

EXCLUSIVE DISTRIBUTORSHIP AGREEMENT

EDAN\QR\IM37\1.4

No: EDAN-IM-EDA-20180111PY

This Exclusive Distributorship Agreement (the "Agreement") is effective as of the day of 1st November 2017 (the "Effective Date") by and between

(1) **Edan Instruments, Inc.**, a corporation established under the laws of the People's Republic of China, having a registered address at No.15 Jinhui Rd., JinSha Community, Kengzi Subdistrict, Pingshan District, Shenzhen, 518122, P.R China ("**Edan**") ;

and

(2) **Frafito Sarl**, a limited liability company established under the laws of France, having a place of business at 23 Avenue Auguste Verola, F-06200 Nice, France ("**Distributor**") .

Edan and Distributor will be individually referred to as a "Party" and jointly, the "Parties".

WHEREAS,

Edan manufactures and sells medical devices.

Distributor specializes in the field of marketing and distributing medical devices in certain specific territory.

Edan and Distributor intend to enter into a long-term relationship to develop the sale of Edan's products in the specific territory.

NOW THEREFORE, in consideration of the mutual promises and of the representations, warranties, covenants and agreements contained herein, the Parties agree as follows:

1 Appointment of Distributor

1.1 Edan hereby appoints Distributor as Edan's exclusive distributor of Goods, Accessories and Spare Parts under the "EDAN" brand (collectively, the "Products") in **France** (the "Territory") for resale to customers in the Territory pursuant to the terms and conditions of this Agreement, while Edan reserves the rights to sell the Products (1) to any other places outside the Territory; or (2) to any third party registered in

the Territory provided that such a third party agrees with Edan that it will resell the Products outside the Territory.

1.2 "Goods" means the goods set forth in Appendix 1.

"Accessories" means any special devices used in connection with the operation of the Goods.

"Spare Parts" means (i) all parts and components of the Goods; (ii) any special devices used in connection with the maintenance or servicing of the Goods.

1.3 Distributor accepts Edan's appointment. Distributor will purchase the Products exclusively from Edan, and will not resell the Products or provide any services regarding the Products to customers outside the Territory.

1.4 Upon Distributor's request, Edan will issue an authorization letter to Distributor specifying Distributor's position as Edan's exclusive distributor of the Products in the Territory.

1.5 Edan's exclusive sale of the Products to Distributor stated above shall not be applied to any transaction under any government procurement or government tender with regard to medical devices in or outside the Territory. Distributor is encouraged to bid for any government procurement or government tender in the Territory. In case Distributor is interested in filing a bid in the Territory, Distributor shall send a written notice to Edan within 30 days from the first date of announcement of the government procurement notice or government tender notice, otherwise Edan could designate other distributors to do so. Edan is entitled to sell the Products to any third party in the Territory under any transaction relating to such government procurement or government tender.

1.6 For the avoidance of doubt, Edan shall have the right to provide and manufacture products which are not under the "EDAN" brand to any third party within or outside the Territory and such products could be resold within or outside the Territory.

2 Term of Agreement

2.1 The term of this Agreement (the "Term") will commence as of the Effective Date and continue for a period of one (1) year.

2.2 The Parties shall begin to review this Agreement and negotiate for the further business cooperation in good faith at least three (3) months prior to the expiration date of the Term.

3 Products Pricing and Minimum Purchase

- 3.1 The prices of the Products set forth in Appendix 1 are EXW Edan's factory located in Shenzhen, P.R.C. Such prices are computed as net of all possible taxes, customs, charges, fees, duties and other governmental impositions resulting from Distributor's activities under this Agreement, all of which shall be borne by Distributor.
- 3.2 The prices of the Products may be adjusted by Edan from time to time. The adjusted prices of the Products will be in effect from the effective date specified in the prior written notice delivered from Edan to Distributor by post, fax or email. However, any increase of the prices of the Products shall not apply to any order accepted by Edan before the effective date of the adjusted prices of the Products.
- 3.3 Distributor shall make the minimum purchases of Products during the Term as set forth in Appendix 2 (the "Minimum Purchases"). The Minimum Purchases shall not include any purchase of Products by Distributor for the purpose to fulfill its vendor obligations under any winning bid regarding any government procurement or government tender, as well as any purchase of Products without completion of 100% payment by Distributor to Edan.

4 Forecast, Purchase Order, Payment and Delivery

- 4.1 Before the tenth (10) day of each month, Distributor shall provide Edan with a three (3) month non-binding rolling forecasts ("Forecast") by product and by month.
- 4.2 In the event that Distributor intends to purchase the Products under this Agreement, Distributor shall place purchase orders to Edan. Edan shall not be deemed to have accepted a purchase order until a written Proforma-Invoice regarding such a purchase order is issued by Edan to Distributor.
- 4.3 Distributor shall pay the Proforma-Invoices by T/T or irrevocable L/C at sight before the expiration date of such Proforma-Invoices as well as in advance of shipment. All the payment shall be in US Dollars unless otherwise agreed by the Parties. The prices listed in any Proforma-Invoice do not include any tax, customs, charges, fees, duties and other governmental impositions, all of which shall be borne by Distributor.
- 4.4 Upon Distributor's request, and provided that an open account credit is established and maintained to Edan's satisfaction and that shipment of any order which is not required to be 100% paid prior to shipment will not cause Distributor to exceed such credit limit as Edan may from time to time establish, payment terms may be changed to a longer period. Edan may apply any payments received from Distributor first against the oldest

outstanding invoices. Upon Distributor's delay of payment during a credit sale, Edan shall have the right to suspend any further delivery of the Products to Distributor, regardless whether or not the Products suspended to be delivered are the Products under the outstanding invoices until the outstanding invoices are 100% paid. Distributor shall still be responsible to pay for the Products suspended to be delivered on time and Edan shall not be responsible for any Distributor's damage and losses resulting from such delay of delivery.

- 4.5 The shipment date of the Products will be informed by Edan to Distributor upon Edan's receipt of Distributor's fully paid pre-payment or before the shipment date under a credit sale of the Products. Edan shall not under any circumstances be liable to Distributor for any losses resulting from delayed delivery, provided that Edan notifies Distributor promptly of anticipated delay in delivery. In the event that Distributor requires to postpone Edan's confirmed shipment date (the "Confirmed Shipment Date") of the Products under a purchase order, upon acceptance of Distributor's request, Edan will charge Distributor 0.5% of the invoice amount per extra month as the inventory carry cost calculating from the Confirmed Shipment Date. The payment of inventory carry cost shall be made by Distributor before the actual shipment date of the Products. In the event that Distributor fails to pay the inventory carry cost, Edan shall have the right to cancel the delivery of the Products and the pre-paid payment made by Distributor shall be nonrefundable.
- 4.6 The Products shall be delivered to Distributor EXW Edan's factory located in Shenzhen, P.R.C, Distributor shall be responsible for any freight costs of the Products.
- 4.7 Distributor shall be solely responsible for applying and obtaining any approval necessary for importing, marketing and selling the Products in the Territory at its expense. Edan shall co-operate with Distributor in good faith by assisting and providing Distributor with necessary documentation, at Distributor's reasonable cost, in connection with Distributor efforts to obtain such approvals.
- 4.8 Distributor authorizes Edan to select the carrier of Products for Distributor. Distributor may designate other carriers by issuing prior written notice to Edan. Title to the Products and risk of loss or damage will pass from Edan to Distributor when Edan delivers the Products to the carrier designated by Distributor or Edan in the event that Edan is authorized by Distributor to select the carrier of the Products.
- 4.9 Edan may designate its Affiliates to proceed with Distributor's order under this Agreement at Edan's sole discretion. Under such a circumstance, the Proforma-Invoices, shipping documents and other transaction documents shall be issued by Edan' Affiliates to Distributor, Distributor shall make the payment to Edan's Affiliates. Edan shall be

responsible for its Affiliates' performance regarding such transactions. The Minimum Purchases shall include the Distributor's purchase from Edan's Affiliates under such a circumstance. The term "Affiliates" shall mean any company or business entity which controls, is controlled by, or is under common control with Edan. For purposes of this definition, "control" shall mean the possession, directly or indirectly or the power to direct or cause the direction of the management and policies of an entity (other than a natural person), whether through the majority ownership of voting capital stock, by contract or the outstanding voting securities or other ownership interest of the Affiliate is more than fifty percent (50%).

5 Warranty and After-Sale Services

5.1 The warranty period of Products purchased by Distributor from Edan under this Agreement which is calculated from the shipment dates of such Products shall be as follows:

Items	Warranty period
Main Unit	36 months
PCB	12 months
Accessories	12 months
Disposables (including IUP/DECG accessories)	Not covered by warranty

5.2 Edan's responsibility under the warranty regarding the Products shall be subject to Appendix 3 "After-Sale Services Policy".

5.3 Upon Distributor's breach of Section 1.3 or Section 7.1.4 of this Agreement, Edan shall have the right to cease providing any after-sale service regarding any Products resold by Distributor, and Distributor shall hold Edan harmless against any claims, damages, demands, suits, actions, judgments, liabilities, and costs and expenses, including reasonable attorneys' fees, resulting from Edan's cease of providing after-sale services under such situations.

5.4 Distributor is responsible for providing after-sale services, including installation, training, repair and maintenance of the Products, to customers purchasing Products from Distributor at Distributor's sole cost and expenses.

5.5 Edan shall provide training to Distributor's regarding the install, use and repair of the Products by appropriate means agreed by Edan. Distributor shall ensure its personnel having adequate knowledge regarding the sale and service of the Products.

6 Regulatory Requirement

6.1 **Traceability.** Distributor shall keep records for the Products ("Records") resold by Distributor including but not limited to names, address and

telephone number of customers, sales records and records of service in order to render it possible to efficiently execute all necessary recalls or mandatory updates of the Products. These Records shall be made available to Edan upon Edan's request and maintained by Distributor for eleven (11) years according to ISO9001 and CE regulations.

6.2 **Notice of Defects.** Distributor will advise Edan in writing of any hazard, or defect, related to any design, or documentation of the Products and provide recommendations with respect to Distributor's correction and elimination.

6.3 **Complaint Medical Device Reporting.** In case of any complaint of the Products from end users to Distributor, Distributor shall evaluate whether Medical Device Reporting ("MDR") is required. Distributor shall report the complaint to Edan in the soonest manner in the following cases:

6.3.1 one of its marketed Products has or may have caused or contributed to a death, serious injury; or/and

6.3.2 the Product has malfunctioned and that the Product or a similar product marketed by Edan would be likely to cause or contribute to a death or serious injury if the malfunction were to recur.

If MDR is not required after the complaint is evaluated by Distributor, Distributor shall report the complaint to Edan in five (5) working days with the following information: (1) the date the complaint was received; and (2) end user's information: country/region, organization name, address, telephone number, contact person; and (3) name of Product, Product ID (lot number or serial number), model name; and (4) complaint details. Distributor shall keep the complete complaint records throughout the Products' life span. Upon Edan's request, Distributor shall collect the defective Products and deliver such Products to Edan for investigation.

6.4 **Recall.** If any recall of any of the Products occurs, Distributor shall assist Edan to recall such Products and deliver such Products to Edan upon Edan's request.

6.5 **Compliance with Applicable Laws.** Distributor shall comply with all applicable laws and regulations in the Territory with respect to (i) the Products and (ii) the conduct of business generally.

7 Marketing

7.1 Distributor will exercise its best efforts to:

7.1.1 advertise, demonstrate and promote the sale of Products in the Territory;

7.1.2 proceed with market investigation and collect the customers'

feedbacks;

7.1.3 provide Edan with information specified in Section 7.2;

7.1.4 manage and regulate the actions of its sub-distributors. Distributor shall require all of its sub-distributors not to resell the Products or provide any services regarding the Products to customers outside the Territory, and shall terminate the supply of Products to sub-distributor failing to observe above obligations.

7.2 Distributor shall provide Edan, at least once every three months or at any time when necessary, including but not limited to the following reports or documents to keep Edan well informed of the prevailing market conditions:

7.2.1 market reports concerning changes of the local regulations in connection with the import and sales of the Products, local market tendency and customers' comments on the Products (including but not limited to quality, packing, price, product planning, stock levels and business development planning) sold by Edan under this Agreement.

7.2.2 quotations and advertising materials on competitive products of other manufacturers.

7.2.3 the promotion which has been done by Distributor to market the Products during the term of this Agreement, including but not limited to fairs, advertisements on the Website/ Magazine / newspaper, etc.

7.3 Edan will provide necessary assistance regarding Distributor's promotions activities of Products in the Territory.

7.4 Distributor further represents and warrants that during the Term of Agreement Edan shall be Distributor's single source for goods which are identical to the Products or goods which are considered by customers as equivalent in view of their characteristics and intended use, or goods in competition with the Products.

8 Intellectual Property

8.1 All inventions, ideas, discoveries, improvements, materials and works relating to the Products will be the property of Edan, and all right, title and interest therein including, without limitation, all intellectual property rights (including patents, copyrights, trademarks, trade secrets and other intellectual property rights) thereto, will vest in Edan. Distributor shall not develop or manufacture, whether directly or indirectly, any product which is based upon reversed engineering of the Products or proprietary

information discovered through reversed engineering.

- 8.2 Distributor agrees that it shall not infringe, or induce any third party to infringe, or contribute to the infringement of, any validly issued patent of Edan that covers any of the technology incorporated in the Products.
- 8.3 Edan shall have no warranty of the Products' non-infringement of third parties' intellectual property rights which are valid outside the Territory. Distributor shall defend, indemnify and hold Edan harmless against any claims, damages, demands, suits, actions, judgments, liabilities, and costs and expenses, including reasonable attorneys' fees, resulting from Distributor's sale of Products outside the Territory.
- 8.4 Edan grants Distributor permission to use the Edan trademarks and trade names during the Term of this Agreement. Such permission is limited to use for identifying or describing the Products in advertising or promotional material, user manual or other used documentation for the purpose to distribute the Products in the Territory only.
- 8.5 In all Distributor promotional material, advertising or documentation for the Products ("Marketing Material"), Distributor shall make reference to Edan's trademarks and trade names subject to Edan's guidelines. Distributor shall provide a copy of Marketing Material to Edan before the distribution of such Marketing Material. Upon Edan's request, Distributor shall revise such Marketing Material accordingly. Distributor agrees not to use Edan's trademarks, or any other trade names of Edan, to identify any other product than the Products themselves. Distributor agrees to use Edan's trademarks and trade names only in the form and manner prescribed from time to time by Edan, and not to use any other trademark in combination with any of Edan's trademarks or trade names without prior written consent of Edan.
- 8.6 Distributor admits and recognizes Edan's exclusive worldwide ownership of Edan's trademarks, trade names, labels and logos (collectively, the "Marks"). Distributor shall not register any Edan' Marks in any country or district around the world. In the event that Distributor register any Edan' Marks under Distributor's name, Distributor shall transfers and assigns to Edan all of its rights, title and interests in and to all such registrations at Distributor's own cost.
- 8.7 Distributor shall promptly notify Edan of any use by any third party of Edan's Marks or any use by such third parties of similar Marks which may constitute an infringement or "passing off" of Edan's Marks or any infringement of any validly issued patent of Edan that covers any of the technology incorporated in the Products. Edan reserves the right in its sole discretion to institute any proceedings against such third party infringers and Distributor shall refrain from doing so. Distributor agrees to cooperate fully with Edan in any action taken by Edan against such third parties, provided that all expenses of such action shall be borne by

Edan and all damages which may be awarded or agreed upon in settlement of such action shall accrue to Edan.

- 8.8 Distributor hereby grants to Edan a non-exclusive, non-transferable, fully paid-up license to use, display and reproduce the Distributor name, logos and/or trademarks for identifying or describing Distributor as a distributor of the Products in advertising or promotional materials of Edan.

9 Confidentiality

- 9.1 “Confidential Information” means any information and data of a confidential nature relating to the Products or the business of the Party disclosing such information (the “Disclosing Party”), identified as such by the Disclosing Party in writing, or identified as such in this Agreement, including product testing and registration documents, training materials, service manual, operation manual, market and competitor analysis, pricing policy, customer information, proprietary, developmental, technical, marketing, sales, operating performance, cost, know-how, policy, business and process information, computer programming techniques, and all record bearing media containing or disclosing such information or techniques. Copies and embodiments of and media containing any and all Confidential Information of a Disclosing Party, including documents, records, or notebooks, will remain the property of the Disclosing Party and will be returned upon request.
- 9.2 The Party receiving Confidential Information (the “Recipient”) shall not disclose Confidential Information to any third party unless such disclosure is required in order to fulfill the obligations of the Recipient under this Agreement, or as may be otherwise expressly permitted by this Agreement.
- 9.3 Upon termination of this Agreement, at the request of the Disclosing Party, the Recipient will return to the Disclosing Party all Confidential Information (including all copies thereof) in the possession, custody or control of the Recipient. Except as otherwise expressly provided herein, nothing contained herein is intended to grant any rights to a Recipient in and to any Confidential Information of the Disclosing Party thereof.
- 9.4 Edan and Distributor will each advise all of its employees, officers, agents and representatives involved in the performance of this Agreement, directly or indirectly, including any subcontractors where applicable, of the terms and conditions of this Agreement regarding Confidential Information, and require them to observe such conditions with respect to Confidential Information.
- 9.5 Section 9 of this Agreement shall survive after the termination of this Agreement for a period of 5 years.

10 Force Majeure

- 10.1 Where circumstances, which are unforeseeable at the date this Agreement is signed and which are beyond either Party's reasonable control, cause delay in or failure of a Party's performance of its obligations pursuant to this Agreement, such Party shall not be considered in breach of this Agreement or be liable to the other Party, and the term of implementation of such Party's respective obligation may be extended accordingly. The aforementioned circumstances include, but shall not be limited to, natural disaster, building destruction, war, unrest, fire, explosion, flood, acts of the government and industry actions.
- 10.2 When a Party's performance of its obligations pursuant to this Agreement is delayed or rendered impossible due to the aforementioned circumstances, such Party shall immediately inform the other Party within ten (10) working days of such circumstances, and make all reasonable efforts to minimize the effect of such circumstances on the performance of its obligations. Furthermore, such Party shall immediately inform the other Party of the cessation of the respective circumstances and continue to fully perform its obligations pursuant to the provisions of this Agreement.

11 Termination

- 11.1 Edan may, by written notice, terminate this Agreement if Distributor fails to perform any of its material obligations under this Agreement and such failure is not cured within thirty (30) days after notice of such failure is given. Distributor's material obligations shall include but not limited to its obligations set forth in Section 1.3, Section 3.3, Section 5.4, Section 7.1.4, Section 7.4, Section 8, Section 9 and Section 12.
- 11.2 Distributor may, by written notice, terminate this Agreement if Edan fails to perform any of its material obligations under this Agreement and such failure is not cured within thirty (30) days after notice of such failure is given.
- 11.3 Either Party may terminate this Agreement if the other Party becomes insolvent, files or has filed against it a valid petition under applicable bankruptcy or insolvency laws, proposes any dissolution, composition, or financial reorganization with its creditors, makes an assignment for the benefit of creditors, or if a receiver, trustee, custodian or other similar agent is appointed and takes possession of all or substantially all of its assets and such a Party fails within thirty (30) days after such event to provide to the other Party adequate assurance, as reasonably determined by the other Party, of such a Party's ability to perform its obligations under this Agreement.

- 11.4 The Parties will perform after termination of this Agreement obligations accrued hereunder to the termination date in accordance with the provisions of this Agreement unless this Agreement is terminated by Edan for Distributor's breach of Section 1.3 or Section 7.1.4 in which situation Edan could refuse to deliver the Products regarding any of Distributor's orders accepted by Edan before the date of termination of this Agreement and no refund shall be made to Distributor by Edan. Notwithstanding the expiration or early termination of this Agreement, Sections 4, Section 5, Section 6, Section 8, Section 9, Section 12 and Appendix 3, will each survive for the period indicated in such provision or, if no period is so indicated, indefinitely.

12 Indemnity and Limited Liability

- 12.1 Distributor shall indemnify and hold harmless Edan indemnities from and against all liabilities, costs, damages, claims and expenses, including reasonable attorneys fees, arising from or related to any actual or alleged (i) breach by Distributor of any express or implied covenant, representation, warranty, obligation or other term of this Agreement; or (ii) any negligent act or omission or willful misconduct of Distributor.
- 12.2 Should any such claim be made against Edan or the Products received by Distributor, Distributor will promptly notify Edan of the claim, allow Edan to defend the claim in its own name or in the name of Distributor and fully cooperate with Edan's insurers, if relevant, and Edan's counsel in the said defense.
- 12.3 Edan shall not be liable to Distributor for any special, indirect or consequential damages, including loss of business, goodwill, revenue or profits, by reason of any act or omission or arising out of or in connection with this Agreement.
- 12.4 The total liability of Edan with respect to this Agreement and the Products and services furnished hereunder, and in connection with the performance or breach thereof, and from the intellectual property, manufacture, sale, delivery, installation, repair, replacement or technical direction or services covered by or furnished under this Agreement, whether based on contract, warranty, tort, negligence, indemnity or otherwise, shall not exceed the sale price of the Products upon which such liability is based.

13 Notice

- 13.1 Any notice, request, instruction or other document to be given hereunder by any Party to the other will be in writing and delivered personally or sent by express delivery, by facsimile, or by email. The date of receipt shall be deemed to be: (i) seven (7) working days after the letter is given to the courier service; or (ii) one (1) working day after sending in the case of a facsimile or an email.

13.2 If to Edan:

Edan Instruments, Inc.
Address: No.15 Jinhui Rd., JinSha Community, Kengzi Subdistrict,
Pingshan District, Shenzhen, 518122, P.R China

Attention: Feron Feng
Tel: +86-755-26857911
Fax: +86-755-2689-8330
email: feron@edan.com.cn

If to Distributor:

Frafito Sarl

Address: 23 Avenue Auguste Verola, F-06200 Nice, France
Attention: Mr. Elie Fiani
Tel: 33 493725354
Fax: 33 493210383
email: efiani@fracito.net and sfiani@fracito.net

14 Governing Law and Dispute Settlement

14.1 This agreement shall be governed by and construed in accordance with the laws of the People's Republic of China.

14.2 All disputes which may arise between the parties shall, if they can not be amicably settled, be submitted to China International Economic and Trade Arbitration Commission for arbitration in accordance with the Rules of Arbitration of China International Economic and Trade Arbitration Commission in effect at the time of applying for arbitration. The arbitration tribunal shall take place in Shenzhen, China. The arbitral award is final and binding upon the parties.

15 Miscellaneous

15.1 **No Partnership.** Nothing in this Agreement is intended to, or will be construed to constitute Edan and Distributor as partners or joint venturers; it being intended that the relationship of Edan to Distributor will at all times be that of an independent contractor.

15.2 **Notice of Distributor's Major Change.** In the event that any major change to the Distributor occurs, Distributor will inform Edan within ten

(10) days of such a major change, including but not limited to change of shareholding and business address of Distributor.

- 15.3 **Assignment.** Neither Party shall assign, directly or indirectly, all or part of its rights or obligations under this Agreement without the prior written consent of the Parties.
- 15.4 **Severability.** Any provision hereof which is determined to be void and unenforceable shall not be deemed to affect or impair the enforceability of any such other provisions.
- 15.5 **Amendment.** No modification or amendment to this Agreement shall be binding unless executed in writing by the Parties.
- 15.6 **Entire Agreement.** This Agreement contains the final and complete contract of the Parties and supersedes all prior oral or written promises, undertakings, understandings, or negotiations concerning the subject matter of this Agreement.
- 15.7 **Appendix.** The Appendixes hereto shall constitute integral parts hereof and shall be as valid and effective as this Agreement. In the event of any conflict between any provision of this Agreement and any provision of any Appendix, the provisions of this Agreement will prevail.
- 15.8 **No waiver.** Neither the failure of either Party at any time to enforce any of the provisions of this Agreement nor the granting at any time of any other indulgence shall be construed as a waiver of that provision or of the right of either Party afterwards to enforce that or any other provision. This Agreement may not be amended, nor any obligation waived, except by a writing signed by both Parties.
- 15.9 **Counterparts.** This Agreement may be executed simultaneously in two parts, each of which shall be deemed an original, but all of which together will constitute one and the same instrument.

[Remainder of this page is left intentionally blank; signature page to follow.]

IN WITNESS WHEREOF, this Agreement has been executed the day and year first set forth above:

For Edan Instruments, Inc.

For Frafito SA

Signature: _____

Signature:  _____

Name: Mr Feron FENG

Name: Mr Elie FIANI

Title: Export Manager

Title : Chairman

Date:

Date: 16/01/2018

FRAFITO
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www.frafito.net / infos@frafito.net
SAS au capital de €16 119,50 - Code APE 4618Z
Siret 533581497388651

Appendix 1

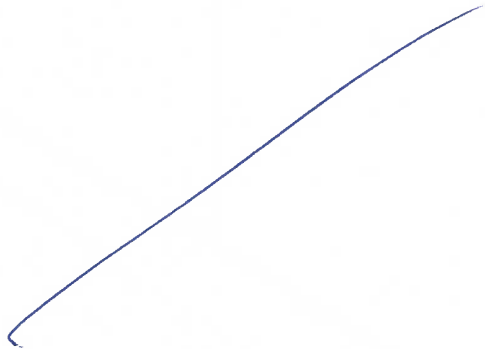
Products Pricing for Frafito

Note:

1. All the prices below are in USD, EXW Edan's factory located in Shenzhen, P. R. C..
2. The specifications or description of the Products below may be changed or modified by Edan from time to time in order to comply with laws or requirements in effect in P. R. China or other jurisdiction; provided, however, that the changes shall not substantially influence the quality or nature of the Products.

Products		Unit Price		
Model	Standard Price (USD)	Net Price (USD)	Minimum Order Quantity	Exclusive France
Sonotrax Vascular / Lite	90	55	20 units	exclusive
Sonotrax Basic A	140	73	20 units	exclusive
Sonotrax Probe(2/3/4/8MHz)	50	35	-	
Oximeter H10	50	22	300 units	exclusive
Oximeter H100B	160	99	30 units	exclusive
M3A NIBP / SPO2		450	10 units comb	exclusive
M3A NIBP/SPO2/TEMP	780	500	10 units comb	exclusive
M3A NIBP/SPO2/TEMP + Printer	930	600	10 units comb	exclusive
iM8 / iM8A / iM8B		950 - 850 - 750		exclusive
Stands MT-201 / 206 / 207	125	95		

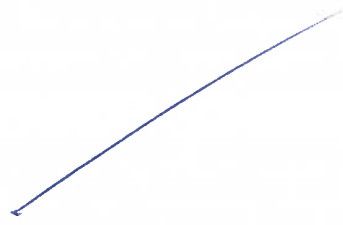
H100 Charger Stand	65	50	-	
Reusable SPO2 Sensor	50	35	-	
Disposable SPO2 sensor	15	12	50 pcs	
IFR TEMP probe cover	30	19	-	
SE-300B – color screen	680	350	10 units	exclusive
SE-301		500	10 units	exclusive
ECG SE-1010		500		exclusive
SE-1515 PC ECG (OS10-iMac)		500		exclusive
PADECG (ios)/(android)		500		exclusive
ECG SE-601C		800		
F2		850		exclusive
F3		900		exclusive
C3		4100		
C3A		1600		exclusive
Holter SE2003				
U50 Ultrasound with 1 probe		3000		non exclusive
DUS60 Ultrasound with 1 probe		1400		non exclusive
AX8 with one probe		10000		non exclusive
LX8 with one probe		12000		non exclusive
AX4 with one probe		8000		non exclusive



Appendix 2

Return Point

Period	Return Point	Amount (USD)
One year from 01-01-2018 till 31-12-2018	For Yearly purchase amount in USD	Total Purchase
	3% return points	Less than \$ 700 000
	4% return points	More than \$ 700 000
	5% return points	More than \$ 800 000
	6% return points	More than \$ 900 000



Appendix 3

After-Sale Service Policy

1 Warranty Period

1.1 The standard warranty period of Products purchased by Buyer from Edan shall be twelve (12) months from the shipment dates of such Products.

1.2 Extension of warranty.

Non-ultrasound products.

Extended warranty not exceeding thirty-six(36) months is only available to main unit of the Products at an additional cost with a standard that 12-month extension for a premium of 5% of the prices of the Products listed in Appendix 1.

Ultrasound products.

Extended warranty not exceeding thirty-six(36) months is only available to main unit of the Products at an additional cost with a standard that 12-month extension for a premium of 5% of the non-discounted price of the main unit.

Extended warranty not exceeding twenty-four(24) month is available to ultrasound transducer at an additional cost with a standard that 12-month extension for a premium of 15% of the non-discounted price of the ultrasound transducer. Buyer shall request for extension of warranty prior to the shipment from EDAN factory.

- 1.3 The warranty period for Products purchased by Distributor from Edan is specified in Section 5 of this Agreement.

2 Warranty Liability

- 2.1 The extent of Edan's liability under this warranty for defects in design, material or workmanship is limited, upon return of the defective Products to Edan, to the repair or replacement (with a similar item free from the defect in question) of the Products.
- 2.2 Edan will provide spare parts of and support for the Products for not less than 5 years from Edan's delivery of such Products to Distributor.

3 Exemption of Warranty

- 3.1 Edan's obligation or liability under this Policy does not include any transportation or other charges or liability for direct, indirect, or consequential damages or delay resulting from the improper use or application of the Products.
- 3.2 Edan shall not be liable for defects in the Products resulting from modifications or changes in specifications if the aforementioned modifications or changes were requested by Distributor;
- 3.3 Edan shall not be liable for defects caused by normal wear and tear, willful damage, negligence, improper usage, failure to follow the Edan's instructions, incorrect usage without the Edan's approval, modification or repair;
- 3.4 The warranty does not extend to parts, accessories, materials or equipment that was not manufactured by Edan. With regard to any one part, accessory, material or piece of equipment, the Distributor shall only have the right of benefit with respect to the corresponding warranty provided by the manufacturer to Edan.

4 Freight Costs

- 4.1 Under Warranty Repair/Replacement. Edan is responsible for the freight & insurance charges of the shipment to Distributor. Distributor is responsible for freight & insurance charges of the shipment to Edan, as well as any taxes and fees charged by the governmental authorities and service provider not born by Edan.
- 4.2 Out of Warranty Repair/ Replacement. Distributor is responsible for freight & insurance of the shipment both to and from Edan as well as any taxes and fees charged by the governmental authorities and service provider therefore.

5 Material Return Policy for Under Warranty Service.

5.1 In the event of any repair or replacement of the Products during the Warranty Period, the defective parts/machines should be returned to Edan from Distributor within 3 months after the repair/replacement. Distributor agrees to purchase the defective parts/machines at 60% of their original price if any of the following events occurs:

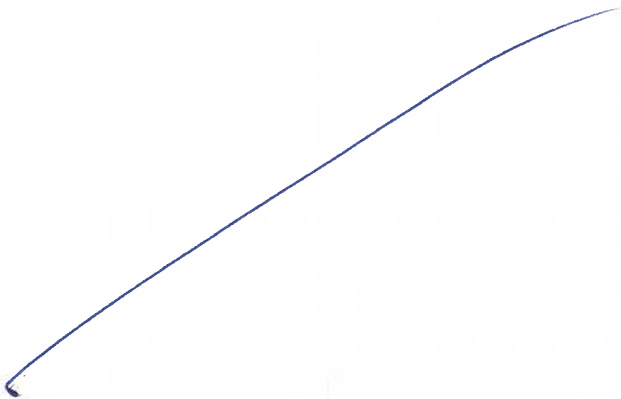
5.1.1 Distributor fails to return the defective parts/machines within 6 months calculating from the shipment date of the parts/machines using to replace the defective parts/machines from Edan to Distributor.

5.1.2 the defective parts/machines are reported to be missing by Distributor to Edan

5.2 Upon Distributor's failure to perform its obligation under this Section 5, Edan may stop spare parts/machines supplying to Distributor.

6 End User Service

6.1 Distributor shall be responsible for providing after-sale service for end users of the Products resold by Distributor at Distributor's sole cost and expense. In the event that Distributor's failure to provide after-sale service for end users mentioned above results in Edan being claimed by such end users for providing after-sale service, Distributor shall reimburse Edan twice the total cost incurred in connection with after-sale service provided by Edan for such end users, as well as any damages resulting from the claims of end users against Edan.



7 Service Claim Form

EDAN\QR\IM08\1.1

In case of any complaints or technical enquiries, please fill out the following form with sufficient details, and then return it by email or fax as soon as possible. Insufficient information might result in delay of response and solution.

Report Date:

Agent Information			
Company Name			
Contact Person		Tel	
Equipment or Module information			
Main unit/Model		Serial No.:	
Risk Analysis			
1. Whether the device was being used on a patient when it failed?			<input type="checkbox"/> Yes <input type="checkbox"/> No
2. Whether the failure of the device caused injury or death?			<input type="checkbox"/> Yes <input type="checkbox"/> No
3. Whether the alarm of device failed when the failure happened?			<input type="checkbox"/> Yes <input type="checkbox"/> No
Problem Description			
1. Questions or phenomena of the problem? Please supply detail for prompt remedies.			
2. Any ERROR MESSAGE displayed on the machine?			

3. What actions have been taken to solve the problem? How about the result?
4. Trouble happening frequency :
<input type="checkbox"/> Always <input type="checkbox"/> Intermittent <input type="checkbox"/> Less often
5. Whether the connection of all cables/accessories and all the settings of equipment have been checked?
6. If possible, please provide your judgment of the trouble:

8 Return Materials Authorization

EDAN\QR\IM06\2.4

RMA No: _____

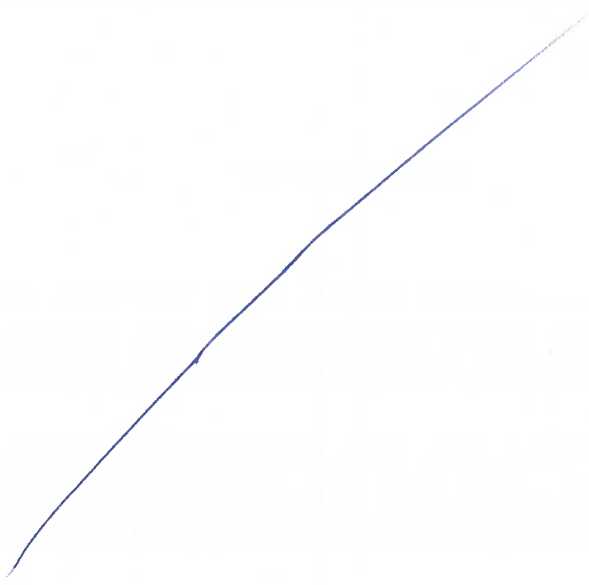
Contact Information			
Company Name		City/Country	
Contact Person		Tel. No.	
Items to be Returned			
Description of Contents	Quantity	S.N. of Main Unit	Delivery Date
Address to Return			

DATE

COMPANY SEAL

NOTE:

1. To ensure the returning parts delivery safely and correctly, please inform Edan Service Group before arranging the shipment. Please do not return the parts unless getting the RMA (returning material authorization) information from Edan.
2. Edan's obligation or liability does not include any transportation or other charges or liability for direct, indirect or consequential damages or delay resulting from the improper dissembling or not following Edan's instruction.



BY EXPRESS

Consignee: Edan Instruments, Inc.

Notify Party: Ship Air Express LTD.

Addr.: UNIT I, 6/F WING SHAN INDUSTRIAL BUILDING, 428 CHA KWO LING ROAD, YAU TONG
KOWLOON HONG KONG

Attn.: YOU XIAOCHEN / ZHANG XIUQIN
TEL: + (852) – 2382 8108

Please carefully read through the following notes to keep the items well and avoid Customs problems:

1. Please disassemble the items with anti-static facilities, and please do not touch the items with naked hands.
2. Please pack the items safely before return them.
3. Please put the RMA number on the parcel.
4. Please describe the returned items as 'sample of *****' and put the total value on the invoice. Please note on the invoice as 'Sample, No Commercial value'.
5. Please confirm the invoice with Edan before the shipment.
6. Please do not send out the items without Edan's confirmation.

9 Declaration Form

EDANIQRIM071A

RMA NO.

WE _____ HERE STATE THAT WE WILL RETURN THE DEFECTIVE PARTS TO EDAN INSTRUMENTS INC. RIGHT AFTER THE PROBLEM IS WELL SOLVED, ACCORDING TO EDAN'S SERVICE POLICY.

IF WE COULD NOT FULL FILL THE ABOVE RESPONSIBILITY WITHIN TWO WEEKS, WE WILL PAY FOR THE REPLACEMENT AS FOLLOWING PRICE IN ONE MONTH FROM THE DATE OF SOLVING THE PROBLEM.

DESCRIPTION	QUANTITY	PRICE (USD EXW)	SN OF MAIN UNIT

SIGNATURE