

## DISTRIBUTION and LICENSE AGREEMENT

Between

Prof. Dr. Panagiotis Theo Pappas  
26, Markopoulioti St.  
11744 Athens  
(Further called PTP)

and

Alpha.Omega.Group GmbH  
Am Rainberg 5  
5020 Salzburg  
(Further called AOG)

### I. RECITALS

PTP is founder and manufacturer - via his assigned manufacturing companies - of the medical-technical device PAP IMI and is holder of an American and an European patent as well as PCT-international patent for this device.

PTP and/or assigned by him manufacturing Co and AOG agree that AOG will be given a license under PTP patents and AOG may obtain after its initiative and expenses a CE Medical approval under the regulations of European Community (or other appropriate Medical approval for CH) for distribution in the German Speaking Countries FOR APPLICATIONS among those indications in Appendix A. The parties agree - if considered necessary by AOG, the PAP IMI device will be externally finished by AOG. The parties also agree that trademark "PAP IMI" will be retained exactly the same, with additional and optional names according to the various approved as above application fields. The external housing of the device may be different according to the considered needs for the field of approved application.

PTP will become member and shareholder 25% of AOG as well as of the new company IMEC GmbH & Co.KG (Ion Medical Engineering & Consulting GmbH & Co.KG), that will be founded for the distribution of PAP IMI devices. PTP will have the right to audit IMEC GmbH & Co.KG and AOG.

AOG will initiate and finance medical studies in Germany and/or Austria, and/or else

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FN 356721 - UID-NR: ATU 42775402  
BANKVERBINDUNG: SALZBURGER SPARRASSE - BLZ 20404

**Service- und Beratungsges.m.b.H.**

PAP IMI Representanz und Distribution

Gut Oberdruckentann

Spumberg 19

A-5421 Adnet bei Salzburg

Tel.: (+)43-(0)6245-717 03-0

Fax: (+)43-(0)6245-717 08-18

Email: a.o.g.austria@aon.at

where leading to a CE Medical approval and/or an appropriate CH Medical approval. The parties agree that all the existing and available Medical results concerning PAP IMI as well as the results of the Medical studies that will be initiated by AOG will always be communicated at all times among the parties.

II.  
GRANTS

PTP grants to AOG an exclusive distribution-license and/or finishing external part-production-license under PTP patents as stated above for the German Speaking Market (Germany, Austria, Switzerland) for the CE and/or CH Medically legally approved by AOG in the fields among those in Appendix A.

In essence, AOG undertakes the obligation and right

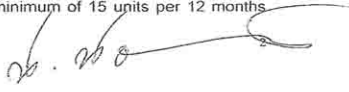
1. to issue under her name a CE and CH Medical legal approval as stated.
2. to provide the relevant CE and CH Medical approval and the same time the patent license sticker as stated for the PAPIMI device.
3. to seek medical research for a sought application leading to an approval as stated and under her expenses.
4. PTP undertakes the obligation to provide the technical non medical CE legal conformity via an EC-country.

PTP grants to AOG a non exclusive distribution-license and/or finishing external part-production-license under PTP patents as a special investigational device for the German Speaking Market (Germany, Austria, Switzerland) for those fields and for as long they are not "CE and/or CH Medically legally approved" among those in Appendix A.

IIa.  
MINIMAL CRITERIA AND PERFORMANCE  
AND TERMINATION

1. AOG should immediately initiate one ore more medical studies, after the first tranche of the requested Venture-Capital-money has been given to AOG.
2. AOG should buy within the first 12 months after signing this contract 15 devices from PTP.
3. In the subsequent years AOG should buy a minimum of 15 units per 12 months per legally approved by AOG application.

  
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 PAP IMI ...  
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 Email: a.o.g.austria@aon.at



4. AOG failing to buy a minimum of 15 units per 12 months per legally approved by AOG application, then AOG loses exclusivity for the particular approved application.

5. If all medical studies seeking approval are or become inactive or failed for one year, or, if AOG does not buy a total of 15 devices for one year the present agreement becomes expired.

Any third party may enter into an identical agreement as the present one with PTP, seeking a particular medical study for any application-field that is not approved and AOG has not initiated a relevant study or a serious material action towards a similar approval. AOG to prevent a third party from seeking an approval in a field of her interest, should communicate to PTP its substantial actions and studies towards this approval in her interest. Any expressed interest of AOG as stated in this paragraph which remains inactive or fails in one year may become subject of an identical agreement of a third party and PTP.

Identical agreement is meant an agreement which is similar to the present agreement and may only differ with respect to those points that are only irrelevant to the interests of AOG. The said identical agreement may differ to those points that will not be in conflict with the terms and conditions of the preset agreement; and may differ to those points that will not violate any of the relevant rights of AOG as they are specified with the present agreement.

The present agreement is the first of such possible agreements, to which any future agreement involving PTP should harmonize.

III.  
SALE OF EQUIPMENT

PTP or his assigned companies sell complete PAP IMI-units at Euro 16.500,- (sixteenthousand and fivehundred Euro) without the external housing or at Euro 19.800,- (nineteen thousand and eighthundred Euro) including the external housing upon request of AOG. AOG has to buy each unit they distribute only from PTP or his assigned companies . PTP shall use his reasonable efforts to deliver the equipment to AOG on the delivery date according to the orders of AOG. Delivery shall be made to AOG's office within thirty (30) days after order set in writing and sent by first by e-mail and second confirmed by letter or fax by AOG. All transportation, shipping and handling charges shall be paid by AOG. AOG bears all risk of loss or damage to the equipment after delivery to the transportation point (shipping or aviation).

PTP's above selling prices to AOG as listed above, will be reviewed every six months in case of substantial Euro-inflation or deflation (Substantial +/-Changes of Exchange or +/-Change of standard of livings with respect to Euro). PTP will not increase prices inequitably.

A.O.G. Service und Beratungen s.r.l.  
PAP IMI-Produktion  
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Stumberg 19  
3700 Scharnitz bei Salzburg  
Tel: (+43) 309 24 5 17 08-0  
Fax: (+43) 309 24 5 17 08-18  
E-mail: a.o.g.austria@aon.at

Handwritten signature and date: 20-21

IV.  
OPERATION OF THE EQUIPMENT

AOG shall be responsible for the operation maintenance of the equipment and will assist to execute the PTP'S two year warranty. AOG will issue and mail periodically instructions to their customers whenever it is necessary. AOG shall operate the equipment in a reasonably competent manner and in compliance with the operations manual for the equipment. AOG shall comply with all applicable rules, laws and regulations in connection with operation of the equipment. For the secure operation PTP will give his technical and specific Know-how to AOG.

V.  
INFRINGEMENT INDEMNITY

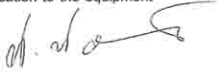
PTP will assist AOG against a claim that the equipment infringes other copyrights or patents, provided that: (a) AOG notifies PTP in writing within 30 days of the claim; (b) PTP and/or AOG have the control and duty towards the defense. AOG will provide all related finances for the settlement and negotiations; and (c) AOG provides the financial and other assistance, information and authority necessary to perform jointly obligations under this section. PTP shall have no liability for any claim based on use of equipment. PTP shall have no obligation at his expense to refund in whole or in part the fees paid for the equipment. This section 5 states, it is AOG's entire liability to secure non infringement, misappropriation or incorrect related claims.

VI.  
DISCLAIMERS AND WARRANTY

(a) PTP warrants to AOG that for the Warranty Period of 2 years the equipment will be free from material defects in materials and workmanship. This foregoing warranty is subject to the proper installation, operation and maintenance of the equipment performed by AOG, in accordance with installation instructions and the operating manual supplied to AOG. Warranty claims must be made by PTP if AOG fails to perform a light form of service. PTP delivers spare-parts to AOG and gives the Know-how to AOG to repair, replace or correct any such defect. For serious non repairable defects, PTP will replace the internal unit of the equipment. AOG will replace any external add on they had initially installed on the unit.

(b) Excluded from warranty are problems due to accidents, misuse, misapplication, storage damage, negligence or modification to the equipment or its components.

VII.  
NONDISCLOSURE



A.O.G. Service & Beratungsgesellschaft  
PAP IMI Representative and Distribution  
Gul Oberdruckentwurf  
Schnitzberg 19  
A-5421 Thal bei Salzburg  
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Email: a.o.g.austria@aon.at

By virtue of this agreement PTP and AOG have the obligation to communicate on three months basis all the relevant technical and medical information that is confidential or not confidential for the benefit of science, technique and medicine. Information shall include, but not be limited to, related terms under this agreement, the technical and other specifications for the equipment and all information clearly concerning medicine, technique and science.

AOG agrees to hold personal and confidential information in confidence. AOG agrees, that unless required by law, it shall not make confidential information available in any form or to any third party or to use confidential information for any purpose other than the implementation of this agreement. AOG agrees to take all responsible steps to ensure that confidential information is not disclosed or distributed by its employees, representatives or agents in violation of the terms of this agreement.

VIII.  
MISCELLANEOUS

- (a) This agreement and all matters arising out of or relating to this agreement, shall be governed by the European Law and shall be deemed to be executed in Athens, Greece.
- (b) Prices for equipment specified herein are exclusive of all city, state and federal taxes, including, without limitation, taxes on manufacture, sales, receipts, gross income, occupation, use and similar taxes. AOG agrees to pay such taxes directly or to reimburse PTP for all such taxes, whether imposed on equipment or on AOG in connection with this sale. Wherever applicable, such tax or taxes shall be added to the invoice as a separate charge on invoiced separately. AOG agrees to pay all personal property taxes that may be levied against equipment after the date of delivery.
- (c) The balance of receipts for delivery of equipment of PTP will have to be paid by AOG within thirty (30) days. To secure payment and performance of all AOG's obligations hereunder, PTP hereby retains title to equipment and a security interest therein until payment is full and performance by AOG of all said obligations. Failure of payment as indicated above will constitute a material breach of this agreement.
- (d) This agreement constitutes the complete agreement between the parties with respect to its subject matter and supersedes all prior contemporaneous agreements, understandings, representations, discussions, proposals, literature, and the like, written or oral. This agreement may not be modified or amended except in a writing signed by a duly authorized representative of each party; no other act, document, usage or custom shall be deemed to

*K. Kellmayer*  
 A.O.G. Service *Technische Anlagen*  
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*[Signature]* 5

amend or modify this agreement. It is expressly agreed that the terms of this agreement shall supersede the terms in any purchase order or other ordering document, if any.

- (e) This agreement shall be construed as to its fair meaning and not strictly for or against either party.
- (f) PTP shall not be deemed to be in default of any provision of this agreement or for failures in performance, resulting from acts or events beyond its reasonable control. Such acts shall include but not be limited to acts of God, civil or military authority, civil disturbance, war, strikes, fire, other catastrophes, labor disputes, parts shortages, or other events beyond PTP's reasonable control.
- (g) No action, regardless of form, arising out of this agreement may be brought by either party more than one year after the cause of action arose or in the case of non-payment, more than two years from the date of the last payment.
- (h) This agreement may be executed in counterparts and by fax.

A. Pappas 6/11/2001  
 Place/Date Place/Date

A. Pappas  
 Signature Prof. P. Pappas  
~~AOG~~

6.11.01  
Katja C. Schmidt  
 Signature Katja C. Schmidt I

APPENDIX A

The following applications are included in the exclusive license for distribution in the German Speaking Countries:

> Breast Cancer

AOG  
21.01.03  
 G.B. Service- und Beratungsges.m.b.H.  
 2 AP für Repräsentanz und Distribution  
 Gut Oberdörfelmann  
 Kapfenberg 18  
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 Fax: (+43) (0) 3245-717 00-10  
 Email: a.o.g.austria@mcn.at



- Intestine Cancer
- Prostate Cancer
- Arthrosis
- Rheumatism
- Bone Fractures
- Burnings
- Scars
- Neurodermitis
- AIDS

*ad. ad a*



*G. Blumelt*