

MED-ENG Holdings ULC
GENERAL PURCHASE ORDER
TERMS AND CONDITIONS

1.0 ENTIRE AGREEMENT

This order, together with any written documents, which may be incorporated by specific reference herein, constitutes the entire agreement between the parties. Purchase Order #_____ is incorporated by reference into this agreement. No stipulations, representations or agreements by the Purchaser or any of its officers, agents or employees shall be binding on the Purchaser unless contained in this order or incorporated herein by reference as above provided. If the terms of this order conflict with any understandings, transactions and communications or writings of the Vendor, including without limiting the generality of the foregoing, the Vendor's invoices, and regardless whether they originated or are dated before or after this order, the terms of this order shall prevail.

2.0 CHANGES

Upon notice to the Vendor the Purchaser may change quantities, delivery schedules and/or specifications in respect of any part or parts of the goods, work, services or related material (collectively referred to in this purchase order as "goods") not yet delivered by the Vendor. In respect of such goods not completed and delivered prior to such notice, the Vendor shall be entitled to be reimbursed for the actual direct cost to the Vendor of such uncompleted goods; provided that such cost shall not exceed the amount otherwise payable by the Purchaser pursuant to this order for the affected goods; and further provided that the Vendor shall have no claim for damages, compensation, loss of profits, allowance or otherwise resulting directly or indirectly from such changes made by the Purchaser.

3.0 PRICE

Unless otherwise indicated, the prices set forth in this order are in Canadian dollars. This order shall not be filled at prices higher than indicated on the face hereof unless otherwise agreed to by the Purchaser in writing. If the price is not stated on this order, the subject goods must not be billed at a price higher than that last paid without 90-day written notice to the Purchaser and an appropriate response to the Purchaser's "non-acceptance" letter pertaining to said proposed price increase.

4.0 INVOICES/PACKING SLIPS

Canadian Vendors must furnish two copies of invoices for each billing, and each shipment must contain a packing slip. Foreign Vendors must forward in quadruplicate properly certified Canadian Customs Invoices along with a Packing Slip on the same day that shipment is made together with such other documentation which may be reasonably required by the Purchaser. All invoices shall set out the amount of the Goods and Services Tax and other taxes payable on the order as well as the Vendor's GST registration number.

5.0 CASH DISCOUNT

If there shall be a cash discount period granted to the Purchaser as agreed between the parties, this period shall date from the date of receipt of the subject goods or the invoice for same, whichever is later. Interest fees, if any, must be agreed to in writing by the Purchaser and shall date in the same

prescribed manner used for cash discount periods. Failure to agree to interest charges shall result in no interest being payable by the Purchaser.

6.0 DELIVERY

Unless otherwise indicated, all shipments and deliveries of the subject goods shall be F.O.B. their intended destination and title to such goods shall pass only upon receipt and acceptance of same by the Purchaser. In the event that there is reason to believe prior to the required delivery date that such delivery cannot or will not be made, the Purchaser reserves the right to cancel such order at that time free of any claim or liability to the Vendor. The Purchaser's rights of cancellation hereunder shall be in addition to any other rights which it may have in respect of such failure, including, without limitation, the right to obtain alternative sources of supply for the undelivered goods and the amendment of this order in accordance with the delivery of such alternate supplies. In such event, any additional price and direct costs or expenses relating thereto incurred by or on behalf of the Purchaser shall be borne by the Vendor.

7.0 RISK

The subject goods shall remain the responsibility of and at the risk of the Vendor until such goods are actually received and accepted by the Purchaser. In the event of the rejection of such goods after delivery to the Purchaser the subject goods shall immediately thereafter be again the responsibility and the risk of the Vendor. The Vendor shall be responsible for all packing and all shipping costs relating to subject goods and shall be liable for all damages, costs and expenses resulting from problems relating thereto.

8.0 INSURANCE

The Vendor shall provide insurance coverage in respect of the subject goods for such periods, in such amounts, on such terms as the Purchaser shall reasonably direct and shall provide proof of same upon request by the Purchaser.

9.0 INDEPENDENT CONTRACTORS

The Vendor is a contractor independent of the Purchaser and does not have any authority to bind the Purchaser to any third party or otherwise to act in any way as the representative of the Purchaser unless otherwise expressly agreed to in writing by the Purchaser.

10.0 WARRANTY

The Vendor warrants title to the subject goods, conformance thereof to the specifications and description, the good condition of goods upon receipt by the Purchaser, the quality of goods purchased and that the said goods will be fit for the particular purpose for which they are purchased. If the goods or any part of them are found to contain any defect due to faulty design, materials or workmanship the Vendor shall, within a reasonable period of time be notified of such defect by the Purchaser and the Vendor shall, at the Vendor's expense, make good the defect by repair or replacement. The Purchaser reserves the right to return for full credit all rejected goods and any goods received in excess of quantity specified. In either case all transportation costs and other expenses paid by the Purchaser shall be reimbursed to it by the Vendor. The foregoing warranty shall not be waived in whole or in part as a result of any inspection or pretesting conducted by or

on behalf of the Purchaser or any third party.

11.0 INTELLECTUAL PROPERTY

The Vendor represents and warrants to the Purchaser that the goods purchased hereby or referred to herein do not constitute infringements of any Patents, Trade Marks, Industrial Designs, Copyrights or Trade Secrets, and the Vendor shall indemnify the Purchaser against any claims or damages, liabilities, costs or expenses for such infringements. The Purchaser shall indemnify the Vendor against any similar claims based on the use of models, plans, designs or similar matters which have been supplied to the Vendor (but such shall at all times remain the sole property of the Purchaser) on behalf of the Purchaser for the execution of this order. All intellectual property rights in any work products created for Med-Eng Holdings ULC, including all patents, trademarks, copyrights, trade secrets and industrial designs, shall be the exclusive property of Med-Eng Holdings ULC..

12.0 CONFIDENTIAL INFORMATION

All information pertaining to the business and affairs of each of the parties hereto and obtained as a result of or in respect of the relationship between the parties relating to this order shall be kept and maintained in confidence and treated as confidential information.

13.0 COMPLIANCE WITH LAWS

The Vendor represents and warrants to the Purchaser that the subject goods comply with all laws, statutes, regulations or codes in force in Canada. In the event that the Purchaser determines that such is not the case, then the Purchaser shall have the right to immediately terminate or modify this order and immediately acquire from alternate sources any or all of the subject goods and the relevant quantity of the subject goods to be purchased from the Vendor pursuant to the order shall be decreased accordingly. Further, the Vendor shall indemnify and save harmless the Purchaser from and against all costs and expenses incurred by the Purchaser in respect of the securing of an alternate source of supply and shall reimburse the Purchaser immediately upon the delivery of any invoice by the Purchaser.

14.0 INDEMNITY

The Vendor hereby indemnifies and holds harmless the Purchaser from and against all damages, costs, expenses, charges, losses, demands or liabilities whatsoever and including, without limit, claims of third parties, arising from or incidental to any failure by the Vendor to perform and discharge its obligations and liabilities herein in respect of the subject goods, including without limitation, breach of any warranties provided herein; provided however that this indemnity shall not apply to the extent of any damages, costs, expenses, charges, losses, demands or liabilities whatsoever resulting from the negligence of the Purchaser or its representatives. This indemnity is in addition to and shall not affect any other indemnity referred to herein.

15.0 SET-OFF

The Purchaser shall be entitled at all times to set-off any amount owing by the Vendor to the Purchaser against any amount payable by the Purchaser or an affiliate of the Purchaser in connection with this order or any other order

between the Vendor and the Purchaser or an affiliate of the Purchaser.

16.0 TERMINATION

In the event that the Vendor fails to meet its obligations pursuant to these terms and conditions, makes any misrepresentation or breaches any warranty or obligation to the Purchaser, makes a general assignment for the benefit of its creditors, files a petition in bankruptcy or is adjudicated as a bankrupt, or has a receiver and/or manager or a trustee appointed over its assets or part thereof for the benefit of one or more creditors of the Vendor then this order may at any time thereafter be immediately cancelled in part or in whole at the Purchaser's option upon the delivery of written notice of same by the Purchaser to the Vendor.

17.0 ASSIGNMENT

The Vendor may not assign this order without the prior written consent of the Purchaser, which may NOT be unreasonably withheld.

18.0 GOVERNING LAW

This order and these terms and conditions shall be governed by and construed in accordance with the laws of the Province of Ontario, Canada, and no action or proceeding in relation thereto or arising therefrom shall be initiated against the Purchaser except in the Courts of Law of Ontario to whose jurisdiction the Vendor hereby attorns. The United Nations convention on contracts for the international sale of goods shall not apply to this contract.

19.0 TIME

Time is of the essence hereof.

20.0 NOTICE

All notices required to be given under this order shall be and are deemed properly given on the day of such notice if given by personal service or on the fourth business day after the date of mailing of such notice if sent by mail, postage prepaid.