

DISTRIBUTION AGREEMENT

THIS AGREEMENT ("Agreement") is made and entered into as of the 26 July 2006 between ; Viamed Limited, having offices at, 15 Station Road, Cross Hills, Keighley, West Yorkshire BD20 7DT, United Kingdom (hereinafter referred to as

And

(hereinafter referred to as Distributor)

Manufacturer and Distributor shall hereinafter be referred to as the Party or Parties.

In consideration of the mutual covenants and conditions herein contained, the Parties mutually agree as follows:

1. Products and Territory. Manufacturer hereby appoints Distributor on an exclusive basis during the term of this Agreement as its authorized Distributor to solicit orders for the sale of all the V1000 Foetal Heart Simulator of the Manufacturer's Medical Products as of the date of this Agreement (hereinafter referred to collectively as the "Products") to and from any purchasers whose principal place of business is located in the following countries (collectively referred to hereinafter as the "Territory"). France

Distributor shall not solicit orders from, nor sell to the following special accounts, each of which are reserved for Manufacturer and/or another distributor:

- (i) Original equipment manufacturers.
- (ii) Private label purchasers.

Unless approved in advance by Manufacturer, Distributor shall not solicit orders from any prospective purchaser with its principal place of business located outside the Territory. If Distributor receives any order from a prospective purchaser whose principal place of business is located outside the Territory, Distributor shall not accept any such orders but shall immediately refer such orders to Manufacturer. Distributor may not deliver or tender (or cause to be delivered or tendered) any Products outside of the Territory.

Manufacturer reserves the right, in its sole discretion, at any time upon thirty (30) days prior written notice to Distributor to expand or reduce in any manner the Products and Territory which are covered by this Agreement. Distributor, in accordance with the requirements of Section 23 below, will take all actions necessary to insure that any such modifications to the Products or the Territory are appropriately registered as required under the laws and regulations of the Territory.

2. Prices and Payment.

- (a) All orders are subject to Manufacturer's approval. Manufacturer will sell its Products to Distributor at its then current net Distributor prices on an Ex-works basis with delivery occurring at the 15 Station Road, Cross Hills, Keighley, West Yorkshire BD20 7DT, United Kingdom. Manufacturer may, in its sole discretion, accept or reject any purchase order offered by Distributor.

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- (b) Manufacturer may from time to time change its list prices by giving sixty (60) days written notice, such change being effective immediately upon Distributor's receipt of notice thereof provided, however, that no price change shall affect orders offered by Distributor and accepted by Manufacturer prior to the date that Distributor receives notice of such price change. Manufacturer may, in its sole discretion, accept or reject any purchase order offered by Distributor and, if accepted, the terms and conditions of sales stated in this Agreement and in Manufacturer's standard form of order acknowledgement or confirmation shall control over any inconsistent terms and conditions set forth in Distributor's purchase orders.
- (c) Unless Distributor requests otherwise, all Products ordered by Distributor shall be packed for shipment and storage in accordance with Manufacturer's standard commercial practices. It is Distributor's obligation to notify Manufacturer of any special packaging requirements (which shall be at Distributor's expense). Manufacturer shall deliver Products under mutually agreed delivery terms in accordance with INCOTERMS 2000, ICO Publication No. 560, no later than the date specified for such delivery on the relevant purchase order for such Products or as otherwise agreed by the Parties. As to times and dates set forth in this Agreement time is of the essence. Title to and risk of loss or damage to a Product shall pass to Distributor upon delivery of such product to the common carrier pursuant to this Section 2. Identification of the goods shall occur as each shipment is placed in the hands of the carrier.- Manufacturer shall not be liable for delays in deliveries, or total failure to deliver, due to any cause or event beyond Manufacturer's control.
- (d) Payment terms shall be net thirty (30) days, **payable in U.S. dollars** by wire transfer to such bank or account as Manufacturer may from time to time designate in writing (hereinafter referred to as the "Manufacturer's Account") within Thirty (30) days from the date of invoice or as otherwise set forth in Manufacturer's invoice. Any applicable payment discounts are subject to change at the discretion of Manufacturer upon notice to Distributor. Whenever any amount hereunder is due on a day which is not a day on which banks in the UK and EU are open for business, such amount shall be paid on the next day on which those banks are open. Amounts hereunder shall be considered to be paid as of the day on which funds are received in Manufacturer's Account. All amounts due and owing to Manufacturer hereunder but not paid by Distributor on the due date thereof shall bear interest payable in U.S. Dollars at a rate that is equal to the lesser of (i) one percent (1%) per annum above the prime interest rate per annum announced from time to time by the financial institution which maintains Manufacturer's Account or (ii) the maximum interest rate permitted under applicable law. Such interest shall accrue on the balance of such unpaid amounts from time to time outstanding from the date on which portions of such amounts become due and owing until payment thereof in full. No part of any amount payable to Manufacturer hereunder may be reduced due to any counterclaim, set-off, adjustment, or other right which Distributor might have against Manufacturer, any other party, or otherwise.

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- (e) In the event of any discrepancy between any purchase order offered by Distributor and this Agreement, the terms of this Agreement shall govern.
 - (f) Large or unusual orders, or orders for special machines may require a down payment and/or or progress payments. Manufacturer will endeavor to state this requirement prior to the time that final proposals are presented.
 - (g) If, in Manufacturer's sole judgment, Distributor's pricing structure renders the Products noncompetitive in the Territory, Manufacturer shall have the right to market the Products directly to customers in the Territory or to work out alternative pricing arrangements with Distributor. Distributor shall provide updated price lists to Manufacturer upon request.
3. Conditions of Sale. The standard conditions of sale of the Manufacturer from time to time (a copy of the current form of which has been supplied to the Distributor prior to the date of this Agreement Viamed-online.com) shall apply to all sales of the Products to the Distributor pursuant to this Agreement, except to the extent that any of the same is inconsistent with any of the provisions of this Agreement, in which case the latter shall prevail. The Manufacturer shall give to the Distributor notice in writing of any change in such standard conditions of sale not less than one month prior to such change taking effect for the purposes of this Agreement.
4. Export Control Requirements. The ultimate shipment of orders to Distributor or customers hereunder shall be subject to the right and ability of Manufacturer to make such sales under all decrees, statutes, rules, and regulations of the UK or Governments of the country or countries in which Distributor's principal place of business is located and the country or countries of the Territory and agencies of such Governments presently in effect, or which may be in effect hereafter, which govern exports or otherwise pertain to export controls, including, without limitation, the Export Administration Regulations and the International Traffic-in-Arms Regulations. Any order which has been accepted by Manufacturer but which cannot be fulfilled due to such legislation or regulations shall be considered to have been rejected when submitted to Manufacturer for acceptance or rejection.
5. Service Capabilities. Distributor shall employ competent and experienced service personnel, provide appropriate service shop facilities, and maintain an adequate stock of Products and other critical parts so as to perform completely its obligations under this Agreement and to render prompt and adequate service to the users or purchasers of the Products in the Territory. All service functions provided by Distributor pursuant to this Section 5 shall be provided at no additional cost to or compensation from Manufacturer.
6. Relationship of the Parties. Distributor is an independent contractor. The relationship between Distributor and Manufacturer shall not be construed to be that of employer and employee, nor to constitute a partnership, joint venture, or agency of any kind. Distributor shall pay all expenses incurred by it in performing its obligations under this Agreement including, without limitation, all travel, lodging and entertainment expenses. Manufacturer shall not reimburse Distributor for any such expenses. Distributor shall have no right to enter into any contracts or commitments in the name of, or on behalf of, Manufacturer, or to bind Manufacturer in any respect whatsoever. Distributor shall not obligate or purport to obligate Manufacturer by issuing or making any warranties or guarantees with respect to the Products to any third party in excess of Manufacturer's published warranty.

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7. Best Efforts. Distributor shall use its best efforts to promote and sell the Products to the maximum number of responsible customers in the Territory and to solicit orders from the maximum number of responsible customers for the Products in the Territory. Distributor shall participate in appropriate trade shows/conventions within the Territory with the intent to solicit orders for the sale of Products at no additional cost to Manufacturer. Distributor shall participate in training sessions and international sales meetings as deemed mutually necessary at no expense to Manufacturer unless prior arrangements and agreements to share or cover costs with Manufacturer are agreed to in writing by Manufacturer. All orders solicited by Distributor in its capacity as Distributor shall be placed immediately with Manufacturer for acceptance or rejection in the sole and absolute discretion of Manufacturer.

Distributor shall also, at the request of Manufacturer, assist Manufacturer with credit, collection, service, installation and other similar functions. Distributor shall receive no additional compensation for performing these functions. The right to distribute and/or solicit orders for the Products pursuant to Section 2 of this Agreement is subject to Distributor purchasing and/or soliciting orders for the sale of a minimum annual order input volume equivalent to 90% of agreed goal unless otherwise stipulated.³

8. Reporting. Distributor shall provide Manufacturer with written reports, as required by Manufacturer, which shall include customer call reports, business trends, production planning of the prime customers in the Territory, market forecasts, details of sales indicating at a minimum, customer name and location, part numbers, quantity and unit price and other reports requested by Manufacturer. Such reports shall be furnished without cost to Manufacturer.

Distributor will report on trends and developments of competitive products, competitive companies, new products and new techniques as well as information on developments within current Distributor network and information on potential sub-distributors. Distributor will continually evaluate current sub-distribution and seek out new sub-distribution channels where appropriate.

9. Sales Promotion and Field Assistance. Manufacturer shall make available to Distributor appropriate quantities of product catalogues, maintenance manuals, and other descriptive literature. Any such literature will be provided in English. To the extent permitted by applicable export laws and regulations, Manufacturer may provide appropriate (as determined by Manufacturer in its sole discretion) field sales and technical assistance to Distributor and its customers.

10. Trademarks, Service Marks and Tradenames.

- (a) Right to Use. Distributor may use Manufacturer's trade names, service marks and trademarks listed on Exhibit A attached hereto (hereinafter referred to collectively as the "Trademarks"), on a non-exclusive basis, solely for display or advertising purposes in connection with the solicitation of orders for, or Distributor's sale of, the Products in the Territory. Distributor shall not at any time do or permit any act to be done which may in any way impair the rights of Manufacturer or any of its affiliated companies in the Trademarks. Distributor shall give Manufacturer thirty (30) days prior written notice before using any of the Trademarks for the first time in a particular jurisdiction outside the EU and any such use shall be subject to Manufacturer's prior written consent.

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- (b) Quality Control. In order to comply with Manufacturer's quality control standards, Distributor shall:

- (i) use the Trademarks in compliance with all relevant UK EU laws and regulations;
- (ii) accord Manufacturer the right to inspect Distributor's facilities used in connection with efforts to solicit orders for the Products in the Territory during normal business hours, without advance notice, to confirm that Distributor's use of such Trademarks is in compliance with this Agreement;
- (iii) not modify any of the Trademarks in any way and not use any of the Trademarks in connection with or on any goods or services other than the Products;
- (iv) not infringe any Trademark of Manufacturer or any of its affiliated companies by unauthorized use thereof, either alone or in combination with other marks or names;
- (v) not adopt or use any words, phrases, portions, combinations, foreign language equivalents, or similar variations of any Trademark of Manufacturer or any of its affiliated companies;
- (vi) not jeopardize Manufacturer's or its affiliated companies' rights and/or goodwill associated with such Trademarks;
- (vii) not acquire or claim any independent right, title or interest in any Trademarks of Manufacturer or any of its affiliated companies unless expressly conveyed in writing; and
- (viii) not contest the rights of Manufacturer and its affiliated companies in any of their respective Trademarks or assist or encourage any other party to do so. In the event that Manufacturer has a good faith reason to believe that Distributor is not complying with this provision, Manufacturer may suspend Distributor's right to use the Trademarks until such time as Distributor has given Manufacturer adequate assurances that Distributor has taken protective measures and that it will thereafter comply with this provision. Distributor's noncompliance with this provision also shall be deemed a material breach of this Agreement for purposes of possible termination by Manufacturer under Section 14 of this Agreement.

- (c) Distributor shall immediately notify Manufacturer in writing of any possible infringement of the Trademarks or any disputes relating to or arising out of the Trademarks as soon as Distributor becomes aware of them. Distributor shall further cooperate and render reasonable assistance to Manufacturer for the protection of the Trademarks (including, without limitation, executing and filing user agreements), as requested by Manufacturer from time to time.

- (d) Upon expiration or earlier termination of this Agreement, Distributor shall
- (i) have no further rights regarding use of the Trademarks;
 - (ii) immediately cease and desist from its further use of the Trademarks;
 - (iii) not adopt or use any trademark or any portions, combinations, foreign language equivalents, or similar variations on the Trademarks which are confusingly similar thereto;
 - (iv) take any steps or acts requested by Manufacturer for establishing that Distributor has no further rights in any of the Trademarks; and
 - (v) continue to be bound by the provisions of Section 10(b) of this Agreement except for

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subsection 10 (b)(ii).

11. Trade Secrets, Confidential and Proprietary Information.

- (a) Distributor agrees that Manufacturer has a proprietary interest in any information provided to Distributor by Manufacturer, whether in connection with this Agreement or otherwise, and whether in written or oral form, which is
- (i) a trade secret, confidential or proprietary information,
 - (ii) not publicly known, or
 - (iii) annotated by a legend, stamp or other written identification, or identified orally, as “confidential or proprietary information” (hereinafter referred to collectively as “Proprietary Information”).
- Without limiting the generality of the foregoing, the names and addresses of customers solicited by Distributor pursuant to this Agreement in its capacity as a sales Distributor shall be Proprietary Information of the Distributor and Manufacturer. Distributor shall disclose the Proprietary Information only to those of its agents and employees to whom it is necessary in order to properly carry out its duties as limited by the terms and conditions hereof. Agents and employees shall be required to acknowledge the requirement to protect the Proprietary Information to which they are given access. Both during and after the term of this Agreement, all disclosures by Distributor to its agents and employees shall be held in strict confidence by such agents and employees. During the term of this Agreement, Distributor, its agents and employees shall not use the Proprietary Information for any purpose other than in connection with Distributor’s activities in the Territory undertaken pursuant to and in accordance with this Agreement. Distributor shall, at its expense, return to Manufacturer the Proprietary Information as soon as practicable after the date of expiration or earlier termination of this Agreement. All such Proprietary Information shall remain the exclusive property of Manufacturer during the term of this Agreement and thereafter. This Section 11 shall also apply to any consultants or subcontractors that Distributor may engage in connection with its obligations under this Agreement.
- (b) Notwithstanding anything contained in this Agreement to the contrary, Distributor shall not be liable for a disclosure of the Proprietary Information if the information so disclosed: (i) was in the public domain at the time of disclosure without the breach of this Agreement; or (U) was known to or contained in the records of Distributor from a source other than Manufacturer at the time of disclosure by Manufacturer to the Distributor and can be so demonstrated; or (Ui) becomes known to Distributor from a source other than Manufacturer without breach of this Agreement by Distributor and can be so demonstrated; or (iv) must be disclosed pursuant to court order or as otherwise compelled by law.

12. Covenant Not To Compete. During the term of this Agreement, Distributor shall not, directly or indirectly, solicit orders for, market, promote or sell in the Territory products which are competitive with the Products; nor shall Distributor represent or provide either directly or indirectly marketing services of any sort to any manufacturer or Distributor of any such other products.

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13. Indemnification. Distributor shall indemnify, protect, and save Manufacturer, Manufacturer's affiliates (as defined in Section 17 below) and all officers, directors, employees, and agents thereof (hereinafter referred to as "Indemnitees") harmless from all claims, demands, suits, or actions (including attorney's fees incurred in connection therewith) which may be asserted against Manufacturer for any kind of damage including, but without limitation, damage or injury to property or persons and incidental and consequential damages which may be sustained by any third party or any Indemnitees occurring out of or incident to the conduct of Distributor's operations under this Agreement, including but without limitation, any independent representations of Distributor.

14. Term and Termination.

Unless terminated earlier pursuant to this Section 14, this Agreement shall expire two (2) years after date of execution.

This Agreement shall automatically terminate immediately in the event Distributor becomes insolvent or files or has filed against it an application in bankruptcy, if a Trustee or Receiver is appointed for Distributor, or if Distributor makes a general assignment for the benefit of creditors.

This Agreement may be terminated by either Party to this Agreement if

(i) such Party is not itself in default of this Agreement and

(ii) the other Party materially breaches or defaults in the performance of any covenant or warranty made by it in this Agreement and such material breach or default shall remain uncured for a period of ten (10) calendar days after written notice to cure any such material breach or default is provided to such defaulting or materially breaching Party pursuant to Section 18 of this Agreement.

Either Party to this Agreement may terminate this Agreement at any time without cause upon giving the other Party at least thirty (30) days' prior written notice of such termination.

In the event of expiration or earlier termination of this Agreement pursuant to this Section 14, Manufacturer shall not have any obligation to Distributor, or to any employee of Distributor, for compensation or for damages of any kind including, without limitation, the loss by Distributor or such employee of present or prospective sales, investments, compensation or goodwill. Distributor for itself and on behalf of such employees, hereby waives any rights which may be granted to it or to them under the laws and regulations of the UK and EU or of any jurisdiction(s) within the Territory or of Distributor's principal place of business or otherwise which are not granted to it or them by this Agreement. Distributor hereby indemnifies and holds Manufacturer harmless from and against any and all claims, costs, damages and liabilities whatsoever asserted by any employee, agent or representative of Distributor under any applicable termination, labor, social security or other similar laws or regulations of any jurisdiction.

Notwithstanding anything else in this Agreement to the contrary, the Parties agree that the provisions of Sections 10. Trademarks, Service Marks and Tradenames, 11. Trade Secrets, Confidential and Proprietary Information, 13. Indemnification, 14. Term and Termination, 15. Publicity, 21. Construction of Agreement and Arbitration, 23. Registration and Disclosure; Compliance with Law, 24. No Corrupt Practices, 25. Limited Warranty, 27. Taxes, 29. Parties

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to Agreement, and 30. Liability Limitation shall survive the expiration or earlier termination of this Agreement.

Termination of this Agreement shall not affect the obligation of Distributor to pay Manufacturer all amounts owing or to become owing as a result of Products tendered to Distributor on or before the date of such termination, to the extent any such amounts are paid after the date they became or will become due pursuant to this Agreement.

15. Publicity. Distributor must obtain Manufacturer's prior written consent before using in any manner any literature, calling cards, letterhead, advertising and any similar materials that identify or make reference to the Manufacturer or the Products or that use in any manner the Trademarks. Copies of all such publicity and advertising shall be forwarded to Manufacturer.

Distributor agrees that any publicity or advertising, which shall be released by it in which Manufacturer is identified in connection with the Products, shall be in accordance with the terms of this Agreement and with information and data which Manufacturer has furnished in connection with this Agreement. Copies of all such publicity and advertising shall be forwarded promptly to Manufacturer.

16. Modification. No modification or change may be made in this Agreement except by written instrument signed by a duly authorized representative of each of Manufacturer and Distributor.

17. Assignment. This Agreement may not be assigned, delegated, sublicensed, or transferred, whether by operation of law or otherwise, by either Party without the written consent of the other Party, and any attempted assignment, delegation, sublicense, or transfer without such written consent shall be void and of no effect; provided, however, that consent shall not be required with respect to any assignment, delegation, sublicense, or transfer of this Agreement or the rights therein by Manufacturer to another division of Teledyne Technologies Incorporated or any of its subsidiaries or to any purchaser of all or substantially all of Manufacturer's assets. This Agreement shall be binding upon and shall inure to the benefit of the permitted successors and assigns of Manufacturer and Distributor. For the purpose of this Agreement, "affiliate" shall mean any company, natural person, partnership and other business entity controlled by, under common control with or controlling either Party to this Agreement, with control being interpreted broadly.

18. Notice. All notices given under this Agreement shall be in writing and shall be addressed to the Parties at their respective addresses set forth below:

All notices, demands or other communications required or permitted to be given or made hereunder shall be in writing and delivered personally or sent by prepaid mail (by air-mail if the notice is being communicated internationally), or by facsimile or cable addressed to the intended recipient thereof at its address or at its facsimile number set out below (or such other address or number as any Party may from time to time duly notify the others). Regardless of the method of transmittal the sending Party is responsible for obtaining a return receipt for the notice, demand or communication. The addresses and numbers of the Parties for the purposes of this Agreement are:

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Manufacturer:: Viamed Limited
15 Station Road, Cross Hills, Keighley
West Yorkshire BD20 7DT
England
Telephone: 44 1 535 634 542
Facsimile: 44 1 535 635 582

Either Party may change its address or its facsimile number for purposes of this Agreement by giving the other Party written notice of its new address or facsimile number.

19. Waiver. None of the conditions or provisions of this Agreement shall be held to have been waived by any act or knowledge on the part of either Party, except by an instrument in writing signed by a duly authorized representative of the Party entitled to the benefit of such condition or provision. Further, the waiver by either Party of any right hereunder or the failure to enforce at any time any of the provisions of this Agreement, or any rights with respect thereto, shall not be deemed a continuing waiver or to be a waiver of any other rights hereunder or of any breach or failure of performance of the other Party.

20. Validity. Distributor warrants that this Agreement is lawful and may be performed in accordance with its terms under the laws of the country or countries comprising Distributor's Territory.

21. Construction of Agreement and Arbitration. This Agreement is in the English language and the interpretation hereof in any judicial or arbitration proceedings shall be undertaken in accordance with the meaning of the words and phrases hereof in the UK, and performance of the Parties hereto shall be construed and governed according to the laws of the UK to include its laws and rules relating to conflict of law applicable to contracts made and to be fully performed therein. Neither
(i) the United Nations Convention on Contracts for the International Sale of Goods,
(ii) the 1974 Convention on the Limitation Period in Contracts for the International Sale of Goods (the "1974 Convention"), nor
(iv) the Protocol Amending the 1974 Convention done at Vienna, Austria, on April 11, 1980, shall apply in any manner to the interpretation or enforcement of this Agreement.

Any dispute, controversy, or claim arising out of or relating to this Agreement or to a material breach thereof, including its interpretation, performance, or termination, shall be finally resolved by binding arbitration. The arbitration shall be conducted in English and in accordance with the Commercial Rules of the UK, which shall administer the arbitration and act as appointing authority. The arbitration, including the rendering of the award, shall take place in the UK and shall be the exclusive forum for resolving such dispute, controversy, or claim. The decision of the arbitrators shall be binding upon the Parties hereto, and the expense of the arbitration (including, without limitation, the award of attorneys' fees to the prevailing Party) shall be paid as the arbitrators determine. The decision of the arbitrators shall be final and judgment thereon may be entered by any court of competent jurisdiction.

22. Manufacturer's Marketing Office in Territory. Manufacturer, Viamed Ltd. or any of its

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affiliates, may from time to time maintain a marketing office at one or more locations in or near the Territory. Personnel associated with such office or offices shall be authorized to and may, from time to time, act on behalf of Manufacturer and shall be entitled to exercise all of the rights of Manufacturer under this Agreement. Such personnel shall be entitled to all information with respect to all matters relevant to Distributor's performance under the Agreement, and Distributor shall at all times cooperate with such personnel with respect to all such matters.

23. Registration and Disclosure; Compliance With Law. Distributor covenants that all of its activities under or pursuant to this Agreement shall comply with all applicable laws, rules and regulations. Distributor warrants that this Agreement is lawful and may be performed in accordance with its terms under the laws of the country or countries comprising the jurisdiction of Distributor's principal place of business and the Territory at the time of execution of this Agreement. Distributor represents and warrants to Manufacturer that it is, and will be at all times during the term of this Agreement, registered as an agent with all applicable government authorities, if such registration is required in the Territory and/or the jurisdiction of Distributor's principal place of business. The Parties agree that in addition to any required governmental approval, approval of this Agreement may be required by some or all of the proposed customers and that the disclosure of this Agreement may be appropriate even though such approval is not required. Either Party may, therefore, disclose all or any part of this Agreement to third parties under the circumstances described in this Section 23.

24. No Corrupt Practices.

- (a) Distributor hereby warrants and represents to Manufacturer that no portion of any monies paid or payable to Distributor in connection with this Agreement shall, directly or indirectly, whether in cash or kind, be paid, received, transferred, loaned, offered, promised or furnished (hereinafter collectively described as "paid"):
 - (i) to or for the use of any officer or employee of any government or any department, agency, instrumentality or corporation thereof or controlled thereby, or any political party or official of a political party, or any candidate for a political office, or any person acting for or on behalf of any of the foregoing, or any person or firm who has paid or will pay any portion thereof to any of the foregoing, for the purpose of obtaining or retaining business for or with, or directing business to, any person; or
 - (ii) to or for the use or benefit of any individual, partnership, corporation or other entity, or any officer, agent or employee thereof, for the purpose of obtaining or retaining business for or with, or directing business to, any person; or
 - (iii) in any other manner which will violate the tax, currency, exchange, commercial bribery, or other law of any country in the Territory, the jurisdiction of Distributor's principal place of business, the UK and EU any other applicable jurisdiction, including but not limited to the provisions of any Corrupt Practices Act or any equivalent legal requirement in the Territory and any amendments thereto.

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- (b) Distributor shall keep complete and accurate records of all payments of any kind made by Distributor from or with respect to commissions, service fees or other payments. Distributor shall also maintain such records reflecting payments, and their disposition, received from Manufacturer and such records shall be subject to inspection and audit by Manufacturer at any time.

25. Limited Warranty.

- (a) Manufacturer warrants to Distributor that the Products are free from defects of material and of construction for twelve (12) months from date of shipment to Distributor except for products or component warranties, and consumables that have a shorter warranty period. Components manufactured by third parties bear the warranty of their manufacturer. This warranty does not cover defects caused by wear, accident, misuse, misapplication, or neglect.
- (b) THE PROVISIONS OF THE FOREGOING WARRANTY ARE IN LIEU OF ANY OTHER WARRANTY, WHETHER EXPRESS OR IMPLIED, WRITTEN OR ORAL (INCLUDING ANY WARRANTY OF MERCHANTABILITY, PERFORMANCE, OR FITNESS FOR A PARTICULAR PURPOSE OR OF TITLE OR NON-INFRINGEMENT). MANUFACTURER'S LIABILITY ARISING OUT OF THE MANUFACTURE, SALE, OR SUPPLYING OF THE PRODUCTS OR THEIR USE OR DISPOSITION, WHETHER BASED UPON WARRANTY, CONTRACT, TORT, OR OTHERWISE, SHALL NOT EXCEED THE ACTUAL PURCHASE PRICE PAID BY DISTRIBUTOR FOR THE PRODUCTS. IN NO EVENT SHALL MANUFACTURER BE LIABLE TO DISTRIBUTOR OR ANY OTHER PERSON OR ENTITY FOR

SPECIAL, INCIDENTAL, CONSEQUENTIAL OR PUNITIVE DAMAGES (INCLUDING, BUT NOT LIMITED TO LOSS OF PROFITS, LOSS OF DATA, OR LOSS OF USE DAMAGES) ARISING OUT OF THE MANUFACTURE, SALE, OR SUPPLYING OF THE PRODUCTS, EVEN IF MANUFACTURER HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES OR LOSSES.

26. Force Majeure. No Party shall be liable for any unforeseeable event beyond its reasonable control not caused by the fault or negligence of such Party, that causes such Party to be unable to perform its obligations under this Agreement (and which it has been unable to overcome by the exercise of due diligence), including, but not limited to, flood, drought, earthquake, storm, fire, pestilence, lightning and other natural catastrophes, job action, epidemic, war, riot, civil disturbance or disobedience, strikes, labor dispute, or failure, threat of failure, or sabotage of a Party or a Party's subcontractors or government facilities, or any order or injunction made by a court or public agency.

In the event of the occurrence of such a force majeure event, the Party unable to perform shall promptly notify the other Party, provide an estimate of the duration of the delay, shall further use its bests efforts to resume performance as quickly as possible, and shall suspend performance only for such period of time as is necessary as a result of the force majeure event. Notwithstanding the above,

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neither Party will be relieved of any liability for any delay or failure to perform its defense obligations with respect to third party intellectual property rights. The Party not delayed may act, in its sole discretion, to terminate the affected order, or any part thereof, or suspend this Agreement in whole or in part for the duration of the delaying cause.

The Parties may resume performance under this Agreement, once the delaying cause ceases, and extend the Term up to the length of time the delaying cause endured. Unless a Party gives notice of termination as provided above within thirty (30) days after notice of the delaying cause, that Party will be deemed to have elected to suspend this Agreement for the duration of the delaying cause.

27. Taxes. Taxes, whether in the EU or UK or any other country, now or hereafter imposed with respect to the transactions contemplated hereunder (with the exception of income taxes or other taxes imposed upon Manufacturer and measured by the gross or net income of Manufacturer) shall be the responsibility of Distributor and, if paid or required to be paid by Manufacturer, the amount thereof shall be subtracted from the amounts payable to Distributor.

28. No Rights by Implication. No rights or licenses with respect to the Products or the Trademarks are granted or deemed granted hereunder or in connection herewith, other than those rights or licenses expressly granted in this Agreement.

29. Parties to Agreement. The Parties to this Agreement are Manufacturer and Distributor, and no other persons, parties or entities are deemed to have any rights or receive any benefits hereunder.

30. Liability Limitation.

EXCEPT FOR BODILY INJURY OF A PERSON, MANUFACTURER WILL NOT BE LIABLE UNDER ANY SECTION OR SUBJECT MATTER OF THIS AGREEMENT OR UNDER ANY CONTRACT, NEGLIGENCE, STRICT LIABILITY OR OTHER LEGAL OR EQUITABLE THEORY FOR ANY INCIDENTAL, CONSEQUENTIAL, ADMINISTRATIVE, MULTIPLE, OR PUNITIVE DAMAGES FOR THE COST OF PROCUREMENT OF SUBSTITUTE GOODS OR SERVICES.

31. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

32. Exhibits. All Exhibits referred to herein are intended to be and hereby are specifically made a part of this Agreement.

33. Severability. Should any provision of this Agreement be invalid, ineffective, or unenforceable under present or future laws, the remainder of the provisions of this Agreement shall remain in full force and effect and shall in no way be affected, impaired, or invalidated.

34. Relationship with Government Controlled Entities. The Distributor will immediately notify Manufacturer if any principal officers/owners or close family members of the Distributor begin to serve in or represent Government controlled entities in the Territory from the execution of this Agreement.

35. Entire Agreement. This Agreement supersedes and cancels any previous agreements or

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understandings, whether oral, written, or implied, heretofore in effect and sets forth the entire Agreement between Manufacturer and Distributor with respect to the subject matter hereof.

IN WITNESS WHEREOF, the Parties hereto have caused their duly representatives to execute and deliver this Agreement as of the day and year first above written.

DISTRIBUTOR

Signed:

Position

Date

MANUFACTURER

Viamed Ltd
15, Staion Road,
Crosshills,
Keighley,
West Yorkshire
UK
BD20 7DT

Signed:

Position

Date

Appendix A

Territory:

France

Products

V1000

Foetal Heart Simulator