

NOVATION MEMBER RECONFIRMATION FORM

SELLER: Nellcor Puritan Bennett

CONTRACT NUMBER: MS00530

PRODUCTS: Pulse Oximeter Monitoring Products, Sensors and Accessories

1. Volume and Participation. The undersigned Novation Member (as defined in the above Agreement) reconfirms, as of _____, 2003 (a date that must be no later than October 31, 2003), that it intends to continue at its current commitment level of either $\geq 95\%$, or $\geq 75\%$ but $< 95\%$ until the expiration date of the above referenced Agreement, in exchange for which Nellcor Puritan Bennett Incorporated ("Seller") will provide the below referenced pricing as appropriate for commitment level and volume.

Select one Tier by initialing below:

| Tier # | Participation % | Product Family | Discount off of U.S. List | Freight (direct from Seller) | Initial |
|---------|--|---|--------------------------------------|------------------------------|---------|
| Tier #5 | $\geq 95\%$ Compliance and a Former Novaplus User | All Oximetry Sensors and Accessories as outlined in Pulse Oximetry Pricing List | 40% Discount on Major Product Sku's. | Included | |
| Tier #4 | $\geq 95\%$ Compliance and a Former Nellcor Brand User | Same as Above | 35% Discount on Major Product Sku's. | Included | |
| Tier #3 | $\geq 75\%$ but $< 95\%$ Compliant and $\geq \$200k$ per year volume | Same as Above | 24% Discount on Major Product Sku's. | Included | |
| Tier #2 | $\geq 75\%$ but $< 95\%$ Compliant and $\geq \$100k$ but $< \$200k$ per year volume. | Same as Above | 18% Discount on Major Product Sku's. | Included | |
| Tier #1 | $\geq 75\%$ but $< 95\%$ Compliant and $< \$100k$ per year volume. | Same as Above | 15% Discount on Major Product Sku's. | Included | |

Two requirements must continue to be met for a Novation Member to meet its commitment requirements:

- **Equipment Base:** The Novation Member agrees to maintain $\geq 95\%$, or $\geq 75\%$ but $< 95\%$ (as identified in the above table) of its Sites as Nellcor ® brand products or products incorporating Seller's oximetry technology and compatible with Nellcor brand oxygen transducers. "Sites" include active spot check, stand-alone, multi-parameter and modular oximetry instruments. The committed Novation Member agrees to provide Seller reasonable access to the Member's facility to verify compliance to this Equipment Base requirement.
- **Sensor and Sensor Accessory Purchases:** The Novation Member agrees that its Annual Volume divided by the sum of (i) its Annual Volume plus (ii) net annual dollar purchase volume of oximetry sensor and sensor accessory products purchased from competitors (including recycled sensors and sensor recycling services) will fall within the $\geq 95\%$, or $\geq 75\%$ but $< 95\%$ commitment. "Annual Volume" is defined as: Annual dollar purchase volume (net of identified freight, taxes, refunds, rebates, and credits including award credits generated under various Seller programs) of Nellcor sensor and sensor accessories.

2. Maintenance of Tier Requirements and Pricing Eligibility. Seller may, from time to time, perform an audit at the Novation Member's facility to determine compliance to the Equipment Base requirement of the selected Tier. If the Novation Member's Annual Volume (based on a rolling 12 month period) falls below the agreed upon minimum compliance level identified in the table above, then Seller may contact the Novation Member and request that the Member provide information (a) that the Member is in fact meeting its commitment, or (b) proposing a specific plan for Seller's approval, to bring the Member's purchases into compliance ("**Compliance Plan**"). If the Member does not provide either (a) or (b), to Seller's reasonable satisfaction within 30 days after request by Seller, or if Member does not adhere to the Compliance Plan, then Seller may remove the discount benefits of this Reconfirmation Agreement from Member.

3. Termination by Member. The Novation Member may terminate its participation in this Recommitment Agreement upon sixty (60) days' prior written notice to Seller.

The undersigned Novation Member hereby acknowledges and confirms the above recommitment.

Print Name of Novation Member: _____
Address: _____
Signature: _____
Print Name of Person Signing: _____
Title of Person Signing: _____
Date Signed: _____
Novation Entity Code: _____ *(to be provided by Novation)*

Name of Distributor if Applicable: _____

Customer Pristine # _____

Accepted:

Nellcor Puritan Bennett Incorporated

By: _____
Its: Critical Care Account Manager

Print Name: _____
Date: _____

FAX TO NELLCOR PURITAN BENNETT @ (314) 654-7148