CardinalHealth

Rev 04-2022 - Canada

PURCHASE ORDER TERMS AND CONDITIONS ("TERMS")

The Purchase Order transmitted to you electronically or attached to or included with these Terms (collectively, the "PO") is expressly subject to Seller's agreement to these Terms. This PO shall constitute a binding contract upon the earlier of Seller's acceptance of the PO or Seller's performance of any portion of this PO, whether by delivery of Goods or performance of services, as applicable. Only a valid PO defined under these Terms shall constitute a binding contract. Cardinal Health objects to all additions, exceptions, or changes to the PO, whether contained in any printed form of Seller or elsewhere, unless such terms are expressly approved by Cardinal Health in writing. There may be no substitutes or variations from specifications or instructions, or partial shipments, without the prior written approval of Cardinal Health.

1. Definitions. For purposes of this PO, the term (i) "Goods" means all goods (including associated documentation) and services provided by Seller under this PO, (ii) "Cardinal Health" means Cardinal Health Canada Inc.; and (iii) "Seller" means the entity or person identified as the seller or vendor in the PO.

2. Conflicts and Priority. In the event of a conflict between the terms of these Terms and the terms of any previously existing written agreement between the parties relating to the subject of this PO ("Existing Agreement"), the conflicting terms and conditions of the Existing Agreement shall control, unless a PO or valid change order expresses specific intent to supersede the terms of the Existing Agreement. Unless otherwise agreed, if an Existing Agreement is silent on subject matter covered by the terms of these Terms, the terms and conditions of these Terms shall control. The PO consists of the following documents, listed in their order of priority in the event of a conflict: (i) any change orders to the PO signed by Cardinal Health; (ii) the PO which identifies the Goods; (iii) these Terms; and (iv) any exhibits or schedules incorporated into the PO. Additional or different terms contained in Seller's acceptance, quote, proposal, terms and conditions or similar documents shall not supersede or become a part of the PO unless expressly agreed to in writing and signed by Cardinal Health. Except where an Existing Agreement has been executed by the parties, this PO constitutes the entire agreement between the parties with respect to the Goods and/or services reflected in this PO. This PO may not be modified without Cardinal Health's written consent.

3. Pricing and Payment. Seller shall invoice Cardinal Health the purchase price specified in this PO ("Purchase Price") after delivery of the Goods to Cardinal Health or performance of the services, as applicable. Unless otherwise indicated, all references to dollar amounts in this PO are expressed in Canadian currency. Unless otherwise agreed to by the parties, subject to the acceptance of the Goods and/or services by Cardinal Health at the facility stated in the PO, payments shall be made via electronic funds transfer within sixty (60) days from the end of the month of the later of Cardinal Health's receipt of: (i) Goods or (ii) Seller's correct invoice for the Goods. If Cardinal Health notifies Seller that amounts owed by Seller to Cardinal Health resulting from rebates, chargebacks, or any other credits exceed amounts owed by Cardinal Health to Seller, Seller will remit payments for such amount by check or wire transfer within thirty (30) days of receipt of such notice. Cardinal Health may set off any claims against Seller or any of Seller's affiliates against any money due to Seller. Cardinal Health may withhold all or part of payment if Cardinal Health disputes Seller's compliance with the terms of this PO. Cardinal Health's payment of this PO is not acceptance of the Goods. The PO number must appear on all invoices, notices and packing materials. Seller's price shall include all taxes, except sales taxes. Seller shall make any claims for unpaid fees, invoices, or other amounts owing to it, within ninety (90) days of the earlier of (A) the date of Seller's first invoice for such amounts or (B) the date on which the alleged payment obligation accrued. If Seller fails to make a claim within the foregoing time period, then Cardinal Health will not be obligated to make payments for or to investigate such claims.

4. Administrative/Distribution Fees of Goods. Seller agrees to abide by Cardinal Health's then current "Cardinal Health Canada Supplier Reference Manual". If applicable, for certain Goods, Cardinal Health shall deduct a mutually agreed upon administrative/distribution fee. Cardinal Health will set off any chargeback/rebate amounts Seller owes Cardinal Health against amounts Cardinal Health owes Seller. Unless otherwise agreed, the above-referenced set off will occur daily or as determined by Cardinal Health in its sole discretion. Cardinal Health will provide Seller with a monthly chargeback/rebate detail report each time it exercises its set off rights hereunder. All such set off of chargeback/rebate amounts shall be deemed to be valid and accepted unless Seller presents denials of the chargeback/rebates within 2 weeks of Cardinal Health taking the deduction, in such cases the denials must be resolved by mutual agreement within ninety (90) days after Cardinal Health taking the deduction.

5. Electronic Data Interchange ("EDI"). EDI compliant Sellers shall, in addition to any EDI transactions which are required under Cardinal Health's then current "Cardinal Health Canada Supplier Reference Manual", maintain the systems necessary and accurately use the following transaction sets in the required Cardinal Health EDI format:

(i) Purchase Order (EDI #850): Transmitted by Cardinal Health to Seller and received electronically by Seller without data entry; (ii) Invoice (EDI #810): Received electronically by Cardinal Health from Seller without data entry; (iii) Advanced Shipment Notice or ASN (EDI #856): Transmitted by Seller to Cardinal Health when shipment leaves Seller's facility; and (iv) PO Acknowledgment (EDI #855): Received electronically by Cardinal Health from Seller without data entry. Revised ship dates on backordered items must be included in the EDI #855 document in order to give Cardinal Health and its respective customers improved visibility.

6. Returns. Unless otherwise agreed to by the parties, Seller shall on a quarterly basis, accept any return from Cardinal Health salable Goods, with no restocking fee. "Salable" Goods is defined as undamaged Goods in their original sealed shipping cartons. In addition, Cardinal Health may return to Seller Goods that are: (i) defective or nonconforming; (ii) returned to Cardinal Health by customer; (iii) samples, demo Goods, or Goods that were sent to Cardinal Health for testing; or (iv) subject to a Goods recall or product withdrawal (in any case "Returned Goods"). Cardinal Health will manage Returned Goods as follows: Seller will be charged the greater of the purchase price of the Goods or the current Goods cost. All Returned Goods are ExWorks Cardinal Health's dock. Returned Goods will be shipped with all costs and expenses billed back to Seller, including but not limited to, return freight charges, any applicable customs clearance and duties, and taxes. In the event Seller does not want Cardinal Health to send Returned Goods, Cardinal Health may process Returned Goods by recycling, disposal, salvage, liquidation, re-sell or donation as Cardinal Health may determine in its sole discretion. Cardinal Health reserves the right to charge Seller all additional charges to cover costs of recycling, disposal, salvage or other means of destruction, as applicable.

7. Service Level. Seller shall maintain a monthly Service Level (as defined herein) of ninety-eight percent (98%) for all Goods ordered by Cardinal Health. "Service Level" is defined as the percentage of Goods received on-time against Goods ordered by Cardinal Health. For clarity, "on-time" shall mean the requested delivery date as set forth in the PO or as otherwise mutually agreed upon by the parties. Expected supply disruptions will be communicated by the Seller in advance in writing to both Cardinal Health's Marketing and Supply Chain contacts.

8. Order Minimums. Seller shall not impose any requirement for minimum quantities in regard to any item or order placed hereunder unless otherwise agreed to by the parties.

9. Freight Terms and Shipping Practices. Freight terms are as indicated on the PO. For all shipments where the Seller is responsible for transportation to the agreed destination, Seller shall retain the risk of damage to and/or loss of the Goods until acceptance of delivery pursuant to Section 13. For all shipments where Cardinal Health is responsible for transportation to the agreed destination, Cardinal Health shall retain (i) the risk of damage to and/or loss of the Goods until delivery is complete, as per the applicable delivery term; and (ii) the right to determine the carriers to be used for shipment to the agreed destination. The responsibilities for export clearance at origin and import clearance at destination shall be determined in accordance with the applicable delivery terms for each shipment. Seller must comply at Seller's expense with any packing and shipping instructions issued by Cardinal Health. Seller is responsible for risk of loss or damage to the Goods caused by packing. Seller is responsible for additional costs caused by Seller's failure to comply with shipping instructions. Seller must give Cardinal Health immediate notice of its anticipated failure to meet the shipment or delivery schedule. Seller agrees that Goods shall have no less than twelve (12) months of dating prior to the expiration date or no less than fifty percent (50%) of shelf-life remaining of such Goods, whichever is greater, at the time they are delivered to Cardinal Health (or to the customer, for direct (drop) shipments).

10. Delivery Time. DELIVERY TIME SPECIFIED IN A PO FOR SHIPMENT AND/OR DELIVERY OF PRODUCT IS OF THE ESSENCE AND IF SUCH PRODUCT IS NOT SHIPPED AND/OR DELIVERED WITHIN THE TIME SPECIFIED, CARDINAL HEALTH RESERVES THE RIGHT, AT ITS OPTION AND WITHOUT LIMITATION, TO CANCEL THE PO AND/OR REJECT ANY PRODUCTS DELIVERED AFTER THE TIME SPECIFIED. In addition to the aforementioned remedy, Cardinal Health may exercise any other remedies provided for in the attached **Exhibit A** ("Offset Fees") or provided by law. For greater clarity, in order to ensure efficient supply chain processes regarding inbound Product shipments from Seller to Cardinal Health, a fee structure for non-compliance will be implemented as per **Exhibit A**. Cardinal Health will charge an Offset Fee by way of an invoice or deduction from any accounts receivable to Seller. Acceptance of any Product shipped after or before the specified delivery time shall not be construed as a waiver of any of Cardinal Health's rights or remedies resulting from the untimely shipment. Seller shall inform Cardinal Health immediately of any actual or anticipated failure to ship all or any part of a PO or the exact Good called for in a PO on the shipment date specified. Nothing in the foregoing shall derogate from any of the rights and remedies of Cardinal Health under this PO, at law or equity, including Cardinal Health's right to cancel shipment, or to reject or revoke acceptance of Product.

11. Grant of Distributorship. Seller hereby appoints Cardinal Health as a non-exclusive distributor of the Goods in Canada and Cardinal Health accepts such grant for the Term and on the conditions stated within this PO. Seller acknowledges and agrees that (i) Cardinal Health is not prohibited from using, selling, manufacturing or promoting other products which are competitive with the Goods and (ii) Cardinal Health has no volume commitments or purchase requirements, nor marketing or promotional obligations of any kind.

12. Title and Risk of Loss. Title to and risk of loss of the Goods shall pass to Cardinal Health upon delivery and acceptance of the Goods pursuant to Section 13. Title to the Goods shall be free and clear of all liens and encumbrances. For greater clarity:

a. For domestic and international shipments, Seller will adhere to responsibilities defined in Incoterms (current version) for the corresponding Incoterm issued under this PO.

b. For international shipments where Cardinal Health bears the cost of freight, Seller will create timely bookings only with Cardinal Health designated carriers, and when and where applicable/requested, via Cardinal Health designated forwarders/booking agents.

c. For international shipments where Cardinal Health is importer of record, Seller will conform to the following requirements: (i) The consignee's name will be per the PO or other written agreements or instructions between the Seller and Cardinal Health. No form or variation of "PO", "Bearer", or "Surrender" Bills of Lading where the original Bill of Lading needs to be surrendered by the consignee to claim the cargo are permissible; (ii) Immediate communication to Cardinal Health and our designated carrier and freight forwarder/booking agent of any issues which will cause a vessel to be missed; (iii) Timely and accurate submission of ASN (Advanced Shipment Notice) data as directed by Cardinal Health. Fines, penalties, or other costs associated with no, late, or mis-filing of the necessary documents will be the responsibility of Seller; (iv) Seller is responsible for the timely, accurate, and compliant submission/filing of the Safety of Life at Sea Verified Gross Mass ("SOLAS VGM") data per local requirements. Fines, penalties, or other costs resulting from no, late, or mis-filing/submission will be the responsibility of Seller; (v) Timely delivery of all documentation required to clear destination customs and other government agencies to Cardinal Health (e.g., packing list, bill of lading, commercial invoice, certificate of origin, quality documents, etc.) at Seller's expense; and (vi) abiding by minimum requirements as per Customs legislations, for example, all Seller's commercial invoices must include proper description of the item, Cardinal Health's item number, Canadian Harmonized System (HS) Code, country of manufacture and date of direct shipment. Failure of any of the aforementioned requirements will incur additional fees to be bill to Supplier by Cardinal Health. Documents need to be received by Cardinal Health no later than five (5) business days after the vessel sails origin port. For expected transit times fewer than nine (9) days,

documentation is to be received by Cardinal Health at least two (2) days prior to the vessel's arrival at the destination port.

13. Acceptance and Rejection. All Goods purchased under this PO are subject to Cardinal Health's acceptance. Cardinal Health's count of Goods will be conclusive on shipments not accompanied by a packing slip. Cardinal Health reserves the right to reject, refuse acceptance of, or revoke acceptance of, any Goods. Cardinal Health shall be allowed the later of a reasonable period of time or thirty (30) days to inspect and accept the Goods and to notify Seller of any nonconformance within the terms and conditions of the PO. Payment for any Goods under this PO shall not be deemed to be acceptance of the Goods. Cardinal Health's inspection or acceptance of the Goods shall not (i) relieve Seller of its obligation to comply with the terms of the PO, including without limitation all applicable warranties, or (ii) be conclusive with respect to latent defects, fraud or gross mistakes. Rejected Goods may be returned to Seller or held by Cardinal Health for replacement of such rejected or returned Goods, in either event, at Seller's risk and expense. No rejected or returned Goods shall be replaced without Cardinal Health's written approval. If Seller fails to promptly replace or correct any Goods to Cardinal Health's satisfaction, Cardinal Health may purchase or replace the same and Seller shall be liable to Cardinal Health for any additional cost or expense thereby incurred by Cardinal Health.

14. Warranties. a. Seller warrants that all Goods delivered pursuant to this PO shall (i) be new (unless otherwise expressly agreed in writing), (ii) be free of design, material and workmanship defects, (iii) be fit and safe for the intended purpose, (iv) not infringe the intellectual property rights of any third party, (v) conform to the PO, (vi) be delivered free and clear of any liens and encumbrances, (vii) have been or will be produced in compliance with the Canada Labour Code, as amended from time to time; and (viii) conform to any statements made on the containers or labels or advertisements for such Goods.

b. Seller warrants that all services performed pursuant to this PO shall be performed in a professional and workmanlike manner, with requisite care, skill and diligence, in accordance with industry standards by individuals who are appropriately trained, experienced and qualified.

c. Seller further represents, warrants and certifies that it shall maintain in full force and effect all applicable licenses, authorizations, registrations and qualifications necessary to perform its obligations hereunder.

d. Seller's standard warranties or other rights or warranties which Cardinal Health may be entitled to shall survive any delivery, inspection, acceptance, payment or resale of the Goods, and shall extend to Cardinal Health and its customers. Seller shall repair, replace or re-perform, at its expense (including any installation or transportation cost, where applicable), any defective or non-conforming Goods for a period equal to the longer of: (i) twelve (12) months from Cardinal Health's first use of the Goods, or (ii) such longer warranty period provided in Seller's standard or other agreed warranty period for such Goods. Cardinal Health's acceptance of the Goods shall not relieve Seller of its warranty obligations. If Seller fails to correct a defect within a reasonable period of time, or in the event of an emergency, Cardinal Health may repair or replace any defect in warranted Goods at Seller's expense. With respect to latent defects, fraud or gross error or mistake, Seller shall repair or replace, at Seller's expense, such defect irrespective of when the defect was discovered.

15. Failure to Timely Perform. If Goods are not shipped, delivered, or performed on time, or in the event of any other failure to perform this PO by Seller, Cardinal Health may, at its option, in whole or in part, and without waiving its claim for damages against Seller: (a) cancel the PO; (b) return all or a portion of the Goods to Seller at Seller's expense; or (c) obtain substitute Goods. In such event, Seller shall pay Cardinal Health the difference between the Purchase Price and the price paid by Cardinal Health for any substitute or replacement Goods. Cardinal Health shall use reasonable commercial efforts to mitigate the amount to be paid by Seller under this Section.

16. Compliance with Laws. Seller shall, at all times while conducting business with Cardinal Health, comply with all laws, rules, regulations, and ordinances related to its operations. Seller shall furnish to Cardinal Health any information required to enable Cardinal Health to comply with any applicable laws, rules, and regulations in its use of the Goods.

17. Confidentiality. Seller agrees (a) to protect the Confidential Information of the other with at least the same degree of care used to protect its own most confidential information; (b) not to use (except for the purpose described herein), publish or disclose to third parties such Confidential Information; and, (c) upon the request of the other party, to promptly deliver to the other party all written copies of its Confidential Information. "Confidential Information" shall include any information or material provided by Cardinal Health to Seller, unless such information is already known to the recipient at time of disclosure or is now or in the future becomes publicly known other than as a result of a breach of this Section. All devices, drawings, data, designs, reports, and other technical information provided by Cardinal Health remains the sole property of Cardinal Health and no right to such property is granted to Seller except to the limited extent necessary to perform this PO.

18. Termination. Cardinal Health may, for cause or for its convenience, terminate or cancel all or any part of the PO upon notice to Seller. Upon termination, Seller shall immediately stop work on the terminated portion of the PO. If such termination is for a reason other than breach of this PO by Seller, Seller shall submit to Cardinal Health an invoice with supporting information setting forth the Purchase Price for Goods delivered prior to the notice of termination, or in the case of services, a pro-rated amount of the Purchase Price based on the percentage of services performed prior to termination. The terms and conditions of Section 14 (Warranties), Section 17 (Confidentiality), Section 19 (Indemnification) and Section 20 (Limitation of Liability), shall survive the termination of the PO and/or the expiration of the PO by virtue of delivery and acceptance of the Goods under the PO.

19. Indemnification. Seller shall defend, indemnify and hold Cardinal Health, its successors, assigns, officers, directors, and employees harmless with respect to all fines, penalties, claims, liability, damage, loss and expenses, including reasonable attorney's fees, environmental claims or liabilities, which are related to, caused by, or arise in connection with: (i) any claim where the Good is alleged to have caused or contributed to the damages, injuries or death, provided that this indemnification does not extend to injuries, damages or death to the extent caused by gross negligence or reckless disregard on the part of Cardinal Health; (ii) defects in the Goods or other non-conformance of the Goods to the terms of this PO; (iii) breach of any provision of this PO including breach of warranty; (iv) failure to deliver the Goods on a timely basis, including Cardinal Health's cost to cover; (v) failure of the Goods to meet the requirements of the applicable federal, provincial, and local law, ordinances, regulations, rules, declarations, interpretations and orders law, (vi) fraud, negligence or willful misconduct of Seller, (vii) any claims by Seller's employees against Cardinal Health, and (viii) any recall of Goods, except to the extent that any of the foregoing arise from the negligence or willful misconduct of Cardinal Health. In the event of a claim under this Section, Cardinal Health may at its option cancel this PO or defer acceptance of the balance of the Goods ordered until the claim is resolved. If Cardinal Health is enjoined from use of the Goods, Seller shall, at Cardinal Health's option, either procure for Cardinal Health the right to continue using the Goods, replace the Goods with substantially equivalent Goods, modify the Goods so as to be usable by Cardinal Health, or repurchase the Goods at the price set forth in this PO. With respect to claims against Cardinal Health by Seller's employees, Seller agrees to expressly waive its immunity as a complying employer under applicable workers' compensation laws, but only to the extent that such immunity would bar or affect recovery under or enforcement of this indemnification obligation.

20. Limitation of Liability. CARDINAL HEALTH SHALL NOT BE LIABLE FOR ANY INCIDENTAL, INDIRECT, SPECIAL, PUNITIVE, CONSEQUENTIAL DAMAGES OR LOST PROFITS. CARDINAL HEALTH'S TOTAL LIABILITY UNDER THIS PO SHALL IN NO EVENT EXCEED THE PURCHASE PRICE.

21. Set-off. Without limiting Cardinal Health's rights under law or in equity, Cardinal Health and its affiliates, parent or related entities, may exercise a right of set off against Seller for any and all amounts due to Seller or its affiliates, parent, or related entity by Cardinal Health, including, but not limited to, amounts under this PO or subsequent agreement.

22. Requirements for On-Site Activities. While on Cardinal Health's premises, Seller, its agents, employees, subcontractors, or assigns: (i) shall comply with Cardinal Health's then current policies with respect to conduct of visitors; (ii) shall display a Cardinal Health-issued identification badge and act in a professional manner at all times; and (iii) shall enter only those portions of the premises as approved by Cardinal Health.

23. Insurance. a. If Seller is supplying Goods, Seller shall maintain products liability insurance with a minimum limit of $10,000,000 per claim for domestic purchases, and a minimum $5,000,000 per claim for international purchases.

b. If Section 27 herein applies, Seller shall maintain cyber liability insurance, including data privacy and security coverage covering negligent acts and omissions in connection with this PO, with a minimum limit of $5,000,000 per claim.

c. At any time while Seller is on Cardinal Health's premises, Seller shall (i) comply with applicable Workers' Compensation laws and maintain Employer's liability insurance with limits of $1,000,000 each accident and shall waive subrogation rights against Cardinal Health for workers' compensation benefits; (ii) maintain commercial general liability insurance with limits of not less than $2,000,000 each occurrence; and, (iii) if using owned, non-owned, or hired vehicles to perform this PO, maintain commercial automobile liability insurance with limits for bodily injury and property damage of not less than $2,000,000 each accident. Cardinal Health, Inc., its subsidiaries and affiliates shall be named as an additional insured under the Commercial General Liability and Auto Liability policies described above.

d. Policies written on a claims-made basis shall be maintained for five (5) years after performance of the PO is completed. If requested by Cardinal Health, Seller shall provide Cardinal Health with an acceptable certificate of insurance evidencing the insurance required under this PO. Policies shall be issued by insurance carriers with an A.M. Best Rating of at least A- VII. Any such certificate of insurance must state that the insurance carrier has issued the insurance specified, that such policies are in force, and that the insurance carrier will give Cardinal Health thirty (30) days prior written notice of any material change in, or cancellation of, such policies.

24. Publicity. Seller will not make any press release or other public announcement without the Cardinal Health's express prior written consent, except as required under applicable law or by any governmental authority, in which case the party required to make the press release or public disclosure shall use commercially reasonable efforts to obtain the approval of the other party as to the form, nature and extent of the press release or public announcement prior to issuing the press release or making the public announcement.

25. Miscellaneous. Seller shall be an independent contractor of Cardinal Health in the performance of this PO. Seller and Cardinal Health agree that they are not, and shall not be held out as, partners of the other party in the conduct of any business, or otherwise as a member of a joint venture or joint enterprise with the other party. The operations of Seller are subject to the sole control of Seller, and no employee, contractor or personnel of Seller is or will be considered an employee or contractor of Cardinal Health. Seller may not assign this PO without Cardinal Health's prior written consent. No waiver by either party of any default shall be deemed a waiver of any subsequent default. If any provision of this PO is held to be invalid, such invalidity shall not affect the remaining provisions of this PO. This PO shall be governed by the laws of the Province of Ontario without reference to conflicts of law principles.

26. Quality Agreement and Cardinal Health Vendor Policies. Seller shall enter into and abide by a Quality Agreement with Cardinal Health. Cardinal Health is committed to doing business in a legal, ethical and socially responsible manner. To maintain these standards, Cardinal Health desires to do business with those vendors whose practices are consistent with Cardinal Health's ethics and principles of business conduct. Reflecting this commitment, Seller represents and warrants that it, and all of its applicable employees, directors, officers, agents, representatives and subcontractors, shall comply with all Cardinal Health supplier policies and procedures, as may be changed from time to time, at http://www.cardinalhealth.com/en/about-us/corporate-citizenship/ethics-and-governance.html or a successor site. Seller further represents and warrants that it complies with the standards set forth in the Cardinal Health Vendor Code of Conduct found at: https://www.cardinalhealth.com/content/dam/corp/web/documents/Policy/cardinal-health-vendor-

code-of-conduct-policy.pdf or a successor site and/or the Cardinal Health Global Human Rights and Labor Standards Policy found at https://www.cardinalhealth.com/content/dam/corp/web/documents/Policy/cardinal-health-global-human-rights-and-labor-standards.pdf or a successor site. Cardinal Health encourages Vendors, Suppliers and Sellers to report potential violations of our Cardinal Health Vendor Code of Conduct, our Standards of Business Conduct, or any laws or regulations to Cardinal Health's Business Conduct line at www.businessconductline.com or call 1.800.926.0834.

27. Information Security Requirements. a. Access Control. Seller must ensure that controls are in place to govern access to development, test, and production systems; including their supporting infrastructure. Seller must ensure that access to specific system capabilities is restricted to those with a job function that requires such access and that appropriate separation of duties are enforced. The controls and access assignments must be periodically reviewed to ensure the access remains appropriate.

b. Anti-Virus & Other Protective Measures. Seller must ensure that systems, applications, network components, and other computing devices are protected from malicious activity by implementing the appropriate controls such as anti-virus, firewalls, and intrusion prevention systems. Additionally, the appropriate environmental and physical security controls must be implemented to ensure that information and information systems remain secure.

c. Information Management. Seller must ensure that it follows industry best practices to protect the confidentiality, integrity and availability of Cardinal Health information. Seller must ensure that its partners follow Cardinal Health's security requirements when storing or processing Cardinal Health information.

d. Vulnerability Management. Seller must ensure that information regarding technical vulnerabilities is obtained in a timely manner, evaluated for its relevance and potential impact to the organization's assets, and appropriate measures taken to address the associated risk.

e. Monitoring Activity. Seller must ensure that audit logs recording user activities, exceptions, and information security events are produced as required and retained for an appropriate period of time to assist in access control monitoring.

f. Information Security Incidents. Seller must ensure that responsibilities are clearly defined and the necessary procedures are in place to ensure a quick, effective, and orderly response to information security incidents. Seller must notify Cardinal Health immediately if a security breach involving Cardinal Health data occurs.

28. Custom Allocation and Operational Costs. **a.** Seller may request Cardinal Health to ensure certain supply constrained product is allocated to a specific list of customers ("Custom Allocation"). Cardinal Health will work collaboratively with Seller upon Seller's request for Custom Allocation, provided that Cardinal Health reserves the right to apply a service fee for each Custom Allocation ("Custom Allocation Fee") in amounts as Cardinal Health may determine appropriate, in its sole discretion. Seller agrees to pay all applicable Customer Allocation Fees as reasonably determined by Cardinal Health.

b. Cardinal Health may pass on to the Supplier a reasonable surcharge to reflect the increased costs of operations ("Operational Surcharge"). For greater clarity, in consideration of volatile costs due to various events, including, but not limited to, inflation, national or worldwide catastrophe, fuel or raw material supply shortages and/or pandemic or epidemic, that increases the operational costs of Cardinal Health, Cardinal Health shall have the right to charge to the Supplier the Operational Surcharge proportionate to the increased costs of operations.

EXHIBIT A

OFFSET FEES

Offset Type	Description	Offset Fee	Comments
Early	Early arrival more than 30 minutes	$ 125.00	Per Delivery
Late1	Late by 30 minutes to 1 hour	$ 125.00	Per Delivery
Late2	Late by 1 hour to 4 hours	$ 280.00	Per Delivery
Late3/ No Show	Late by 4 hours to 12 hours	$ 375.00	No request for rebook, supplier/carrier failed to contact Cardinal
Rebook	Carrier asked to rebook (outside grace period)	$ 375.00	For late appointments, rebook charges may apply if the shipment cannot be accommodated at time of arrival
ASN	Missing / Incorrect ASN	$ 150.00	Per PO. ASN needs to be available at time of apt request.
Appointment #	No apt# upon delivery	$ 375.00	Per Delivery
Short	Items Short on delivery	$ 125.00	Per PO
Over	Items Over on delivery	$ 190.00	Per PO
Wrong item	Wrong item on delivery	$ 125.00	Per PO
Missing Pack List	Missing or Wrong Pack List/BOL on delivery	$ 250.00	Per PO
Empty Trailers	Empty trailers not being picked up within 48 hours	$ 125.00	Per day beyond 48 hours
Other	Includes Wrong UOM, Damaged or any other problems	$ 95.00	Per PO and per types
Labour	Any extra labour required to correct other issues not mentioned in above offsets	$ 65.00	Per hour of labour required