

SALES POLICIES, TERMS AND CONDITIONS

I. GENERAL POLICIES

1. Purchase of any products sold by Centurion Medical Products Corporation (CMP) shall be subject to and expressly limited by the terms and conditions contained herein. These terms and conditions supersede all prior and contemporaneous oral and written representations, warranties, communications and agreements regarding the products. CMP reserves the right at any time to amend these terms and conditions. Additional special terms and conditions of CMP may not be applicable with respect to certain products.
2. Order acceptance. All orders are subject to acceptance at the corporate office of CMP at the address listed below, and shall not be binding until so accepted in writing or by actual shipment, whichever occurs first. No changes or cancellations may be made by the Buyer after an order has been accepted by CMP without written consent of CMP. CMP may terminate, cancel or refuse to fill any order or purchase order from Buyer at any time upon notice to Buyer.
3. Contingencies. CMP shall not be liable for any failure or delay in the fulfillment of any order due to events beyond its reasonable control, including but not limited to, Buyer's instructions or lack of instructions, strikes, shortage of material, accidents, fire, terrorist attacks, flood, or other acts of God.
4. Changes or Cancellations. All prices, sales policies, and conditions of sale are subject to change without notice. All quotations on "special make orders" and "bid business" automatically expire in thirty (30) days unless otherwise stated.
5. Warranties and Disclaimers. CMP WARRANTS TO BUYER THAT ALL PRODUCTS MANUFACTURED BY CMP AND FURNISHED HEREUNDER WILL BE MERCHANTABLE OF GOOD MATERIAL AND WORKMANSHIP AND WILL BE MANUFACTURED AND SOLD IN ACCORDANCE WITH ALL APPLICABLE FEDERAL, STATE AND LOCAL LAWS AND REGULATIONS. BUYER WARRANTS THAT THE PRODUCTS MANUFACTURED BY CMP MEET BUYER'S SPECIFICATIONS. THE FOREGOING WARRANTIES DO NOT APPLY TO PRODUCTS WHICH HAVE BEEN MISUSED OR INADEQUATELY STORED. THE PRECEDING WARRANTIES ARE EXCLUSIVE AND THERE ARE NO OTHER WARRANTIES, REPRESENTATIONS OR STATEMENTS OF CONDITIONS, WHETHER ORAL, WRITTEN, EXPRESS OR IMPLIED, WITH RESPECT TO ANY GOODS SOLD, WHETHER AS TO MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.
6. Limitations of Liability. Notwithstanding anything in any order, purchase order or document to the contrary, CMP will not under any circumstances, whether as a result of breach of contract, breach of warranty, tort or otherwise be liable to Buyer or any third party for indirect, consequential, incidental, special or exemplary damages, including, but not limited to loss of profits or revenues, loss of use or damage to any associated equipment, cost of capital, cost of substitute products, facilities, downtime costs or claims of Buyer's customers. For a period of one (1) year from the date of delivery of the goods or products, CMP's liability on any claim of any kind for any loss or damage arising out of, resulting from or concerning any aspect of this agreement or from the goods furnished hereunder shall not exceed the price of the specific products delivered pursuant to this agreement which gives rise to the claim.
7. Indemnification. Buyer shall indemnify, defend, hold harmless and reimburse CMP and its shareholders, officers, directors, employees, agents, representatives, successors and assigns for and against any loss, liability, claim, interest, cost, penalty, expense and damage of any kind (including, but not limited to, reasonable attorneys' fees) claimed by any third party for personal injury, including death, arising from or in connection with Buyer's negligence or intentional conduct of Buyer, its agents, employees, affiliates or other representatives in any way relating to this agreement or the products sold hereunder.
8. Governing Law/Jurisdiction/Venue. This agreement shall be construed and governed in accordance with the internal laws of the State of Michigan, without regard to its conflicts of law provisions. CMP and Buyer agree that any litigation arising out of this agreement shall be brought only in federal and state courts sitting in Ingham County, Michigan and CMP and Buyer consent to the jurisdiction of said courts and each waive their right to transfer or change venue.
9. Anti-Kickback. If and to the extent any discount, credit, rebate or other purchase incentive is paid or applied by CMP with respect to the goods purchased hereunder, such discount, credit, rebate or other purchase incentive shall constitute a "discount or other reduction in price," as such terms are defined under the Medicare/Medicaid Anti-Kickback Statute, on the goods purchased by Buyer hereunder. CMP and Buyer agree to use their best efforts to comply with any and all

SALES POLICIES, TERMS AND CONDITIONS

requirements imposed on sellers and buyers, respectively, under 42 U.S.C. § 1320a-7b(b)(3)(A) and the “safe harbor” regulations regarding discounts or other reductions in price set forth in 42 C.F.R. § 1001.952(h). In this regard, Buyer may have an obligation to accurately report, under any state or federal program which provides cost or charge based reimbursement for the goods or services covered by these Terms and Conditions of Sale, the net cost actually paid by Buyer.

10. Waiver of Jury Trial. CMP AND BUYER EACH VOLUNTARILY, KNOWINGLY, IRREVOCABLY AND UNCONDITIONALLY WAIVE THEIR RESPECTIVE RIGHT TO TRIAL BY JURY IN ANY LITIGATION WITH REGARD TO THE PRODUCTS, INCLUDING, WITHOUT LIMITATION, CUSTOMER’S FAILURE TO PAY THE PURCHASE PRICE THEREFOR.
11. Attorneys Fees and Costs. Buyer will be liable for and pay to CMP, upon demand, a sum equal to all attorney’s fees, court costs and expenses incurred by CMP as a result of Buyer’s breach or default of these terms and conditions, including, without limitation, Buyer’s failure to fully and timely pay the purchase price for goods and products.

II. PRICE, PAYMENT AND DELIVERY TERMS

1. Price terms. Prices in effect at time of order will apply.
2. Payment terms. Credit Card orders will be billed, and credit cards charged, at time of order acceptance. Orders on account with CMP will be invoiced upon order shipment with payment terms Net 30, unless otherwise stated on face of invoice. If a credit card or other fee-based, third-party payment method is used to settle invoices, cash discount terms will not be allowed.
3. Taxes. Prices quoted do not include sales, use, excise, or other taxes. All such taxes will be added as separate items to our invoices and paid by the customer. CMP reserves the right to add such taxes if appropriate exemption certificates are not on file at CMP Headquarters. CMP reserves the right to charge customers for back taxes if an exemption was improperly used. Whether or not such taxes appear on this invoice, Buyer is responsible for payment of all taxes imposed on the sale of goods or products.
4. Incoterms. All shipments are “Free Carrier (FCA) Destination ICC Incoterms 2000, Freight Prepaid & Add” unless otherwise specified per agreement with Buyer. Extra freight charges may be added to invoice if expediting or extra handling is required unless CMP

has not fulfilled its part of the specified agreement. These charges will not apply if special delivery is a result of CMP error.

5. Title/Security Interest. Title to goods shipped shall pass to the customer upon payment in full for such goods to CMP by Buyer.
6. No Offsets. Buyer cannot set-off, offset or contra any amounts due CMP for any reason, including, without limitation, Buyer’s belief it is entitled to credit for alleged unsatisfactory or non-conforming goods or products.

III. CREDIT AND RETURNS

1. Returns Authorization. All returns must have prior authorization from a CMP Sales or Customer Service Representative, who will advise Buyer of the proper mode of transportation for the return shipment. Authorization will be valid for thirty (30) days. CMP will authorize the return of all products in salable condition with the following exceptions:
 - Products not purchased from CMP.
 - Products purchased more than three (3) months prior to the return request.
 - Products that are regulated hazardous chemicals or reagents.
 - Special or custom products made to customer specifications.
 - Products returned in defaced or other than original packaging.
 - Drug products that are shipped outside the United States (re-import prohibited).
 - Kits containing Pedigree products or products with temperature restrictions.
2. Returns Information. Each return must include the following:
 - Purchaser name and address.
 - CMP invoice number.
 - Purchaser purchase order number.
 - Quantity, catalog number and description of item(s).
 - Reason for return.
3. Restocking fee. All returns not due to CMP error will be subject to a minimum of 15% restocking/handling fee.
4. Credit. Full credit is issued only when due to CMP error. Requests for such must be made within sixty (60) days of invoice date. The following limitations apply:
 - NO CREDIT will be issued for unauthorized returns or for product that has deteriorated due to



SALES POLICIES, TERMS AND CONDITIONS

excessive shelf life or mishandling, or that is unsalable due to damage by transportation company.

- Credit will be issued only for product as sold, in full case only and in original packaging.
- Credit will be issued by credit memo once authorized return is received and condition assessed.

5. **Damage and Shortage.** Merchandise damaged in shipment should be refused and reported at time of delivery to both CMP and transportation company. Shortages should be noted at time of delivery on the carrier's receipt, and communicated immediately to CMP.

IV. SPECIAL CONTRACTS

1. Notwithstanding Paragraph I, 1 above, all of the terms above are secondary to terms under special contract.