#### REBATE AGREEMENT

This Rebate Agreement (this "Agreement") is dated effective as of the first day of February 2012 between Tyco Healthcare Group LP (d/b/a Covidien), a Delaware limited partnership having a place of business at 15 Hampshire Street, Mansfield, Massachusetts 02048, acting through the Venous Vascular division of its Vascular Therapies business ("Covidien"), and West Penn Allegheny Health System, having its principle place of business at Four Allegheny Center Pittsburgh PA 15212, as well as any owned and/or managed facilities listed on Schedule I attached hereto, subject to additions and deletions pursuant to Section 5 below (collectively, "Customer").

- 1. <u>Definitions</u>. As used in this Agreement, the following terms shall have the meanings specified below:
  - a. "Authorized Distributors" means distributors that are authorized by Covidien to sell Products to Customer under this Agreement and which agree to comply with the terms and conditions of Covidien's Distributor Policies and Procedures.
  - b. "Compliance" means, with respect to each Category listed on Exhibit A, for each Contract Year, the percentage determined by dividing (i) the Members' aggregate Net Purchases of the Products included in such Category from Covidien during such Contract Year by (ii) the Members' aggregate requirements of such types of products and/or services during such Contract Year.
  - c. "Category" means each of the categories of Products listed on <u>Exhibit A</u> attached hereto. Each Category shall include those Products listed under such Category on such Exhibit A.
  - d "Contract Year" means the 12-month period commencing upon the first day of the term of this Agreement and each consecutive succeeding 12-month period during the term of this Agreement.
  - e. "Net Purchases" means the total purchase price paid by Customer to Covidien for Products purchased under this Agreement, net of returns, allowances, credits, rebates, taxes, freight, and insurance. To the extent that Customer purchases Products under this Agreement through Authorized Distributors, the Net Purchases of such Products shall be based on the purchase price, net of returns, allowances, credits, rebates, taxes, freight, and insurance, paid by the Authorized Distributor to Covidien and shall not include any service fees or mark-ups charged by the Authorized Distributor to the Customer.
  - f. "Products" means the products listed on Exhibit A attached hereto.
- 2. <u>Term.</u> Unless terminated sooner in accordance with the provisions of this Agreement, the term of this Agreement shall commence on the Effective Date and continue for a period of three (3) years.

- 3. <u>Pricing.</u> Covidien shall sell Products to the Customer at the prices mutually agreed upon by the parties from time to time during the term of this Agreement.
- 4. Rebate. Customer agrees that Compliance for each of the Categories shall be at least ninety-five percent (95%) at all times during the term of this Agreement (the "Purchasing Commitment"). Each Contract Year hereunder that Customer meets the Purchasing Commitment in a particular Category (each, a "Compliant Category") throughout such Contract Year, Covidien shall pay Customer a rebate equal to five percent (5%) of Net Purchases of Products for such Contract Year. Any rebate earned pursuant to this Section shall be delivered annually within ninety (90) days after the last business day of the Contract Year to which it applies. Customer will be eligible to participate in or receive a rebate under any other Covidien rebate or incentive program during the term of this Agreement with respect to the Products. However, such rebates shall not be cumulative with any rebate offered hereunder, and rebates earned through other programs with respect to the purchase of Products may reduce or nullify the rebate offered hereunder.
- Membership Changes. To the extent applicable, Customer shall give written notice to Covidien of any deletion of a facility from its group of Members within thirty days (30) days of such deletion Deleted Members shall not be covered by, nor participate under, this Agreement from and after the effective date of deletion specified in such written notice. No facility may be added as a Member hereunder without the prior written consent of Covidien.
- 6. Payment Terms. Purchases made directly from Covidien hereunder (and not through an Authorized Distributor) shall be subject to Covidien's Direct Customer Policies and Procedures, which include, but are not limited to (a) payment terms of net thirty (30) days from the date of each invoice and (b) a \$90 charge on any direct order in an amount of less than \$500. Covidien reserves the right to modify its Direct Customer Policies and Procedures upon sixty (60) days prior written notice. Payment terms for purchases made through Authorized Distributors shall be negotiated by Customer and the Authorized Distributor.
- 7. <u>Delivery Terms</u>. Products purchased directly from Covidien hereunder shall be shipped FOB destination. Delivery terms for Products purchased through an Authorized Distributor shall be negotiated by Customer and the Authorized Distributor. Covidien shall not be liable for any losses suffered by Customer as a result of any failure or delay in the delivery of any Products.
- 8. <u>Termination</u>. Either party may terminate this Agreement as follows:
  - (a) if the other party commits a material breach of any of the provisions of this Agreement and does not cure such breach within thirty (30) days after receipt of written notice thereof;
  - (b) immediately upon written notice to the other party in the event that proceedings in bankruptcy or insolvency are instituted by or against the other party, or a receiver is

appointed, or if any substantial part of the assets of the other party is the object of attachment, sequestration or other type of comparable proceeding, and such proceeding is not vacated or terminated within thirty (30) days after its commencement or institution; or

(c) without cause by giving the other party at least sixty (60) days' prior notice of such termination.

Notwithstanding the foregoing, termination of this agreement shall not terminate any Royalty Free License Agreements between the parties regarding the license of equipment, which may be terminated only pursuant to the terms thereof.

- 9. Excusable Delays. If the performance of any obligation, except payment of moneys due, is prevented, delayed, restricted, or interfered with in any way by reason of any Act of God, fire, flood, explosion, failure of machinery, strikes, lockouts, or labor trouble, supply of fuel, power, materials, containers or transportation, or any other act or condition whatsoever beyond the reasonable control of the affected party, the party so affected, upon giving prompt notice to the party to whom the performance is due, shall be excused from such performance to the extent of such interference. Each party shall use reasonable efforts to remove or resolve such interference with performance as promptly as reasonably possible.
- 10. <u>Discontinuation</u>. In the event any business or product line related to the Products covered by this Agreement is sold or otherwise divested by Covidien, or any Product is discontinued, all rights and obligations hereunder with respect to the Products of such divested or discontinued product line shall automatically terminate upon the effective date of such discontinuance, sale or divestiture.
- 11. <u>Assignment</u>. Customer shall not assign this Agreement in whole or in part without the prior written consent of Covidien. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their successors and permitted assigns.
- 12 Notices. All notices required or permitted by this Agreement shall be in writing and shall be directed to the appropriate party at their respective addresses set forth above or such other address as a party may, from time to time, designate by notice to the other party.
- 13. Treatment of Rebates. Any discount, rebate, free goods or other reduction in price received as a result of the purchase of products under this Agreement may involve a discount or other reduction in price under federal law at 42 U.S.C. §1320a-7B(b)(3)(A) and regulations issued thereunder. Customer is responsible for reporting and/or providing information on all discounts, rebates or reductions in price to reimbursement agencies (including Medicare and Medicaid) and other entities in accordance with all applicable laws and regulations including the provisions of the discount safe harbor exception at 42 C.F.R. §1001 952(h). Customer agrees that it shall promptly disclose and appropriately reflect any discount, rebate or other reduction in price as may be required under Medicare or any other federal or state health program. Covidien agrees that it shall provide all reasonable additional information requested by Customer in order to allow Customer to meet its applicable

reporting or disclosure requirements and shall refrain from doing anything that would otherwise impede Customer from its reporting and disclosure requirements.

If the services provided by Customer using the products purchased hereunder require the reporting of costs on a cost report, then Customer must claim the benefit of the discount in the fiscal year in which the discount is earned or the following year and must fully and accurately report the discount in the applicable cost report. If the services are reflected in a cost report or based on charges through the submission of a fee for service claim, Customer agrees to provide information documenting the discount upon request of the Secretary of the U.S. Department of Health and Human Services or by the appropriate state agency.

- 14. No Diversion. During the term of this Agreement, Customer shall (i) purchase all Products directly from Covidien Companies or Authorized Distributors, and (ii) not resell any Products to any third party. Customer shall not be entitled to receive any rebates hereunder if Customer violates the terms of this Section.
- 15. Confidentiality. Customer shall keep confidential and not disclose to any third party the terms of this Agreement
- 16. Entire Agreement. This Agreement constitutes the entire agreement between the parties hereto regarding the subject matter hereof and supersedes all previous negotiations, agreements and commitments with respect thereto, and shall not be released, discharged, changed or modified in any manner except by instruments signed by duly authorized representatives of each of the parties hereto. Notwithstanding the foregoing, this agreement does not amend the terms of any Royalty Free License Agreements between the parties regarding the license of equipment. No terms and conditions printed on any purchase order or other document submitted by Customer to Covidien in connection with the transactions contemplated by this Agreement shall be of any force or effect, and are hereby expressly rejected by Covidien. All purchases of Products shall be governed exclusively by the terms and conditions set forth herein. If any provision of this Agreement or the application thereof to any party or circumstance shall be declared void, illegal or unenforceable, the remainder of this Agreement shall be valid and enforceable to the extent permitted by applicable law. In such event, the parties shall use commercially reasonable efforts to replace the invalid or unenforceable provision by a provision that, to the extent permitted by applicable law, achieves the purposes intended under the invalid or unenforceable provision.
- 17. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument.

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed as of the date first written above.

TYCO HEALTHCARE GROUP LP	WEST PENN ALLEGHENY HEALTH SYSTEM
By: 1. Soft /levzmin	By: Ruled J. Pgg
Name: J. Scott Heinzelman	Name: Robert Pezzia
Title: Region Manager	Title: Director

## CATEGORIES

- SCD<sup>TM</sup> Sequential Compression System A-V Impulse System® ImPads<sup>TM</sup>

### PRODUCTS

## SCD<sup>IM</sup> SEQUENTIAL COMPRESSION SYSTEM

	DESCRIPTION	ITEMS / CASE	PRICING
ITEM NO.		5	\$90.00
5329 / 9529	Knee Length - Medium		\$150.00
5489 / 9789	Knee Length - Large		\$276,15
9790	Knee Length - X-Large	3	\$181.88
5330 / 9530	Thigh Length – Regular	5	
	Thigh Length - Small	5	\$177.03
5345 / 9545	Thigh Length - Large	3	\$137.74
5480 / 9780	SCD Tubing	i	\$47.96
6328 / 9528		5	\$110.00
74021	Comfort Knee - Small		\$110.00
74022	Comfort Knee - Medium		\$165.00
74023	Comfort Knee - Large	5 1	\$100.00

# A-V Impulse System® ImPads<sup>im</sup>

	DESCRIPTION	ITEMS / CASE	PRICING
ITEM NO.		4	\$226.79
5065	Rigid Sole - Regular Pair	<del></del>	\$226.79
5075	Rigid Sole - Large Pair		\$271.60
5107	Rigid Sole – Extra Large Pair	4	32/1.00

### SCHEDULE I

#### MEMBERS

Allegheny General	Pittsburgh, PA	342260	550102
Allegheny General	Pittsburgh, PA	342260	550109
AUMC	Natrona Hgts, PA	342292	559277
Canonsburg General	Canonsburg PA	342186	549971
Forbes Regional	Monroeville, PA	338503	546003
Suburban General	Pittsburgh, PA	342173	549965
West Penn	Pittsburgh, PA	342274	550253