



Life Systems, Inc.

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Endoscope Repair: Flexible, Rigid, Camera Heads and Power
New and Refurbished Endoscopy Equipment: GI and Surgical
ERBE Surgical Systems: Electrosurgery, ERBE Jet™ 2

Terms and Conditions (Revised December 3, 2008)

The following Terms and Conditions and a Customer's written acceptance of a Life Systems, Inc. quotation, govern the provision by Life Systems of sale of equipment and consumable products, repair services, including labor and replacement parts to Customer.

THE VALIDITY, INTERPRETATION AND PERFORMANCE OF THIS AGREEMENT AND/OR ORDER AND ANY DISPUTE CONNECTED HERewith SHALL BE GOVERNED AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF MISSOURI. These Terms and Conditions constitute the full understanding of the parties, a complete allocation of risks between them and a complete and exclusive statement of the terms and conditions of their agreement and/or Order relating to the subject matter herein. Except as otherwise expressly provided herein, no conditions, usage of trade, course of dealing or performance, understanding or agreement and/or Order purporting to modify, vary, explain or supplement the terms or conditions of this agreement and/or Order shall be binding unless hereafter made in writing and signed by the party to be bound, and no modification shall be effected by the acknowledgment or acceptance of any purchase order or shipping instruction forms containing terms or conditions at variance with or in addition to those set forth herein. No waiver by either party with respect to any breach or default or of any right or remedy and no course of dealing or performance shall be deemed to constitute a continuing waiver of any other breach or default or of any other right or remedy, unless such waiver be expressed in writing signed by the party to be bound. If any term, condition or provision of this agreement and/or Order or the application thereof is judicially or otherwise determined to be invalid or unenforceable, or if the parties mutually agree in writing to any revision of this agreement and/or Order, the remainder of this agreement and/or Order and the application thereof shall not be affected, and this agreement and/or Order shall otherwise remain in full force and effect.

Cancellation Charges:

There will be no cancellation charge for stock Product(s) as long as the items have not yet been shipped. If Product(s) have shipped, you may still cancel your order, however Buyer will be charged for the shipping costs incurred for receiving and returning the ordered items.

Damaged / Expired Products:

Merchandise damaged during shipment or expired merchandise must be reported to Life Systems within 5 days of receipt. Please call us during our normal business hours (Monday through Friday, from 8:00 am to 5:00 pm CST) to notify us of any damaged or expired items (please have your order number and the item description ready when you call). We will then contact the shipping company for the retrieval of the damaged or expired item(s) and send you a replacement order. Any items that have been used will void your right to return them.

Delivery:

F.O.B. Life Systems facility or authorized equipment partner. Risk of loss shall pass to Buyer on delivery at the F.O.B. point. Life Systems shall prepay freight, assure the shipment and select the means of transportation unless Buyer provides specific written instructions otherwise with Buyer's order. Life Systems shall not be bound to tender delivery of any quantities for which Buyer has not given shipping instructions.

Excuse of Performance:

(A) Force Majeure – Deliveries may be suspended by either party in the event of: Act of God, war, terrorist act, riot, fire, explosion, accident, flood, sabotage, civil unrest, lack of adequate fuel, power, raw materials, labor, containers or transportation facilities; compliance with Governmental Requirements (as hereinafter defined); breakage or failure of machinery or apparatus; national defense requirements or any other event, whether or not of the class or kind enumerated herein, beyond the reasonable control of such party; or in the event of labor trouble, strike, lockout or injunction (provided that neither party shall be required to settle a labor dispute against its own best judgment); which event makes impracticable the manufacture, transportation, sale, purchase, acceptance, use or resale of Products or a material upon which the manufacture of Products is dependent.

(B) If Life Systems determines that its ability to supply the total demand for Products, or obtain any or a sufficient quantity of any material used directly or indirectly in the manufacture of Products, is hindered, limited or made impracticable, Life Systems may allocate its available supply of Products or such material (without obligation to acquire other supplies of any such Products or material) among itself and its purchasers on such basis as Life Systems determines to be equitable without liability for any failure of performance which may result therefrom.

(C) Deliveries suspended or not made by reason of this Section shall be canceled without liability, but this agreement and/or Order shall otherwise remain unaffected.

Freight and Taxes:

Prices do not include prepaid freight, federal, state or local taxes. Any increase in freight rates paid by Life Systems on deliveries covered by this Order and hereafter becoming effective and any tax or governmental charge or increase in same (excluding any franchise or income tax or other tax or charge based on income) (i) increasing the cost to Life Systems of producing, selling or delivering Products or of procuring Products used therein or, (ii) payable by Life Systems because of the production, sale or delivery of Products, such as Sales Tax, Use Tax, Retailer's Occupational Tax, Gross Receipts Tax, Value Added Tax, and Ways Fees may, at Life Systems option, be added to the prices herein specified and be added to invoices.

Order Changes:

Buyer must notify Life Systems in writing of requested changes in the quantity, designs or specifications for Products which are ordered but not yet shipped. After receipt of such notice, Life Systems will inform Buyer of any adjustments to be made in price, delivery schedules, etc. resulting from Buyer's requested changes prior to incorporating requested changes into final Order.

Out of Stock:

If your Item is not in stock, we will back order for you. Life Systems will always contact Buyer before the order is completed to ascertain whether to go ahead with the Order, or cancel it.

Payment:

Payment terms shall be thirty (30) days from the date of invoice unless otherwise specified on the invoice. If payment for the entire balance is not received within 30 days from the invoice date, an interest rate of 1.5% per month will be added to the outstanding balance, provided that such rate does not exceed what is permitted by law. In such an instance, the highest allowable legal rate will apply. Invoices which are 90 days past due may be turned over to a collection agency and Customer will be placed on Credit Hold.

From time to time, Life Systems may demand different terms of payment from those specified herein whenever it reasonably appears that the Customer's financial condition requires such changes, and may demand assurance of Buyer's ability to pay whenever it reasonably appears that such ability is in doubt.

In addition, Customer agrees to pay all reasonable costs and expenses of collection amounts past due hereunder (including any interest thereon), including, but not limited to, actual fees and expenses of Life Systems' attorneys, and other legal and court costs.

Price Revisions:

Prices are subject to change without advance notice. If Life Systems desires to revise the discounts, prices, points of delivery, service allowances or terms of payment but is restricted to any extent against so doing by reason of any governmental request, law, regulation, order or action, or if the discounts, prices, points of delivery, service allowances or terms of payment then in effect are altered by reason of governmental request, law, regulation, order or action, Life Systems shall have the right (i) to terminate this Order by notice to Buyer, (ii) to suspend deliveries for the duration of such restriction or alteration or (iii) to have applied to this Order (as of the effective date of such restriction or alteration) any discounts, prices, points of delivery, service allowances or terms of payment governmentally acceptable. Any delivery suspended under this Section may be canceled without liability. Quotes are valid for 60 days unless otherwise stated.

Restocking Charges:

All products require prior authorization to be returned and must be returned within thirty (30) days from the date of delivery. Restocking fee in the amount of twenty-five percent (25%) of the original price will apply. Stock disposable items and accessories which have not been opened, used, modified (including the exterior packaging) and have a remaining shelf life of six (6) months may be returned to Life Systems and issued a credit minus a restocking fee. Disposable items may not be returned if the original packing seal is broken, damaged or marked upon (including the box / case packaging).

Life Systems reserves the right to refuse to accept any item not returned in a resalable condition or after thirty (30) days from the date shipment is received.

Equipment Loaner Policy:

When a loaner is requested, a Customer PO # must be provided before it can be shipped. When Customer receives repaired equipment back from Life Systems, Customer is responsible to send the loaner back in order to avoid late charges / rental fees. If the loaner equipment is not returned within three (3) days of receipt of the completed repair, a rental fee of \$750.00 for each week past the three (3) day grace period will be billed against the loaner purchase order. For ultrasound transducers or TEE probe loaner equipment, if repair estimate is declined, Customer will be charged the \$150 per day equipment rental fee (from the date of delivery).

Loaner instruments will meet all manufactures' specifications upon receipt. You are responsible for any damage to the loaner equipment while in your possession. Any repairs required to return the equipment to original specification will be invoiced to the loaner purchase order. Note: Any severe abuse to the instrument causing irreparable damage will result in the Customer being responsible for replacement of the instrument not to exceed the Replacement Cost/Value mentioned in the Loaner Policy Agreement signed by the Customer. Customer is responsible for all shipping charges for the loaner equipment.

Return / Exchange Policy:

Prior approval must be obtained from Life Systems, Inc. to return any Product. Customer Service will assign a Return Materials Authorization [RMA] number and record the reason for the return. Customer must also fill out a **Return / Exchange Form** and send it in with Product(s).

Life Systems will examine returned Product to determine the actual cause, if any, leading to Buyer's return. If Product has a manufacturing defect, Life Systems, in its sole discretion, may issue a credit for the returned Product or repair or replace with like Product. If returned Product is not subject to Life Systems' warranty, Buyer will be notified of the estimated cost of repair, if possible. Thereafter, Buyer must advise Life Systems whether or not Buyer chooses to have Product repaired at Buyer's expense.

• **Return / Exchange Requirements:**

- For hygiene and safety reasons we cannot exchange or accept the return of Products which have been opened and/or used. For case purchases, the original box seal cannot be broken in any manner and exterior packaging cannot have non-original markings on it.
- All Product returns must be in their original packaging and exhibit no evidence of being opened or mistreated (including the exterior boxes).
- The Product(s) being returned include all necessary parts and accessories.
- If any Merchandise (including the box) has been damaged or opened, Life Systems cannot offer a refund.
- For Products that meet our guidelines, Life Systems will issue a full refund for products, minus shipping costs, which are non-refundable and the restocking/credit transaction fee of 25%.
- Upon receipt of any returned Goods, we will then offer the full refund minus restocking fee (providing that the merchandise is in acceptable condition).
- All merchandise returns not suitable for resale will **NOT** be accepted.

- Buyer has 30 days from the date shipment is received to return an item to Life Systems for a refund or exchange. Life Systems, Inc. will refund or exchange goods within 30 days of receipt of delivery, providing that the good(s) you wish to exchange are in their original condition.

In order to make a return please contact us at: (636) 787-2100 or (888) LIFE-SYSTEMS.

Return Materials Authorization:

Items may be returned for exchange, refund, replacement or repair, subject to manufacturer and Life Systems restrictions. All Product returns must have a Return Merchandise Authorization [RMA] number issued by Life Systems (for items being returned) or by the manufacturer for items being returned to them.

Life Systems cannot accept unauthorized returns or exchanges. Packages without an RMA number will be refused at our facility and will be returned to the Buyer (sender).

Life Systems will charge a 25% restocking fee plus applicable shipping charges for shipments refused by the customer. Additional charges may apply if all Products are not returned in the original, undamaged, unmarked and unopened packing.

** All Merchandise / Product returns not suitable for resale will **NOT** be accepted. **

Return Shipping:

All items must be shipped freight prepaid by the Buyer. Ship items to:

Life Systems, Inc.
515 Trade Center Blvd.
St. Louis, MO 63005

Warranty and Limitation of Liability:

(A) New and Refurbished Equipment Warranty:

Life Systems, Inc. warrants that the new and pre-owned products its sells will be free from defects in materials and workmanship under normal use and service from the date of invoice for one (1) year. If any product proves to be defective within such warranty period, the customer must return the defective product to Life Systems, who at its sole discretion, will repair, replace or adjust the defective product, provided that investigation and inspection disclose that (a) such defect developed under normal and proper use and (b) the product is still under this warranty. Repair, replacement, or adjustment of defective products shall be Life Systems' sole obligation and the customer's sole remedy hereunder. The customer is liable and shall pay for shipment of the product to and from Life Systems' service facility.

Excluded from this warranty either expressed or implied are the following:

- (a) Any product which has been disassembled, repaired, tampered with, altered, changed, or modified by persons other than Life Systems, Inc. personnel following the sale to customer;
- (b) Defects or damage to the products resulting from wear, tear, misuse, abuse, negligence, improper storage, improper sterilization, non-performance of scheduled maintenance items, or use of non-approved accessories, consumables or supplies;
- (c) Supplies and consumables;
- (d) Accessories, i.e. video cables, connectors, water bottles, keyboards, etc.

(B) ERBE Warranty:

Two (2) years parts and labor on ESU, one (1) year on APC2, one (1) year on ERBE Jet™ 2, one (1) year on pumps, 90 days on carts, footswitches and accessories.

(C) Equipment Repair Warranty:

Life Systems, Inc. warrants that endoscopy equipment repairs will be free from defects in materials and workmanship under normal use and service from the date of invoice for 120 days. If any product proves to be defective within such warranty period, the customer must return the defective product to Life Systems, who at its sole discretion, will repair, replace or adjust the defective product, provided that investigation and inspection disclose that (a) such defect developed under normal and proper use and (b) the product is still under warranty.

Repair, replacement, or adjustment of defective products shall be Life Systems' sole obligation and the customer's sole remedy hereunder.

Excluded from this warranty either expressed or implied are the following:

- (a) Any product which has been disassembled, repaired, tampered with, altered, changed, or modified by persons other than Life Systems, Inc. personnel following the repair.
- (b) Defects or damage to the products resulting from wear, tear, misuse, abuse, negligence, improper storage, improper sterilization, non-performance of scheduled maintenance items, or use of non-approved accessories, consumables or supplies;

In addition to the 120-day warranty, insertion tube replacements are warranted against chemical damage (i.e., peeling) for 500 uses. "Uses" are defined as the number of reprocessing cycles applied to the instrument. The following disinfectants/processes are included in the 500-use warranty: 1.) Steris™, 2.) Cidex™.

Title and Risk of Loss:

Title to and risk of loss in the Product shall pass to Customer upon delivery of the Product by Life Systems (or Life Systems' agent or representative) to the carrier at the shipping point.

Web Site Disclaimer:

The contents of www.lifesystemsinc.com is provided "As Is." The site could contain technical inaccuracies, typographical errors and out-of-date information. Life Systems, Inc. web site information may be updated or changed without notice at any time. Use of the information is therefore at your own risk. Life Systems is not responsible for content of any third party web sites reached from hyperlinks offered on those sites. In no event shall Life Systems be liable for special, indirect, incidental or consequential damages resulting from or related to the use of this web site.