ("Unusable Inventory"), Supplier will use its best efforts to (a) cancel any pending orders for such Unusable Inventory and (b) return any such Unusable Inventory in Supplier's possession to the applicable suppliers. If Supplier is unable to return any Unusable Inventory in its possession to the applicable suppliers, Supplier will notify Spacelabs of such Unusable Inventory and, at Spacelabs' instruction, Supplier will either deliver such Unusable Inventory to Spacelabs or use its best efforts to resell such Unusable Inventory. After such efforts have been completed, Spacelabs will pay Supplier for Products and Unusable Inventory affected by the cancellation as follows: (i) the contract price for all finished Products in Supplier's possession that are delivered to Spacelabs and accepted by Spacelabs, (ii) the cost of all Unusable Inventory delivered to Spacelabs, (iii) the difference between the cost of all Unusable Inventory that was resold by Supplier at less than cost and the proceeds from such resale, (iv) the difference between the cost of all Unusable Inventory that could not be resold by Supplier and the salvage value thereof, and (v) any vendor cancellation charges incurred with respect to the Unusable Inventory accepted for cancellation or return by the vendor. Notwithstanding any of the foregoing, Supplier will use best efforts to mitigate the amounts payable by Spacelabs under this Section 3.8.

4. Price and Payment.

4.1. Price. The price for all Products and Services will be as set forth in the Purchase Order.

4.2. Payment Terms. Payment terms will be as set forth in the Purchase Order. Invoices for amounts due will reference the Purchase Order, line item (if applicable) and description and quantity of Products shipped and Services rendered and will be sent to the "Bill To" address specified in the Purchase Order. Invoices will be rendered separately for each delivery, with bill of lading attached. Payment of an invoice will not constitute acceptance by Spacelabs of the Products or Services covered thereby and is without prejudice to any and all claims Spacelabs may have against Supplier in connection therewith. Supplier will be conclusively presumed to have waived Supplier's right to receive payment for Products or Services covered by any Purchase Order if Supplier has not submitted an invoice for the Products or Services within ninety (90) days of the date the Products or Services (as applicable) are delivered.

4.3. Taxes. Except as otherwise may be provided in the Purchase Order, the price of all Products and Services specified in this Agreement will be deemed to include all applicable taxes any kind. All applicable taxes, including, without limitation, sales or use taxes, excise taxes, transaction privilege taxes, gross receipts taxes and other charges such as duties, customs, tariffs, imposts and government-imposed surcharges will be remitted by Supplier to the appropriate tax authority. Each party is responsible for its own respective income taxes or taxes based upon gross revenues, including, without limitation, business and occupation taxes.

5. Intellectual Property.

5.1. Work Product. As used in this Agreement, the term "Work Product" will include, without limitation, all discoveries, ideas, inventions, concepts, developments, know-how, trade secrets, works of authorship, materials, software (source and object code), algorithms, HTML, writings, drawings, designs, processes, techniques, formulas, data, specifications, technology, patent applications (and contributions thereto), and other creations (and any related improvements or modifications to the foregoing or to any Confidential Information (defined in Section 9.1)), whether or not patentable, that are conceived, created or otherwise developed by Supplier (alone or with others), or result from or are suggested by any work performed by Supplier (alone or with others) if (a) based on any of the Confidential Information, including any Technical Information or (b) stemming from or relating to any non-recurring engineering (NRE) performed under or associated with the fulfillment of this Agreement.

5.2. Assignment. Supplier agrees to disclose promptly in writing to Spacelabs all Work Product. Supplier further agrees that any and all Work Product will be considered "work made for hire" (as such term is defined in 17 U.S.C. §101) and will be the sole and exclusive property and Technical Information of Spacelabs. To the extent that the Work Product may not be considered "work made for hire," Supplier hereby irrevocably assigns and agrees to assign to Spacelabs all right, title and interest worldwide in and to the Work Product (whether currently existing or conceived, created or otherwise developed later), including, without limitation, all copyrights, trademarks, trade secrets, patents, industrial rights and all other intellectual and proprietary rights related thereto (the "Proprietary Rights"), effective immediately upon the inception, conception, creation or development thereof. The Proprietary Rights will include, without limitation, all rights, whether existing now or in the future, whether statutory or common law, in any jurisdiction in the world, related to the Work Product, together with all national, foreign and state registrations, applications for registration and all renewals and extensions thereof (including, without limitation, any continuations, continuations-in-part, divisionals, reissues, substitutions and reexaminations); all goodwill associated therewith; and all benefits, privileges, causes of action and remedies relating to any of the foregoing, whether before or hereafter accrued (including, without limitation, the exclusive rights to apply for and maintain all such registrations, renewals and extensions; to sue for all past, present and future infringements or other violations of any rights relating thereto; and to settle and retain proceeds from any such actions). Supplier retains no rights to use the Work Product and agrees not to challenge the validity of Spacelabs' ownership in the Work Product.

5.3. License; Waiver of Rights. To the extent, if any, that any Work Product or Proprietary Rights are not assignable or that Supplier retains any right, title or interest in and to any Work Product or any Proprietary Rights, Supplier (a) unconditionally and irrevocably waives the enforcement of such rights, and all claims and causes of action of any kind against Spacelabs with respect to such rights; (b) agrees, at Spacelabs' request and expense, to consent to and join in any action to enforce such rights and (c) hereby grants to Spacelabs a perpetual, irrevocable, fully paid-up, royalty-free, transferable, sublicensable (through multiple levels of sublicensees), exclusive, worldwide right and license to use, reproduce, distribute, display and perform (whether publicly or otherwise), prepare derivative works of and otherwise modify, make, sell, offer to sell, import and otherwise use and exploit (and have others exercise such rights on behalf of Spacelabs) all or any portion of such Work Product, in any form or media (now known or later developed). The foregoing license includes, without limitation, the right to make any modifications to such Work Product regardless of the effect of such modifications on the integrity of such Work Product, and to identify Supplier, or not to identify Supplier, as one or more authors of or contributors to such Work Product or any portion thereof, whether or not such Work Product or any portion thereof has been modified. Supplier further irrevocably waives any "moral rights" or other rights with respect to attribution of authorship or integrity of such Work Product that Supplier may have under any applicable Law (as defined in Section 6.2) or under any legal theory. Supplier hereby waives and quitclaims to Spacelabs any and all claims, of any nature whatsoever, which Supplier now has or may hereafter have for infringement of any Work Product or Proprietary Rights assigned and/or licensed hereunder to Spacelabs.

5.4. Assistance. Supplier agrees to cooperate with Spacelabs or its designee(s), both during and after the term of this Agreement, in applying for, obtaining, perfecting, evidencing, sustaining and enforcing Spacelabs' Proprietary Rights in the Work Product, including, without limitation, executing such written instruments as may be prepared by Spacelabs and doing such other acts as may be necessary in the opinion of Spacelabs to obtain a patent, register a copyright, or otherwise enforce Spacelabs' rights in such Work Product (and Supplier hereby irrevocably appoints Spacelabs and any of its officers and agents as its attorney in fact to act for and on Supplier's behalf and instead of Supplier, with the same legal force and effect as if executed by Supplier).

6. Representations and Warranties.

6.1. Products and Services. Supplier represents, warrants and covenants that (a) the Services performed and Products furnished hereunder will meet the quality, operating conditions and performance requirements described in all applicable specifications and the applicable Purchase Order; (b) any Services furnished hereunder will be performed in a professional and competent manner, consistent with the highest industry standards; (c) the Products will be merchantable, free from defects in design, workmanship, and material,

and new, fit and sufficient for the particular purpose of Spacelabs and Spacelabs' customers; and (d) Supplier has good and marketable title to the Products to be furnished hereunder and there are no liens, claims or encumbrances of any kind whatsoever against the same. Supplier's representations and warranties contained in this Section will survive acceptance of and payment for the Products and/or Services and will inure to the benefit of Spacelabs, its successors, assigns, customers and end users and will not be deemed to be exclusive. Supplier agrees to replace or correct any Products or Services not conforming to the foregoing warranty promptly, without expense to Spacelabs, when notified of such nonconformity by Spacelabs, provided Spacelabs elects to provide Supplier with the opportunity to do so. In the event of failure of Supplier to correct defects in or replace nonconforming Products or Services promptly, Spacelabs may make such corrections or replace such Products and Services and charge Supplier for the cost incurred by Spacelabs in doing so.

6.2. Compliance with Law Generally. Supplier represents, warrants and covenants that (a) Supplier will comply with all Laws applicable to its performance pursuant to this Agreement, including, without limitation, the provision of Products and Services hereunder and (b) Supplier will at all times perform any work required under this Agreement safely and in a manner which will present no threat of bodily injury or property damage, and will enforce compliance with the highest standards of safety and accident prevention found in applicable Laws. The term "Laws" will mean any statute, law, regulation, ordinance, rule, judgment, order, decree, permit, concession, grant, franchise, license, agreement, directive, guideline, policy or rule of common law, or any governmental requirement or other governmental restriction or similar form of decision or determination, or any interpretation or administration of any of the foregoing by any national, state or local government (or any association, organization or institution of which any of the foregoing is a member, or to whose jurisdiction any of the foregoing is subject, or in whose activities any of the foregoing is a participant), whether now or hereafter in effect.

6.3. Environmental Laws. Supplier represents, warrants, and covenants that its facilities and operations comply with all applicable Environmental Laws. The term "Environmental Laws" will mean any and all Laws (as defined above) relating to the indoor or outdoor environment, or to the health or safety of natural persons affected by the environment, or to the release or threatened release of hazardous materials into the indoor or outdoor environment, including, without limitation, ambient air, soil, surface water, groundwater, sea water, wetlands, land or subsurface strata, or otherwise relating to the generation, manufacture, processing, distribution, handling, use, treatment, recycling, storage or disposal of hazardous material or transportation to or from the property controlled by such person or entity of hazardous materials, whether now or hereafter in effect. Supplier will obtain and maintain all licenses, authorizations, certifications and approvals required under any applicable Environmental Laws. Supplier will not permit the release of any hazardous material into the environment and, in the event of any such release, will promptly perform any investigation, study, sampling, testing, cleanup, removal and remedial or other action necessary to remove and clean up any such hazardous materials in accordance with the requirements of all applicable Environmental Laws.

6.4. Conflict Minerals. Supplier acknowledges and understands that Purchaser's ultimate parent company, OSI Systems, Inc. ("OSI"), is publicly traded in the United States and therefore is subject to Section 1502 of the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 and the rules and regulations of the U.S. Securities and Exchange Commission ("SEC") thereunder (collectively, the "Conflict Minerals Laws"). Under the Conflict Minerals Laws, OSI is required to submit reports to the SEC and disclose on OSI's website (a) whether any Conflict Minerals necessary to the functionality or production of Purchaser's products originate from the Democratic Republic of the Congo ("DRC") or any adjoining country and (b) if any Conflict Minerals do originate in the DRC or any adjoining country, the due diligence measures undertaken by Purchaser and OSI to identify the source(s) of such Conflict Minerals. The term "Conflict Minerals" means (a) columbite-tantalite (coltan), cassiterite, gold, wolframite and their derivatives (which derivatives are currently limited to tantalum, tin and tungsten) and (b) any other mineral or its derivatives, the exploitation and trade of which the U.S. Secretary of State has determined is being used to finance ongoing military conflicts in the DRC or any adjoining country. Supplier acknowledges the foregoing and hereby represents, warrants and covenants that no Conflict Minerals will be used in or necessary to the functionality or production of any of the Products delivered or to performance of any Services rendered under this Agreement. Supplier covenants that it will immediately notify Purchaser, in

writing, if it learns or at any time has reason to believe that any breach of the foregoing commitments has occurred.

6.5. ROHS and REACH Compliance. The Products and Supplier's manufacturing processes will comply with the Restriction of Hazardous Substances Directives 2002/95/EC and 2011/65/EU and the Registration, Authorization and Restriction of Chemicals, European Union Regulation (EC) 1907/2006).

6.6. Representations by Supplier. Supplier represents, warrants and covenants that: (a) Supplier has the full power and authority to enter into this Agreement and to perform its obligations hereunder, without the need for any consents, approvals or immunities not yet obtained; (b) Supplier's execution of and performance under this Agreement will not breach any oral or written agreement with any third party or any obligation owed by Supplier to any third party to keep any information or materials in confidence or in trust; (c) the Work Product will be the original work of Supplier, and any persons involved in the development of Work Product have executed (or prior to any such involvement, will execute) a written agreement with Supplier in which such persons (i) assign to Supplier all right, title and interest in and to the Work Product in order that Supplier may fully grant the rights to Spacelabs as provided herein and (ii) agree to be bound by confidentiality and non-disclosure obligations no less restrictive than those set forth in this Agreement; (d) Supplier has the right to grant the rights and assignments granted herein, without the need for any assignments, releases, consents, approvals, immunities or other rights not yet obtained; and (e) the Products, Services, and Work Product (and the exercise of the rights granted herein with respect thereto) do not and will not infringe, misappropriate, violate or conflict with, any patent, copyright, trademark, trade secret intellectual property, proprietary or other right of any third party ("Third Party Right").

6.7 No Conflict of Interest. Supplier represents, warrants and covenants that it will not accept work or enter into any agreement or accept any obligation that is inconsistent or incompatible with Supplier's obligations under this Agreement or the scope of Services, if any, rendered for Spacelabs.

6.8. Nondiscrimination. Supplier represents, warrants and covenants that it complies with all Federal, State and Local laws and regulations applicable to its actions in connection with this Purchase Document, including (i) all rules and regulations (including those of the Secretary of Labor) and Executive Orders (including Nos. 11246, 11375, 11625, 11701, 11758) applicable to this Purchase Document regarding nondiscrimination because of race, creed, color, sex, age, national origin, and physical or mental handicap, and ii) the affirmative action commitments for veterans and individuals set forth in 41 CFR 60 et seq. (including 41 CFR 60 – 1.4, 41 CFR 60-300.5(a), and 41 CFR 60-741.5(a), which are incorporated herein by this reference) and related regulations. By accepting this Purchase Document, Supplier certifies that it complies with the authorities cited above, and that it does not maintain or perform services at segregated facilities.

7. Indemnification.

7.1. Indemnity. Supplier will indemnify and hold harmless, and at Spacelabs' request defend, Spacelabs, its subsidiaries and affiliates, and its and their officers, directors, employees, customers successors and assigns (all referred to in this Section 7 as "Spacelabs") from and against any and all losses, liabilities, costs, damages, claims, fines, penalties and expenses (including, without limitation, costs of defense or settlement and attorneys', consultants' and experts' fees) that arise out of or relate to (a) the acts or omissions of Supplier, including any of Supplier's subcontractors, vendors, employees, consultants or agents; (b) injuries or death to persons or damage to property (including loss of property), in any way arising out of or caused or alleged to have been caused by the work performed, or Products or Services provided, by Supplier; (c) assertions under workers' compensation or similar acts made by persons employed or furnished by Supplier; (d) any breach (or claim or threat thereof that, if true, would constitute a breach of) this Agreement, including, without limitation, any breach of any representation or warranty set forth in this Agreement; (e) violation of any Law, including, without limitation, any Environmental Law, in any way arising out of or caused or alleged to have been caused by Supplier's work or Services under this Agreement or by a Product; or (f) any claim or threat thereof that a Product, Service or Work Product (or any part thereof) or the exercise of any rights granted herein with respect thereto) infringe, misappropriate, violate or conflict with any Third Party Right.

7.2. Notice; Cooperation; Settlement. Spacelabs will notify Supplier of any claim or liability for which indemnification is sought ("Claim"), provided, however, that the failure to give such notice will not relieve Supplier of Supplier's obligations hereunder except to the extent that Supplier was actually and materially prejudiced by such failure. Spacelabs may, at its option and Supplier's expense, participate and appear on an equal footing with Supplier in the defense of any Claim that is conducted by Supplier as set forth herein. Supplier may not settle any Claim without the prior written approval of Spacelabs. From the date of written notice from Spacelabs to Supplier of any such Claim, Spacelabs will have the right to withhold from any payments due Supplier under this Agreement the amount of any defense costs, plus additional reasonable amounts as security for Supplier's obligations under this Agreement.

7.3. Additional Remedies. In the event of any claim or threat thereof that a Product, Service or Work Product (or any part thereof) or the exercise of any rights granted herein with respect thereto) infringe, misappropriate, violate or conflict with any Third Party Right, then, in addition to Supplier's indemnification obligations set forth above and all other remedies that may be available to Spacelabs under this Agreement, at law or in equity, Spacelabs will also have the right to demand, and Supplier will comply with such demand, that Supplier, at Supplier's expense, (a) modify the Product, Service or Work Product (as applicable) to be non-infringing, (b) obtain a license (on terms satisfactory to Spacelabs) to continue using the Product, Service or Work Product (as applicable) or (c) refund to Spacelabs the full purchase price.

8. LIMITATION OF LIABILITY.

8.1. LIMITATION OF LIABILITY. TO THE EXTENT PERMITTED BY APPLICABLE LAW, IN NO EVENT WILL SPACELABS' TOTAL AGGREGATE LIABILITY ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT (REGARDLESS OF THE FORM OF ACTION GIVING RISE TO SUCH LIABILITY, WHETHER IN CONTRACT, TORT OR OTHERWISE) EXCEED THE PRICE PAYABLE BY SPACELABS HEREUNDER FOR THE UNITS OF PRODUCT, OR THE SPECIFIC SERVICES, THAT ARE THE SUBJECT OF THE DISPUTE.

8.2. NO INDIRECT OR CONSEQUENTIAL DAMAGES. TO THE EXTENT PERMITTED BY APPLICABLE LAW, SPACELABS WILL NOT BE LIABLE FOR ANY INDIRECT, INCIDENTAL, SPECIAL, CONSEQUENTIAL OR PUNITIVE DAMAGES OF ANY KIND ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT, OR DAMAGES FOR LOSS OF PROFITS, REVENUE, BUSINESS OR SAVINGS, INCURRED BY SUPPLIER OR ANY THIRD PARTY, WHETHER IN AN ACTION IN CONTRACT OR TORT, EVEN IF SPACELABS HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES OR IF SUCH DAMAGES ARE FORESEEABLE.

8.3. ACKNOWLEDGEMENT OF LIMITATIONS. THE PARTIES ACKNOWLEDGE THAT THE LIMITATIONS OF LIABILITY IN THIS SECTION 8 AND IN THE OTHER SECTIONS OF THIS AGREEMENT AND THE ALLOCATION OF RISK HEREIN ARE AN ESSENTIAL ELEMENT OF THE BARGAIN BETWEEN THE PARTIES, WITHOUT WHICH SPACELABS WOULD NOT HAVE ENTERED INTO THIS AGREEMENT. SUPPLIER'S PRICING REFLECTS THIS ALLOCATION OF RISK AND THE LIMITATIONS OF LIABILITY SPECIFIED HEREIN.

9. Confidentiality.

9.1. Confidential Information. "Confidential Information" will mean any and all information and materials disclosed by Spacelabs to Supplier (whether in writing or in oral, graphic, electronic or any other form) that are marked or described as, identified in writing as, or provided under circumstances indicating that such information and materials are confidential or proprietary. The term Confidential Information includes, without limitation, all Technical Information and all Materials provided by Spacelabs relating to Spacelabs' technical requirements and customers. Materials will not be considered Confidential Information to the extent such Materials can be shown to have been (a) available to the public prior to the date of Spacelabs' disclosure to Supplier or to have become available to the public thereafter without any unauthorized act or omission by Supplier; (b) rightfully in Supplier's possession prior to the date of Spacelabs' disclosure to Supplier and not otherwise restricted as to disclosure; or (c) disclosed to Supplier without restriction by a third party who

had a right to disclose and was not otherwise under an obligation of confidence. Materials will not be deemed to be "available to the public" or to be "in Supplier's possession" merely if such Materials can be reconstructed, combined or pieced together from multiple sources that are available to the public or Supplier if no one of those sources actually leads one to the entire combination, together with its meaning and importance.

9.2. Restrictions on Disclosure and Use of Confidential Information. Supplier will not use the Confidential Information of Spacelabs except for the purpose of performing its obligations and exercising its rights under this Agreement. Supplier will maintain the Confidential Information of Spacelabs with at least the same degree of care as it uses to protect its own proprietary information of a similar nature or sensitivity, but no less than reasonable care under the circumstances. Unless Spacelabs grants specific, written, advance permission to do so, Supplier will not disclose any Confidential Information to any third party. Supplier will limit access to the Confidential Information of Spacelabs to those employees of Supplier who have a need to know such information in order to perform its obligations and exercise its rights under this Agreement and who are bound by confidentiality and non-use obligations to Supplier at least equivalent to Supplier's obligations to Spacelabs under this Agreement. Should Supplier determine that it needs to disclose Confidential Information of Spacelabs to any non-employee (including consultants and contractors) in order to perform its obligations or exercise its rights under this Agreement, Supplier will not do so without the prior written permission of Spacelabs. Upon receiving such permission, Supplier may proceed, but only after binding any such non-employee to confidentiality and non-use obligations to Supplier at least equivalent to Supplier's obligations to Spacelabs under this Agreement. Supplier will be responsible to Spacelabs for the acts and omissions of any its employees and any such non-employee with respect to such confidentiality and non-use obligations.

9.3. Return of Confidential Information. Upon any expiration or termination of this Agreement or upon the request of Spacelabs, Supplier will return or destroy, at Spacelabs' option, all Confidential Information of Spacelabs and any copies thereof. In addition, Supplier will promptly destroy any electronic or otherwise non-returnable embodiments of the Confidential Information.

10. Quality Requirements and Regulatory Compliance

10.1. Supplier will have a quality management system in place that is certified by a recognized notified body to the International Standard Organization 13485 ("ISO") or equivalent standard to define and maintain the manufacturing process and associated controls so that all Products consistently conform to the Product specifications and are in accordance with all applicable laws, regulatory requirements, and international product standards. Supplier will provide Spacelabs with all information reasonably necessary for Spacelabs to evaluate such conformance. Supplier will immediately notify Spacelabs of any changes in its regulatory registration or ISO certificate status. As required by this certification, Supplier will have key processes that are compliant with all applicable laws and regulations, such as but not limited to complaint handling, recalls, traceability, auditing, and equipment testing.

10.2. Supplier will be responsible for marking the Products with Supplier's CE mark in accordance with applicable regulatory requirements. If a Product is a medical device, Supplier will be responsible for obtaining 510(k) clearance and Health Canada licensing for the Product. Spacelabs will be responsible for applying for and obtaining other regulatory approvals or permits necessary for the markets in which Spacelabs intends to sell the Products. Supplier will provide reasonable assistance to Spacelabs as regards such applications.

10.3 Recall Expenses. Supplier will bear all costs and expenses of a field correction or recall, including, without limitation, the cost of notifying Spacelabs' customers and costs associated with sending a service engineer to perform field correction and/or shipment of recalled Products from Spacelabs' customers to Supplier, as well as the costs associated with providing Spacelabs' customers with replacement or modified Products.

11. Additional Provisions.

11.1. Remedies. The parties agree that any breach of Section 9 (Confidentiality) will cause irreparable harm and significant injury to Spacelabs which may be difficult to ascertain. Accordingly, the parties agree that Spacelabs will have the right, in addition to any other remedies available to it, to obtain an immediate injunction, without necessity of posting a bond, enjoining any breach by Supplier of Section 9 (Confidentiality). Notwithstanding anything in this Agreement to the contrary, Spacelabs will be entitled under this Agreement to all of the rights and remedies available to a contracting party under the Uniform Commercial Code. Spacelabs' remedies will be cumulative and will include any remedies allowed by Law.

11.2. Independent Contractor. Each of Spacelabs and Supplier is an independent contractor and neither party's personnel are employees or agents of the other party. This Agreement will not be construed as creating an agency, partnership, joint venture or any other form of association, for tax purposes or otherwise, between the parties; the parties will at all times be and remain independent contractors. Except as expressly agreed by the parties in writing, neither party will have any right or authority, express or implied, to assume or create any obligation of any kind, or to make any representation or warranty, on behalf of the other party or to bind the other party in any respect whatsoever.

11.3. Inspection. During normal business hours, upon reasonable notice to Supplier, Spacelabs will have the right, but not the obligation, to (a) inspect the work conducted and Services provided by Supplier under this Agreement; (b) inspect and test Supplier's facility and any equipment used in such work or Services, including, without limitation, any areas where the Products (or components thereof) are stored, handled, packaged or manufactured; and (c) inspect and obtain copies of all books and records (including financial and technical books and records), licenses, authorizations, approvals or written communications from any governmental entity or agency applicable or related to such work or Services.

11.4. Insurance. Supplier will maintain in effect at all times the following insurance: (a) statutory Worker's Compensation Insurance (or equivalent) for all employees of Supplier in accordance with the Laws of the jurisdictions in which they are performing work for Supplier; and (b) comprehensive General Liability Insurance (including Owned and Non-Owned Automobile, Contractor's Protective, Contractual and Completed Operation coverage) with policy limits of at least \$1,000,000 per person, \$2,000,000 per occurrence for Bodily Injury Liability, and \$500,000 per occurrence for Property Damage Liability. Such Comprehensive General Liability Insurance will remain in force for the term of this Agreement and Supplier will furnish, if requested by Spacelabs, a Certificate of Insurance prior to the commencement of the work naming Spacelabs (including its subsidiaries and affiliates) as an additional insured thereunder. Certificates of Insurance evidencing such coverage will provide that Spacelabs will be given ten (10) days written notice before cancellation or reduction of any of the insurance coverage. The liability of Supplier assumed under this Agreement will not be limited to the amount of insurance which the Supplier is required to provide.

11.5. U.S. Government Contracts. The Products and Services provided hereunder may be used by Spacelabs in fulfilling a U.S. Government prime or subcontract and may, therefore, be subject to the applicable Government procurement regulations (collectively, the "Regulations"), including, but not limited to, all applicable clauses listed in FAR 52.212-5(e) and DFARS 252.212-7001 and 29 C.F.R. part 471, appendix A to subpart A. All applicable Regulations will be deemed incorporated herein by reference and Supplier will be bound to comply with them, except that for the purposes of this Agreement, in such Regulations the term "contractor" as used therein will refer to Supplier, and the terms "Government" or "Contracting Officer" as used therein will refer to Spacelabs. By submitting a proposal or invoice to Spacelabs, Supplier is representing to Spacelabs that, at the time of submission (a) neither Supplier nor its principals are debarred, suspended, or proposed for debarment by the U.S. Government (see FAR 52.209-6); (b) Supplier has filed all compliance reports required by the Equal Opportunity clause (see FAR 52.222-22); and (c) Supplier's representations to Spacelabs about U.S. Small Business Administration or state and local classifications, including but not limited to size standards, ownership, and control, are accurate and complete. Supplier recognizes that it has a duty to maintain its size requirements for the duration of this Agreement and must immediately notify Spacelabs if there is a change in its size standard, ownership, or control.

11.6. Law and Venue. Washington law, without regard to conflicts or choice of laws principles, will govern the enforcement and interpretation of this Agreement. The parties agree that all actions or proceedings

arising directly or indirectly from this Agreement will be arbitrated or litigated before arbitrators or in courts having a situs within King County, Washington and hereby consent to the jurisdiction of any local, state or federal court in which such an action is commenced that is located in King County, Washington. The parties agree not to disturb such choice of forum.

11.7. Attorney's Fees. In the event either party brings legal action to enforce any provision herein, the prevailing party will be entitled to collect from the losing party reasonable attorneys' fees and costs incurred.

11.8. Severability and Waiver. In the event that any provision of this Agreement (or any portion hereof) is determined by a court of competent jurisdiction to be illegal, invalid or otherwise unenforceable, such provision (or portion thereof) will be enforced to the extent possible consistent with the stated intention of the parties, or, if incapable of such enforcement, will be deemed to be severed and deleted from this Agreement, while the remainder of this Agreement will continue in full force and remain in effect according to its stated terms and conditions. The waiver by either party of any default or breach of this Agreement will not constitute a waiver of any other or subsequent default or breach. No waiver will be valid unless made in writing.

11.9. Survival. The following sections will survive any cancellation, expiration or termination of the Agreement: 3.6, 5, 6, 7, 8, 9, 10, and 11.

11.10. Export Control. Supplier agrees to comply with all applicable export control Laws and regulations including, but not limited to, the Arms Export Control Act, 22 U.S.C. 2751-2794, the International Traffic in Arms Regulations (ITAR), 22 C.F.R. 120 et. seq., and the Export Administration Regulations, 15 C.F.R. 730-774 ("Export Control Laws"). Supplier covenants that it will not transfer any export controlled item, data or services to foreign persons employed by or associated with, or under contract to Supplier or Supplier's lower-tier suppliers, without first obtaining all required export licenses. Supplier agrees to notify Spacelabs if (i) any deliverable under this Agreement is restricted by Export Control Laws, (ii) Supplier is or becomes listed in any Denied Parties List or (iii) Supplier's export privileges are otherwise denied, suspended or revoked in whole or in part by any U.S. Government entity or agency. Supplier agrees to provide Spacelabs with the applicable Export Control Classification Number for each Product and hereby warrants that such classification is correct and accurate in all respects.

11.11. No Subcontracting or Assignment. Supplier may not subcontract, assign, sell, transfer, delegate or otherwise dispose of, whether voluntarily or involuntarily, by operation of law or otherwise, this Agreement or any rights or obligations under this Agreement without the prior written consent of Spacelabs. Any purported subcontract, assignment, transfer, delegation or other disposition by Supplier will be null and void. Subject to the foregoing, (a) this Agreement will be binding upon and will inure to the benefit of the parties and their respective successors and assigns and (b) Supplier will be fully responsible for the acts and omissions of all subcontractors and the acts and omissions of their employees. There will be no contractual relationship between any subcontractor and Spacelabs. Supplier will indemnify, defend and hold harmless Spacelabs from and against any and all liability for payment of Supplier's subcontractors and suppliers, including without limitation, mechanic's liens.

11.12. Right of Setoff. All claims for monies due or to become due from Spacelabs will be subject to deduction by Spacelabs for any setoff or counterclaim arising out of any agreement or other arrangement between Supplier and Spacelabs, including any of Spacelabs' subsidiaries and affiliates.

11.13. No Supplier Press Release. Supplier will not issue a press release or other public statement of any kind regarding the Products, Services or terms of this Agreement without Spacelabs' express written consent.

11.14. Construction. This Agreement will be interpreted fairly in accordance with its terms and without any construction in favor of or against either party.

11.15. Counterparts. This Agreement may be executed in counterparts and delivered by way of facsimile, email or other electronic signature.

End of Terms and Conditions of Purchase