

## **TERMS AND CONDITIONS OF PURCHASE**

All claims for damaged goods and shortages are the responsibility of the seller regardless of shipping terms. If shipping terms are not specified on a purchase order, the terms default to F.O.B. Destination.

F.O.B. Destination: The seller, at his own expense and risk, must transport the goods to a named destination.

F.O.B. Ship Point: The seller, at his own expense and risk, must tender goods at a named ship point. For purchase orders placed F.O.B. Ship Point, all backorders must be shipped F.O.B. Destination.

All shipments involving additional freight expense must be approved in advance by Stradis Healthcare. Unless notified by the buyer, the shipment should follow normal agreed routing instructions.

Vendor must acknowledge every order with definite delivery dates. Do not acknowledge with "A.S.A.P." or other indefinite dates. Unless otherwise stated, all purchase orders are void after 90 days from the date of the purchase order.

If a vendor is unable to meet a delivery date or obtains information that an order may be at risk for failing to meet a delivery date, Stradis Healthcare must be notified immediately.

If items are not purchased at your most favorable price, regardless of quantity, notify Stradis Healthcare in writing.

On unfilled portions of a purchase order, if the price goes down, Stradis Healthcare, at its option, can elect to take the entire product at the new lower cost or be allowed to cancel the remaining contract.

The seller waves all minimum and special handling charges unless specifically agreed to in writing by Stradis Healthcare.

Payment terms begin upon the later of: the receipt of the invoice, the receipt of the goods or service, or the earliest delivery date specified in the body of the purchase order. Cash discounts will be calculated based upon receipt of the goods or service or receipt of the invoice, whichever is later. All goods are subject to inspection upon arrival notwithstanding any prior payment or prepayment.

All invoices must clearly state the Stradis Healthcare purchase order number and Stradis product numbers. When an invoice is billing for multiple purchase orders it must clearly state each

purchase order number and the associated quantities, product numbers and amounts being billed. An invoice without this information will not be considered as having been received.

Each shipment must be accompanied by a packing list. The packing list must clearly state the purchase order number, quantities, descriptions and the Stradis Healthcare product number of each item being shipped. For multiple purchase orders the packing list must clearly delineate the items and quantities being shipped against each purchase order. Any shipment without such packing list will not be considered received.

Overshipments and substitutions will not be paid for unless Stradis Healthcare accepts in writing.

Rejected material will be returned for full credit including transportation charges both ways plus any additional expenses incurred by Stradis Healthcare. Rejected material is not to be replaced except upon receipt of written instructions from Stradis Healthcare.

The seller warrants and agrees that it has complied with all applicable governmental laws and regulations with respect to this order and also agrees to protect Stradis Healthcare, its successors, assigns and customers and to users of the goods, from all costs and damages arising from patent infringements, property damage, personal injury or death arising out of the purchase and/or use of the goods, material or services.

The seller expressly warrants that the goods shall be merchantable within the meaning of the laws (Uniform Commercial Code and applicable State and Federal laws) in effect on the date of this order. In addition to all warranties which may be prescribed by law, the goods shall conform to specifications, drawings and other descriptions and shall be free from defects in material and workmanship. The seller also warrants that to the extent the goods are not manufactured pursuant to detailed designs furnished by Stradis Healthcare that they will be free from defects in design. Such warranties, including warranties prescribed by law, shall run to Stradis Healthcare, its successors, assigns, customers and to the users of the goods for a period of one year after delivery unless otherwise stated. All warranties shall be construed as conditions as well as warranties. No waiver of a breach or of any provision of the order shall constitute a waiver of any other breach or provision.

Stradis Healthcare reserves the right to collect and use aggregate data for vendor scorecarding.

No modification of this agreement is valid unless approved in writing by Stradis Healthcare.