

DIGITAL X-RAY (DXR) SYSTEMS PRODUCT WARRANTY

This product warranty document is an addition to the terms and conditions set forth in the quotation to which this warranty document is attached. Unless specifically listed below, this warranty does not apply to replacement parts. The terms and conditions of the quotation are incorporated into this warranty document. The capitalized terms herein have the same meaning as set forth in the quotation.

1. Twelve (12) Month System Warranty.

1.1 Philips Healthcare a division of Philips North America LLC (Philips) warrants to Customer that the Philips' Digital X-Ray Systems (System) will perform in substantial compliance with its performance specifications, in the documentation accompanying the System, for a period of twelve (12) months after completion of installation or availability for first patient use, whichever occurs first.

1.2 Any glassware or detectors provided with the System are subject to special warranty terms set forth below.

1.3 If the quotation is a ProGrade Solution, please refer to Section 4.

2. Planned Maintenance.

2.1 During the warranty period, Philips' personnel will schedule Planned Maintenance visits, in advance, at a mutually agreeable time on weekdays, between 8:00am and 5:00pm local time, excluding Philips' observed holidays.

2.2 Philips shall have full, free and safe access to the System and Customer's operation, performance and maintenance records for the System, on each scheduled or requested warranty service visit.

2.3 Philips shall also have access to and use of any machine, service, attachment, features or other equipment required to perform the necessary service contemplated herein at no charge to Philips.

2.4 Customer waives warranty service if it does not provide such access to the System and Customer's records.

2.5 Should Philips be denied access to the System and Customer's records at the agreed upon time, a charge equal to the appropriate hourly rate will be accepted by Customer for "waiting time."

3. System Options, Upgrades or Accessories.

3.1 Any Philips' authorized options, upgrades, or accessories for the System which are delivered and/or installed on the System during the original term of the System warranty shall be subject to the same warranty terms contained in the first paragraph of this warranty, except that such warranty shall expire on the later of:

3.1.1 upon termination of the initial twelve (12) month warranty period for the System on which the option, upgrade or accessory is installed; or

3.1.2 after ninety (90) days for parts only from the date of installation.

4. ProGrade Solution Warranty.

4.1 New components installed as part of the ProGrade Solution shall be covered for a period of twelve (12) months after completion of installation or availability for first patient use, whichever occurs first.

4.2 The warranty does not include existing components not being replaced as part of the ProGrade Solution; including X-Ray Tubes.

5. SRO X-Ray Tubes.

5.1 Philips warrants to Customer that the Philips' SRO X-Ray Tube (tube) will be substantially free from defects in material and manufacturing workmanship which impair performance under normal use as specified in Philips' System descriptions and specifications for the shorter of twenty-four (24) months after installation or twenty-six (26) months after date of shipment from Philips.

6. SRO X-Ray Tube Warranty Exclusions.

6.1 The above warranty shall not apply to SRO X-Ray Tubes installed outside the United States and Canada.

6.2 Philips' obligations under the System warranty do not apply to any System defects resulting from: improper or inadequate maintenance or calibration by Customer or its agents; Customer or third party supplied software, interfaces, or supplies; use or operation of the System other than in accordance with Philips' applicable System specifications and written instructions; improper site preparation; abuse, negligence, accident, loss or damage in transit; improper site preparation; unauthorized maintenance or modifications to the System; or, to viruses or similar software interference resulting from the connection of the System to a network.

7. SRO X-Ray Tube Warranty Remedies.

7.1 If a tube is found to fail during the warranty period, and if, in the best judgment of Philips, the failure is not due to neglect, accident, improper installation, use contrary to instructions, or the exclusions stated above, Philips' tube warranty liability hereunder is limited to, at Philips' option, the repair or replacement of the tube.

7.2 Any replacement tube would have a warranty period equal to the balance of the warranty period left on the tube replaced.

8. Wireless X-Ray Detectors.

8.1 Philips warrants its Wireless X-Ray Detectors (detector) to be free from defects in material and workmanship for twelve (12) months.

8.2 Claims under this warranty must be made within twelve (12) months after installation and thirteen (13) months after date of shipment from Philips.

8.3 A replacement will be provided at no charge for any failure acknowledged as a Philips' liability.

8.4 Unless covered by a Philips' service contract option, the Customer is responsible for replacement costs of a wireless detector damaged accidentally (e.g. dropped) during the warranty period.

8.5 All Philips' wireless x-ray detectors have internal shock sensors. Philips' service will read these sensors to determine if a detector malfunction has been caused by mishandling. A detector will be determined to be damaged by mishandling when:

8.5.1 **For a Skyplate Detector:** if 1 or more heavy shock is recorded; or if 3 or more medium shocks are recorded; and

8.5.2 **For a Wireless Portable Detector (WPD):** if either shock sensor is tripped.

8.6 Philips does not cover damage to wireless detectors caused by liquid ingress; please use detector bags to protect your detector.

8.7 Philips does not cover damage to the wireless detector if the detector is cleaned or disinfected by chemicals not recommended as instructed per the User Manual that is supplied with the product.

8.8 Examination of the returned detector may necessitate its destruction, but Philips liability shall, in any case be limited to repair or replacement as aforesaid, only if in its sole opinion the detector has been properly used, installed and applied and has not been subjected to neglect, accident, environmental extremes or improper installation, or use.

8.9 The packing of the replacement detector must be reused to return the original detector.

8.10 The questionnaire must be filled out to reference the System and the problem.

8.11 Transportation charges and risk of loss, both ways, of returned or replaced detector shall be at the expense of the Customer.

9. System Software and Software Updates.

9.1 The software provided with the System will be the latest version of the standard software available for that System as of the ninetieth (90th) day prior to the date the System is delivered to Customer.

9.2 Updates to standard software for the System that do not require additional hardware or equipment modifications will be performed as a part of normal warranty service during the term of the warranty.

9.3 All software is and shall remain the sole property of Philips or its software suppliers.

9.4 Use of the software is subject to the terms of a separate Software License Agreement.

9.5 No license or other right is granted to Customer or to any other party to use the software except as set forth in the license agreements.

9.6 Any Philips maintenance or service software and documentation provided with the System and/or located at Customer's premises is intended solely to assist Philips and its authorized agents to install and to test the System, to assist Philips and its authorized agents to maintain and to service the System under a separate support agreement with Customer, or to permit Customer to maintain and service the System.

9.7 Customer agrees to restrict the access to such software and documentation to Philips employees, those of its authorized agents and its authorized employees of Customer only.

10. Warranty Limitations.

10.1 Philips sole obligations and Customer's exclusive remedy under any product warranty are limited, at Philips option, to the repair or the replacement of the product or a portion thereof within thirty (30) days after receipt of written notice of such material breach from Customer (Product Warranty Cure Period) or, upon expiration of the Product Warranty Cure Period, to a refund of a portion of the purchase price paid by the Customer, upon Customer's request.

10.2 Any refund will be paid, to the Customer when the product is returned to Philips.

10.3 Warranty service outside of normal working hours (i.e. 8:00am - 5:00pm, Monday through Friday, excluding Philips observed holidays), will be subject to payment by Customer at Philips standard service rates.

10.4 This warranty is subject to the following conditions: the product:

10.4.1 is to be installed by authorized Philips representatives (or is to be installed in accordance with all Philips installation instructions by personnel trained by Philips);

10.4.2 is to be operated exclusively by duly qualified personnel in a safe and reasonable manner in accordance with Philips written instructions and for the purpose for which the products were intended; and

10.4.3 is to be maintained and in strict compliance with all recommended and scheduled maintenance instructions provided with the product and Customer is to notify Philips immediately if the product at any time fails to meet its printed performance specifications.

10.5 Philips obligations under any product warranty do not apply to any product defects resulting from improper or inadequate maintenance or calibration by the Customer or its agents; Customer or third party supplied interfaces, supplies, or software including without limitation loading of operating system patches to the Licensed Software and/or upgrades to anti-virus software running in connection with the Licensed Software without prior approval by Philips; use or operation of the product other than in accordance with Philips applicable product specifications and written instructions; abuse, negligence, accident, loss, or damage in transit; improper site preparation; unauthorized maintenance or modifications to the product; or viruses or similar software interference resulting from connection of the product to a network.

10.6 Philips does not provide a warranty for any third party products furnished to Customer by Philips under the quotation; however, Philips shall use reasonable efforts to extend to Customer the third party warranty for the product.

10.7 The obligations of Philips described are Philips only obligations and Customer's sole and exclusive remedy for a breach of a product warranty.

10.8 THE WARRANTIES SET FORTH HEREIN WITH RESPECT TO A PRODUCT (INCLUDING THE SOFTWARE PROVIDED WITH THE PRODUCT), ARE THE ONLY WARRANTIES MADE BY PHILIPS IN CONNECTION WITH THE PRODUCT; THE SOFTWARE, AND THE TRANSACTIONS CONTEMPLATED BY THE QUOTATION, AND ARE EXPRESSLY IN LIEU OF ANY OTHER WARRANTIES, WHETHER WRITTEN, ORAL, STATUTORY, EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, ANY WARRANTY OF NON-INFRINGEMENT, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

10.9 Philips may use refurbished parts in the manufacture of the products, which are subject to the same quality control procedures and warranties as for new products.

11. Philips Remote Services Network (RSN).

11.1 Customer will:

11.1.1 provide Philips with a secure location at Customer's premises to store one Philips Remote Services Network Router and provide full and free access to this router, (or a Customer owned router acceptable to Philips) for connection to the equipment and to Customer's network; or

11.1.2 provide Philips with outbound internet access over SSL; at all times during the warranty period provide full and free access to the equipment and the Customer network for Philips use in remote servicing of the product, remote assistance to personnel that operate the products, updating the products software, transmitting automated status notifications from the product and regular uploading of products data files (such as but not limited to error logs and utilization data for improvement of Philips products and services and aggregation into services).

11.2 Customer's failure to provide such access will constitute Customer's waiver of the scheduled planned maintenance service and will void support or warranty coverage of product

malfunctions until such time as planned maintenance service is completed or RSN access is provided.

11.3 Customer agrees to pay Philips at the prevailing demand service rates for all time spent by Philips service personnel waiting for access to the products.

12. Transfer of System.

12.1 In the event Customer transfers or relocates the System, all obligations under this warranty will terminate unless Customer receives the prior written consent of Philips for the transfer or relocation.

12.2 Upon any transfer or relocation, the System must be inspected and certified by Philips as being free from all defects in material, software and workmanship and as being in compliance with all technical and performance specifications.

12.3 Customer will compensate Philips for these services at the prevailing service rates in effect as of the date the inspection is performed.

12.4 Any System which is transported intact to pre-approved locations and is maintained as originally installed in mobile configurations will remain covered by this warranty.

13. Limitation of Liability.

13.1 THE TOTAL LIABILITY, IF ANY, OF PHILIPS AND ITS AFFILIATES FOR ALL DAMAGES AND BASED ON ALL CLAIMS, WHETHER ARISING OR RELATING TO BREACH OF CONTRACT, BREACH OF WARRANTY, NEGLIGENCE, INDEMNITY, STRICT LIABILITY OR OTHER TORT, OR OTHERWISE, ARISING FROM A PRODUCT, LICENSED SOFTWARE, AND/OR SERVICE IS LIMITED TO THE PRICE PAID HEREUNDER FOR THE PRODUCT, LICENSED SOFTWARE, OR SERVICE GIVING RISE TO THE LIABILITY.

13.2 THIS LIMITATION SHALL NOT APPLY TO:

13.2.1 THIRD PARTY CLAIMS FOR DIRECT DAMAGES FOR BODILY INJURY OR DEATH TO THE EXTENT CAUSED BY PHILIPS NEGLIGENCE OR PROVEN PRODUCT DEFECT;

13.2.2 CLAIMS OF TANGIBLE PROPERTY DAMAGE REPRESENTING THE ACTUAL COST TO REPAIR OR REPLACE PHYSICAL PROPERTY TO THE EXTENT CAUSED BY PHILIPS NEGLIGENCE OR PROVEN PRODUCT DEFECT;

13.2.3 OUT OF POCKET COSTS INCURRED BY CUSTOMER TO PROVIDE PATIENT NOTIFICATIONS, REQUIRED BY LAW, TO THE EXTENT SUCH NOTICES ARE CAUSED BY PHILIPS UNAUTHORIZED DISCLOSURE OF PHI; and

13.2.4 FINES/PENALTIES LEVIED AGAINST CUSTOMER BY GOVERNMENT AGENCIES CITING PHILIPS UNAUTHORIZED DISCLOSURE OF PHI AS THE BASIS OF THE FINE/PENALTY, ANY SUCH FINES OR PENALTIES SHALL CONSTITUTE DIRECT DAMAGES.

14. Disclaimer.

14.1 IN NO EVENT SHALL PHILIPS OR ITS AFFILIATES BE LIABLE FOR ANY INDIRECT, PUNITIVE, INCIDENTAL, CONSEQUENTIAL, EXEMPLARY OR SPECIAL DAMAGES, INCLUDING WITHOUT LIMITATION, LOST REVENUES OR PROFITS, BUSINESS INTERRUPTION, LOSS OF DATA, OR THE COST OF SUBSTITUTE PRODUCTS OR SERVICES WHETHER ARISING FROM BREACH OF CONTRACT,

BREACH OF WARRANTY, NEGLIGENCE, INDEMNITY, STRICT LIABILITY OR OTHER TORT.

15. Force Majeure.

15.1 Philips and Customer shall each be excused from performing its obligations (except for payment obligations) arising from any delay or default caused by events beyond its reasonable control including, but not limited to: acts of God, acts of third parties, acts of any civil or military authority, fire, floods, war, embargoes, labor disputes, acts of sabotage, riots, accidents, delays of carriers, subcontractors or suppliers, voluntary or mandatory compliance with any government act, regulation or mandatory direction, request, shortage of labor, materials or manufacturing facilities. For clarity, Customer requests shall not be considered 'government' requests under this section.

Philips system specifications are subject to change without notice.