

## PURCHASE ORDER TERMS & CONDITIONS

The terms and conditions on this web site (the "Site") govern the purchase order (including any attachments provided in connection therewith, the "PO") that has been transmitted (via facsimile, e-mail or other means) to you ("Supplier") by Fortive Medical Devices (Shanghai) Co., Ltd. ("Buyer"). Notwithstanding any prior dealings between Buyer and Supplier, the PO is expressly made conditional on, and Buyer expressly limits Supplier's provision of any goods or services set forth in the PO to, these terms and conditions.

By accepting the PO and/or starting performance, shipping any goods or furnishing any services (or providing any deliverable arising therefrom) in connection with the PO, Supplier acknowledges that Supplier has read, understands, and agrees to be bound by these terms and conditions. If Supplier objects to any such terms and conditions, Supplier shall (a) notify Buyer in writing within three days after its receipt of the PO and (b) withhold acceptance of the PO and not start any performance, ship any goods or furnish any services (or provide any deliverable arising therefrom) in connection with the PO.

The Site should not be bookmarked because these terms and conditions, to the extent applicable, are specific to the PO and may hereafter be revised, from time to time, by Buyer. Revised terms and conditions will be posted on the Site and, if applicable, will be immediately effective for purchase orders issued thereafter. **Supplier should read the terms and conditions applicable to each subsequently issued purchase order that Supplier receives because by accepting such PO and/or starting performance, shipping any goods or furnishing any services (or providing any deliverable arising therefrom) after a revised version of the terms and conditions on the Site has been posted, Supplier will be deemed to have accepted the revised version.**

**1. Entire Agreement; Amendments.** (a) It is the intent of Buyer and Supplier to provide certainty as to their respective rights and remedies against each other by defining the extent of their mutual undertakings. Accordingly, the PO (i) contains the entire understanding of Buyer and Supplier with respect to the subject matter of the PO and incorporates all representations, warranties, covenants, commitments and understandings on which Buyer and Supplier have relied, and neither party makes any other representations, warranties, covenants, commitments or understandings; and (ii) supersedes all previous representations, warranties, covenants, commitments and understandings between Buyer and Supplier, written or oral, including any terms in an estimate, an offer or other similar document, with respect to the subject matter of the PO; except that (iii) the terms of all applicable quality requirements, whether in the form of a separate Quality Agreement executed between Supplier and Buyer (which may include Advanced Sterilization Products, Inc.) or other agreement ("Quality Requirements"), are incorporated by reference herein and compliance with such Quality Requirements is a material part of the PO. In furtherance of and without limiting the above, Supplier shall, at Buyer's request, agree to and enter into Buyer's Quality Agreement.

(b) Subject to 1(a) above, no modification, amendment or waiver of any term or condition in the PO or herein shall be effective, nor shall any additional or different terms or conditions, whether set forth in an invoice, confirmation, acceptance, shrink-wrap license, click wrap license, online terms of use or service or elsewhere, or pursuant to any course of dealing, usage of the trade or Buyer's acceptance

of any goods or services, be effective, unless set forth in a writing signed by Buyer and Supplier.

**2. Notices.** All communications relating to the PO, to be effective, shall be addressed to the other Party's representative, identified in the PO or as otherwise provided to the other party in writing. Any communications transmitted via facsimile or electronically (e.g., via the Internet (including but not limited to EDI, cXML, e-mail)) (a) shall be considered a "writing" or "in writing," (b) shall be deemed "signed" if a signature is affixed that is valid in accordance with applicable law (including a valid electronic signature) and (c) will constitute an "original" when printed.

**3. Goods and Services set forth in the PO.** Supplier shall (a) provide to Buyer the goods and services set forth in the PO; (b) keep Buyer advised of the status of the PO; (c) permit Buyer or its representatives to review and observe, upon reasonable notice, Supplier's progress under or performance in connection with the PO; and (d) provide Buyer with such reports as are appropriate to the nature of the goods and services set forth in the PO and as may be reasonably requested by Buyer.

**4. Inspection.** All goods and deliverables are subject to final review, inspection and acceptance by Buyer notwithstanding any payment or initial inspection. Final inspection will be made by Buyer within a reasonable time after receipt of goods or deliverables.

**5. Non-Conforming Goods or Services; Late Delivery; Replacement Personnel.** (a) Buyer reserves the right to refuse any goods or services and to cancel all or any part of the PO if Supplier does not, or goods or services provided by Supplier to Buyer do not, conform to any applicable industry standards or practices, the applicable Quality Requirements referenced in paragraph 1(a)(iii), any applicable specifications, drawings, samples, descriptions or any other similar criteria in the PO or otherwise provided to Supplier by Buyer (the "Specifications") or any terms and conditions set forth in the PO and herein. Acceptance of any part of the shipment of goods or any part of the services shall not bind Buyer to accept any non-conforming goods or services simultaneously provided by Supplier, nor deprive Buyer of the right to reject any previous or future non-conforming goods or services. Buyer may, if it rejects any non-conforming goods, return such goods to Supplier at Supplier's expense for transportation both ways, and Supplier shall not deliver to Buyer any replacement or substitution goods for such rejected goods unless so authorized by Buyer.

(b) The delivery of goods and services shall strictly comply with the delivery date or delivery schedule, if any, provided to Supplier by Buyer. If at any time it appears Supplier will not meet such delivery date or schedule, Supplier shall promptly notify Buyer in writing of reasons for, and the estimated duration of, the delay. If requested by Buyer, Supplier shall ship such delayed goods by means to avoid or minimize delay to the maximum extent possible, including rerouting any shipment if appropriate and the use of a dedicated motor carrier or air freight, and any added costs shall be borne by Supplier.

(c) With respect to any personnel assigned by Supplier to provide goods or services to Buyer, Buyer reserves the right to request for any lawful reason whatsoever the removal or reassignment of any such personnel, which right shall not relieve Supplier of any responsibility it has for the PO. Supplier shall as soon as possible thereafter provide replacement personnel satisfactory to Buyer. Supplier shall not, however, leave any position(s) without staffing during any replacement assessment period(s).

(d) Notwithstanding the foregoing, Buyer may cancel the PO and seek any other remedies available in accordance with applicable law, including recover any incidental and consequential damages from Supplier if Supplier does not, or goods or services provided by Supplier to Buyer do not, conform to the PO and these terms and conditions, including delivery of goods or services that do not strictly comply with the Specifications or the delivery date or schedule, if any, provided to Supplier by Buyer.

**6. Cancellation.** Buyer may cancel the PO at any time and for any reason upon written notice to Supplier. In the event of such cancellation, Supplier shall comply with any directions given by Buyer in such notice with respect to the goods and services in the PO and cease all other shipment and delivery of goods and services with respect to the PO. Within 45 days from the effective date of such cancellation, Supplier shall provide to Buyer all material, drawings, work-in-progress and co-developed intellectual property (in the state of completion or non-completion in which they exist on the date of cancellation) and submit an invoice to Buyer for all goods and services provided by Supplier and accepted by Buyer in accordance with the PO prior to cancellation, but only to the extent relating to such goods or services for which Supplier has not already submitted an invoice to Buyer. Buyer agrees to pay all undisputed amounts in accordance with the PO and these terms and conditions. In no event shall Buyer be responsible for any amounts in the aggregate greater than (a) the total that would have been due under the PO or (b) the value of the work done by Supplier in accordance with the PO prior to cancellations, whichever is less.

**7. Invoice.** Unless Buyer otherwise informs Supplier, Supplier shall issue a separate invoice for each shipment of goods delivered by Supplier and for each set of completed services. Supplier shall not issue any invoices before the goods or services are delivered to Buyer. Unless Buyer provides alternate written instructions, Supplier shall submit all invoices to ASP\_AccountPayable@fortive.com. Supplier shall invoice Buyer in accordance with this PO and include on all invoices (a) the PO number; (b) a description of goods and/or services provided; (c) the price, including a detailed description of the number of hours worked and fee per hour, if services are provided based on time and material pricing; and (d) expenses and pass-through costs approved by Buyer, including details around such costs. Buyer shall not be obligated to pay any amounts not properly invoiced within 90 days after goods and/or services are provided, including any pass-through expenses that otherwise would have been reimbursable in accordance with the PO.

**8. Payments.** Payment terms will be net 90 days after Buyer's receipt of an undisputed invoice from Supplier. Except for amounts expressly set forth in the PO, Buyer shall not be responsible for any (a) other charges, including charges for delivery, parts or services and (b) expenses of Supplier or any mark-ups on any expenses of Supplier.

**9. Warranty.** (a) Notwithstanding any other representation, warranty or agreement to the contrary, Supplier unconditionally represents and warrants the following: (i) the goods and services supplied pursuant to the PO shall comply in all respects with the Quality Requirements referenced in paragraph 1(a)(iii) and be of merchantable quality, conform to applicable industry standards and practices and the Specifications, be suitable for Buyer's intended uses and purposes in the ordinary course of its business and be free from defects in design, material and workmanship; (ii) all services provided by Supplier shall be provided by qualified personnel reasonably skilled and trained in the performance of the services and in a workmanlike and professional manner; (iii) any documentation provided to Buyer by Supplier shall meet reasonable standards of clarity and detail; (iv) Supplier, the

goods and services provided to Buyer and the use thereof by Buyer shall not infringe on any party's intellectual property rights, including any party's confidential information, trade secrets, copyrights or patents; (v) Supplier is currently under no obligation to any party, nor will Supplier enter into any obligation with any party, that could interfere with Supplier delivering the goods or services in the PO; and (vi) Supplier shall comply with, and the goods and services provided by Supplier shall be in compliance with, all China statutes, laws, ordinances and regulations, including those relating to the environment, occupational safety and health, labor standards, assembly and supply of the goods, China National Medical Products Administration (including compliance with good manufacturing practices), International Standards Organization Rules 9,000 et seq. and any permits, licenses and certifications Supplier is required to have.

(b) If Supplier, the goods and services provided to Buyer or the use thereof by Buyer infringes on any party's intellectual property rights, including any party's confidential information, trade secrets, copyrights or patents, the sale or use of such goods or services is enjoined, Supplier shall, at its expense and option, either procure for Buyer the right to continue to use such goods or services, replace such goods or services with equivalent non-infringing goods or services or modify such goods or services so they become equivalent non-infringing goods or services. The foregoing, however, shall not be construed to limit or exclude any other claims or remedies that Buyer may assert.

(c) All representations and warranties shall run to Buyer, its customers and the users of the goods or services or products into which such goods or services may be incorporated. All third-party warranties and representations obtained by or applicable to Supplier in connection with any good and services in the PO are hereby deemed provided, in addition, for the benefit of Buyer, its affiliates and their users and customers. Nothing in this clause shall be construed as limiting in any way Supplier's other warranties to Buyer.

**10. Indemnification.** Supplier agrees to indemnify and hold harmless Buyer, its affiliates (and its and their respective directors, personnel and agents) against any and all losses, claims, liabilities, damages and expenses, including without limitation reasonable attorney's fees, (collectively, "Claims") in connection with or arising out of the following: (i) any negligent or willful misconduct of Supplier, its personnel, agents, consultants or subcontractors; or (ii) Supplier's (including its personnel, agents, consultants or subcontractors) breach of any provision of the PO or these terms and conditions.

**11. Limitation of Liability.** UNDER NO CIRCUMSTANCES WILL BUYER OR ITS AFFILIATES BE LIABLE FOR CONSEQUENTIAL, INDIRECT, SPECIAL, PUNITIVE, EXEMPLARY, MULTIPLIED OR INCIDENTAL DAMAGES OR LOST PROFITS, WHETHER FORESEEABLE OR UNFORESEEABLE, OR PREJUDGMENT INTEREST OR ATTORNEYS' FEES OR COSTS BASED ON CLAIMS OF SUPPLIER OR ANY OTHER PARTY ARISING OUT OF BREACH OR FAILURE OF EXPRESS OR IMPLIED WARRANTY, BREACH OF CONTRACT, MISREPRESENTATION, NEGLIGENCE, STRICT LIABILITY IN TORT, FAILURE OF ANY REMEDY TO ACHIEVE ITS ESSENTIAL PURPOSE, OR OTHERWISE. NOTWITHSTANDING THE FORM (e.g., CONTRACT, TORT OR OTHERWISE) IN WHICH ANY LEGAL OR EQUITABLE ACTION MAY BE BROUGHT,

IN NO EVENT WILL BUYER OR ITS AFFILIATES BE LIABLE FOR DAMAGES OR LOSSES THAT EXCEED, IN THE AGGREGATE, THE GREATER OF (a) THE AMOUNT DUE FROM BUYER AS SET FORTH IN THE PO BUT NOT ALREADY PAID TO SUPPLIER FOR THE GOODS OR SERVICES PROVIDED BY SUPPLIER IN ACCORDANCE WITH THE PO AND THESE

TERMS AND CONDITIONS OR (b) \$1000. THIS SECTION WILL NOT APPLY WHEN AND TO THE EXTENT THAT APPLICABLE LAW SPECIFICALLY REQUIRES LIABILITY DESPITE THE FOREGOING DISCLAIMER, EXCLUSION AND LIMITATION.

**12. Insurance.** For the period beginning when Supplier accepts the PO and/or starts performance, ships any goods or furnishes any services (or provides any deliverable arising therefrom) in connection with the PO and ending at least 4 years after Supplier completes the PO in full or the PO was cancelled by Buyer, Supplier shall, at its own expense, maintain with a reputable insurer (and provide written certificate(s) of insurance to Buyer if and when requested) reasonable and customary insurance coverage, including, but not limited to, (a) worker's compensation statutory coverage as required by the laws of the applicable jurisdiction, and (b) commercial general liability insurance including coverage for product liability in the minimum amount of \$5 million per occurrence in respect of claims for any losses, costs and expenses arising out of or relating to Supplier furnishing the goods, deliverables and/or services under the PO. The commercial general liability insurance shall include worldwide coverage and include Buyer and its affiliates, and their directors, officers and employees, as Additional Named Insureds. The certificate(s) of insurance will include the agreement for the insurer to give Buyer written notice at least 30 days prior to the effective date of any cancellation, lapse or material change in the policy, and will contain a waiver of subrogation in favor of Buyer and its affiliates, and their directors, officers and employees.

**13. Rights to Inventions; Copyrights.** (a) Buyer will be the exclusive owner of all deliverables created by Supplier in connection with or during the performance of the PO (the "Deliverables"), any works based on or derived from such deliverables ("Derivatives"), and any ideas, concepts, inventions or techniques that Supplier may conceive or first reduce to practice in connection with or during the performance of the PO ("Deliverable Concepts") or any derivative of, or through use of, any Buyer Provided Materials (as defined below) (collectively, with the Deliverables, Derivatives, and Deliverable Concepts, "Buyer Materials") and all intellectual property rights therein, including patents, copyrights, trade secrets, trademarks, moral rights, and similar rights of any type under the laws of any governmental authority (collectively, "Intellectual Property Rights").

(b) (i) All copyrightable Buyer Materials created by Supplier in connection with or during the performance of the PO shall be considered a "work made for hire" for Buyer, (ii) Buyer shall be considered the author of the Buyer Materials for purposes of copyright and (iii) all worldwide right, title and interest therein shall be the property of Buyer as the party specially commissioning such work, in each case except to the extent (1) not permitted under applicable law or (2) the designation of Buyer Materials as a "work made for hire" would establish an employment relationship under applicable law between Buyer and Supplier.

(c) To the extent any Buyer Materials are not "work made for hire," or to the extent that the Buyer does not otherwise acquire ownership of any copyrights, and with respect to all other Intellectual Property Rights, Supplier hereby irrevocably assigns to Buyer for no additional consideration, and shall cause its personnel to irrevocably assign to Buyer, all right, title and interest in and to the Buyer Materials and all Intellectual Property Rights therein and thereto, including the right to sue, recover damages and obtain other relief from other persons for any past, present and future infringement, dilution, misappropriation, or other violation of or conflict with any of those Intellectual Property Rights. To the extent such assignment of rights and ownership is invalid or any of the foregoing rights, including so-called "moral rights" or rights of "droit moral," may be inalienable,

Supplier agrees to waive and agrees not to exercise such rights, and if such waiver and agreement are deemed invalid, to grant to Buyer and its designees the exclusive, transferable, perpetual, irrevocable, worldwide and royalty free right to make, use, market, modify, distribute, transmit, copy, sell, practice, and offer for sale and import the Buyer Materials and any process, technology, software, article, equipment, system, unit, product or component part covered by the Deliverable Concepts or a claim of any patent in any part of the Deliverable Concepts. At Buyer's request, Supplier will execute any instrument, or obtain the execution of any instrument, including from any employee or contractor, that may be appropriate to assign the rights to Buyer in accordance with this section or perfect such rights in Buyer's name. If Supplier fails to execute any assignment in accordance with this section within fifteen calendar days after a request by Buyer, Supplier hereby appoints Buyer as Supplier's attorney in fact for the sole purpose of executing any such assignment on behalf of Supplier to Buyer and Supplier agrees to be bound thereby.

(d) Supplier must include on the face of all copyrightable material prepared for Buyer a copyright notice identifying Buyer and the year of publication in legible form. Supplier must provide Buyer with all relevant or necessary design drawings, source code and other documents detailing the Intellectual Property Rights with respect to the Buyer Materials. Except in connection with the PO to provide the goods or services to Buyer, Supplier will not use any Intellectual Property Rights with respect to the Buyer Materials in any manner or for any reason. Without limiting the foregoing, Supplier agrees that neither Supplier nor any of its affiliates will sell or distribute, or authorize the sale or distribution by any third party of, any goods or services using the Intellectual Property Rights with respect to the Buyer Materials to any party other than Buyer.

**14. Software.** If the goods set forth in the PO include any software (including pursuant to a software-as-a-service offering), related documentation and/or updates thereto (collectively, "Software") the following terms and conditions apply:

(a) Supplier shall retain all Intellectual Property Rights in and to the Software. Supplier hereby grants to Buyer and its affiliates a perpetual (unless otherwise limited in the PO to a specific duration), worldwide, non-exclusive license to access and use the Software for the business purposes of Buyer and its affiliates. If the PO limits the Software to use by a certain number of users, then Buyer may replace a user with another user from time to time, provided that the then-current number of users using the Software does not exceed such number. If Supplier determines that Buyer and its affiliates have exceeded rights to the Software in the PO through increased usage that is otherwise in accordance with these terms and conditions, Supplier shall promptly notify Buyer in writing of such excess usage and Buyer shall thereafter promptly eliminate such excess usage. If Buyer does not eliminate such excess usage, Supplier's exclusive remedy shall be to invoice Buyer proportionally for such excess usage using the pricing set forth in the PO.

(b) Buyer and its affiliates may (i) make a reasonable number of backup or archive copies of any Software provided by Supplier and (ii) permit one or more third parties to exercise the rights granted to Buyer and its affiliates hereunder, provided that any such third party may only use the Software to provide goods to or perform services for Buyer and its affiliates.

**15. Government Contracting.** Supplier represents that the price it is charging is not in excess of the ceiling prices, if any, established by any government agency. If Supplier is notified that the services or goods covered by the PO are ordered by Buyer under a China government contract, Supplier agrees that the relevant statutes and regulations

applicable to Buyer as a government contractor are accepted and binding on Supplier insofar as required by such statute, regulation or the provisions of the government contract.

**16. Force Majeure.** Supplier and Buyer, as the case may be, shall be excused for delays in performance or failure of performance to the extent arising from causes beyond such party's reasonable control, including without limitation strikes, wars, fires, acts of terror or acts of God, such as floods and earthquakes. In the event of any such event or condition, the party whose performance is excused hereunder shall notify the other party promptly thereof and shall make diligent efforts to perform at its earliest opportunity. If Supplier's performance is excused hereunder, Buyer may cancel the PO and Supplier agrees to provide to Buyer the assistance and information necessary for Buyer to make, have made, or otherwise procure replacement goods and services.

**17. Delivery.** Supplier shall deliver goods under each PO to the delivery location and on the delivery date provided to Supplier by Buyer in the PO or by other means. Delivery of a PO shall be complete on the completion of unloading of goods at the designated delivery location. Delivery of each PO shall be accompanied by a delivery note from Supplier showing the PO number, the date of the PO, the type and quantity of goods included in the PO.

**18. Transportation Liability.** Supplier agrees that in any case where freight regulations covering goods transported by common carrier establish a maximum limit on the carrier's liability for loss or damage suffered in transit, Supplier will be liable to Buyer for any loss or damage in excess of such maximum limit.

**19. Confidentiality; No Publicity.** (a) Supplier shall not, without the prior written consent of Buyer, originate any publicity (including any news release or public announcement) nor use any logos, trademarks, service marks or names of Buyer or any of its affiliates.

(b) Supplier shall not, without the prior written consent of Buyer, disclose to any third party Confidential Information (as defined below) or use any such Confidential Information for any purpose other than in connection with providing to Buyer the goods and/or services set forth in the PO. "Confidential Information" shall mean any information that is not already in the public domain or independently developed or obtained by Supplier relating to the following: the existence of the relationship with Buyer; Buyer's purchasing systems or practices (including, without limitation, descriptions of purchased items, quantities purchased and prices paid); the nature of the services performed or deliverables or goods delivered under the PO; or any data, designs or any other information relating to Buyer or its affiliates or their businesses, including the Buyer Provided Materials (as defined below). Notwithstanding the foregoing, Supplier may disclose Confidential Information (i) to Supplier's employees having a need to know such information in connection with Supplier's performance of the PO or (ii) to comply with applicable laws, court orders or government regulations, provided, in such case Supplier promptly provides notice thereof to Buyer prior to any disclosure to allow Buyer to comment thereon and to seek a protective order or similar relief. Supplier agrees that it will take appropriate action by instruction, agreement or otherwise with its employees who are permitted access to Confidential Information to notify them of the obligations hereunder. No right, title, interest or license to Supplier is either granted or implied under any trademark, patent, copyright or any other intellectual property right by the disclosure of the Confidential Information hereunder. Upon Buyer's request at any time, all documents and other material containing Confidential Information, and any other data, designs, or other information furnished to Supplier

(and copies thereof), must be returned to Buyer or destroyed, as directed by Buyer.

**20. Buyer's Property.** "Buyer Provided Materials" means tools, equipment, samples, specimens, compounds or any other materials of every description provided to Supplier, or paid for, by or on behalf of Buyer. All Buyer Provided Materials, any replacement thereof and any materials affixed or attached thereto will be and remain the property of Buyer. All Buyer Provided Materials and Buyer Materials must be safely stored separate and apart from Supplier's property. Supplier will not substitute any property for Buyer's property and will not use such property except in filling Buyer's purchase orders. Such property while in Supplier's custody or control will be held at Supplier's risk, must be kept insured by Supplier at Supplier's expense in an amount equal to the replacement cost with loss payable to Buyer and will be subject to removal at Buyer's written request, in which event Supplier will prepare such property for shipment and will redeliver to Buyer in the same condition as originally received by Supplier, reasonable wear and tear excepted.

**21. Material Safety Data Sheets.** An appropriate material safety data sheet ("MSDS") and labeling, as and if required by law, will precede or accompany each shipment by Supplier. Further, Supplier will send to Buyer updated MSDS's and labeling as required by law.

**22. Environmental, Safety and Industrial Hygiene Matters.** Supplier agrees to use commercially reasonable efforts to implement a policy of environmental responsibility concerning its products and processes, including where applicable, pollution prevention and waste reduction programs. With respect to all environmental, safety and industrial hygiene matters related to Supplier's activities in providing goods and/or services to Buyer, Supplier shall: (a) comply with all aspects of the Quality Requirements referenced in paragraph 1(a)(iii) as well as all applicable laws and regulations issued by state and local authorities; (b) inform Buyer promptly of any significant adverse event (e.g., fires, explosions, accidental discharges) that have the potential of affecting the quality of the goods and/or services to be delivered; (c) inform Buyer promptly of any allegations or findings of violations of applicable laws or regulations that have the potential of affecting the quality of the goods and/or services to be delivered; (d) allow Buyer's representatives to inspect Supplier's facilities, such inspections to be at reasonable times and upon reasonable notice; and (e) implement promptly any corrective action which may be reasonably requested by Buyer, including (without limitation) adhering to reasonable and significant elements of the environmental, safety and industrial hygiene program adhered to by Buyer in its own operations. Supplier will provide Buyer accurate information concerning ozone depleting or other chemicals or substances used in its products or processes when required by any applicable regulations or laws.

**23. Compliance.** (a) Any provisions, representations or agreements required by any law or regulation to be included in the contract resulting from acceptance of the PO are hereby incorporated by reference into these terms and conditions, including, but not limited to, those prohibiting discrimination against any employee or applicant for employment because of race, color, religion, sex or national origin, or physical or mental handicap and those providing for the employment of disabled veterans.

(b) Supplier guarantees that no article shipped pursuant to this PO is adulterated or misbranded pursuant to Regulations on Supervision and Administration of Medical Devices, Drug Administration Law of the People's Republic of China, as well as other regulations of National Medical Products.

(c) Supplier guarantees that each article shipped pursuant to this PO complies in all respects with the Quality Requirements referenced in paragraph 1(a)(iii).

(d) In the manufacture of the goods or delivery of the services which are the subject of the PO and subject to the International Labour Organization Convention 138 Concerning Minimum Age, Supplier will employ young persons only as permitted by the following policy on the employment of young persons:

(i) Age, Health & Safety – No person under the age of 16 may be employed. No person between the ages of 16 and 18 may be employed unless such employment is in compliance with the health, safety and morals provisions of the International Labour Organization Convention 138 Concerning Minimum Age;

(ii) Hours – No persons under the age of 18 ("Young Person") shall be required to work more than 48 hours of regularly scheduled time and 12 hours of overtime per week, nor more than six days per week;

(iii) Law & Regulations – No Young Person shall be employed unless such employment is in compliance with all applicable laws and regulations concerning age, hours, compensation, health and safety; and

(iv) Supplier agrees to submit to periodic compliance inspections by Buyer and/or its affiliates and representatives, maintain the records necessary to demonstrate compliance and provide annual certifications of compliance to the foregoing.

(e) If (i) any goods shipped pursuant to the PO is produced using any human blood, blood component, tissue from a living or cadaveric donor, or from material derived therefrom (collectively, "Tissue"); or (ii) any goods contains Tissue; or (iii) delivery of any deliverables that pursuant to the PO include results generated using Tissue, Supplier warrants and agrees that it has requisite license and permit to collect and use the Tissue, and that any such Tissue was collected or will be collected pursuant to a legally effective informed consent under the common rule and patient authorization under the Chinese laws and regulations in effect at the time of collection, and Buyer or its affiliate(s) may review the consent form used in collection of any such Tissue, as well as any subsequent revisions thereof, but Supplier is solely responsible for obtaining the appropriate patient consent and authorization.

(f) (i) While on the premises of Buyer or any of its affiliates (the "Premises"), Supplier shall comply with all rules and regulations while on and applicable to the Premises. Supplier shall be responsible for its personnel and agents while they are on the Premises whether or not any of their actions fall outside the scope and course of employment or engagement by Supplier. Supplier shall ensure that its personnel and agents proceed directly to the site where Services are to be provided and do not enter any other part of the Premises, except as directed by Buyer. (ii) Supplier agrees that Buyer or its affiliate, as the case may be, may search Supplier's personnel and agents, their vehicles and packages while they are on, leaving or entering the Premises.

(g) Supplier must comply with Buyer's standards applicable to Suppliers that have separately been made known to Supplier, including, but not limited to the Quality Requirements referenced in paragraph 1(a)(iii).

(h) Supplier must not perform any actions that are prohibited by local and other anti-corruption laws (collectively "Anti-Corruption Laws") that may be applicable to Supplier and/or Buyer. Without limiting the foregoing, Supplier must not, directly or indirectly, make any payments, offer or transfer anything of value, agree or

promise to make any payment or offer to transfer anything of value, to any government official or government employee, to any political party official or candidate for political office or to any other third party related to the transaction in a manner that would violate Anti-Corruption Laws.

**24. Dispute Resolution.** (a) *Governing Law.* The laws of the People's Republic of China, will govern these terms and conditions and the PO.

(b) *Arbitration.* Any dispute, controversy, difference or claim arising out of or relating to these terms and conditions and the PO must be referred to and resolved by arbitration administered by the Shanghai Sub-commission of China International Economic and Trade Arbitration Committee ("CIETAC") under the CIETAC's arbitration rules in force when the notice of arbitration is submitted. The place of arbitration shall be Shanghai. The number of arbitrators shall be three (3). The arbitration proceedings shall be conducted in English. The arbitral award shall be final and binding upon both Parties. The cost of the arbitration filing and hearing fees, the cost of any potential independent expert retained by the arbitrator(s) and the cost of the arbitrator(s) and administrative fees shall firstly be borne by the party who initiates the arbitration proceeding, and shall finally borne by the losing party. .

(c) *No Publicity.* The arbitration proceedings shall be confidential and neither party shall publicize the nature of any dispute or the outcome of arbitration proceedings except to the extent required by law, provided in such case the party required to make any disclosure informs the other party of such requirement to allow the other party to seek a protective order. The arbitrator will issue appropriate protective orders to safeguard each party's confidential information.

**25. Audit.** For the period beginning when Supplier accepts the PO and/or starts performance, ships any goods or furnishes any services (or provides any deliverable arising therefrom) in connection with the PO and ending at least 4 years after Supplier completes the PO in full or the PO was cancelled by Buyer, Supplier agrees to make, keep and maintain, in accordance with generally accepted accounting principles and practices, consistently applied from year to year, complete books, invoices, records of payments, correspondence, instructions, specifications, plans, drawings, receipts, manuals, contracts, purchase orders, tax returns, memoranda and other records relating to the PO, including the goods and/or services provided thereunder and if applicable, cost of materials used, expenses incurred, hours worked. Buyer shall have the right to audit and/or examine all such items and/or relevant Supplier facilities, either directly or through its authorized representative or agents, during regular business hours and upon reasonable prior notice. If any audit or examination reveals that Supplier collected more from Buyer than it was entitled to collect under the PO, Supplier shall promptly reimburse Buyer for the amount of any overcharges. Supplier shall also pay Buyer interest at the rate of one percent (1%) per month on such amount, but in no event to exceed the highest lawful rate of interest, calculated from the date the amount was paid to Supplier until the date of actual reimbursement to Buyer. In the event that any such audit or examination reveals that Supplier collected more than five percent (5%) than what it was entitled to collect under the PO, Supplier shall also reimburse Buyer for the cost of such audit in addition to the other amount owed pursuant to this section.

**26. Assignment.** The PO and the rights and duties under the PO and these terms and condition shall not be assignable by either party without the prior written consent of the other party, which consent may be withheld in such other party's sole discretion; provided however, Buyer may

assign its rights and obligations to any one or more of its affiliates. The PO and these terms and conditions will inure to the benefit of and be binding upon Buyer and Supplier and their respective successors and permitted assigns. Nothing contained in the PO or herein will give to any other person any benefit or any legal or equitable right, remedy or claim.

**27. Relationship.** (a) The relationship of Buyer and Supplier is that of independent contractors, and nothing contained herein shall be construed to (i) give either party any right or authority to create or assume any obligation of any kind on behalf of the other or (ii) constitute Buyer and Supplier as partners, joint ventures, co-owners or otherwise as participants in a joint or common undertaking.

(b) Buyer shall not be liable for any of its affiliates under any circumstances.

(c) The relationship between Buyer and Supplier is not one of exclusivity.

**28. Miscellaneous.** Headings used herein are for convenience only and shall not be used for interpretive purpose. A party's failure to act with respect to another party's breach of any provision contained herein does not constitute a waiver. If any provision herein is held to be invalid or unenforceable, such provision shall be narrowly construed, if possible, or otherwise deemed ineffective and the remaining provisions shall not be affected. The terms and conditions in the PO and herein will survive the fulfillment of the PO.