

Distribution

Paladin Labs Inc. ("Paladin") products are distributed under a contractual agreement by Pharmascience Inc. Paladin will accept direct orders from hospitals, pharmacies, Government and authorized distributors.

To order, please contact Paladin's customer service department by phone at 1-866-340-1112, by fax at 1-866-340-7221 or by email at customerservicepaladin@paladinlabs.com.

The products listed are for sale only in Canada and are not for export. Exporting or permitting the export of these products is not permitted. Using or selling these products in the United States or in other countries to which they are exported may violate laws or infringe intellectual property rights.

Paladin will place on back order file any items temporarily out-of-stock and supply these items when stock becomes available, unless the Purchaser specifically instructs otherwise before such goods are shipped.

Prices

Orders will be filled at the prevailing prices in effect at the time the order is processed and are subject to change without notice. In the event of a price reduction we are unable to grant credit for stock on hand.

Payment Terms

Terms are from the date of invoice. Paladin reserves the right to hold orders for customers with past due balances.

- Payment terms for all Paladin pharmaceuticals: Net 30 Days
- Payment terms for Cerumol[®], Unisom[®], Kaopectate[®], Anacin[®], Anbesol[®], Auralgan[®], Zincofax[®], Temptra[®], Vagisense[™], Emtrix[®], Travelan[®] and Dermaklam[®]: 2% 10 Net 30 Days

Taxes

Any applicable taxes required by law will be added to the invoice.

Delivery Terms

All merchandise sold will be shipped FOB point of shipment. Shipping charges on all orders of \$75.00 or more will be prepaid by Paladin to any point in Canada including remote locations. Carrier selection is predetermined by Paladin. Any customer may request delivery by special means. In such cases, the cost difference will be charged to the customer.

Delivery of Back-Ordered Narcotics and Controlled Substances

Paladin will make only one delivery per purchase order of narcotic products and controlled substances. Any back-ordered items listed on the purchase order received will be cancelled, and all purchase orders will be closed once processed. To re-order the cancelled back-ordered items a new purchase order for these items will be required.

Minimum Order

All orders of less than \$75.00 will incur a service charge of \$5.00.

Liability

Paladin and Pharmascience Inc. cannot be held responsible for any failure to fulfill any contract or supply of any material due to fires, explosions, labor disputes, interruption of transportation or any other causes beyond its control.

Return of Goods and Credit

Merchandise lost or damaged in traffic:

Claims for damages or shortages must be made to Paladin's customer service within 7 days from receipt of delivery. Any product damage and/or shortage should be noted on the delivery slip at the time of receipt by the receiver and countersigned by the agent of the transport company.

The damaged merchandise and supporting documentation from the transport company must be returned to Paladin. Upon receipt, Paladin will replace the damaged or lost merchandise and handle the claim directly with the carrier.

Products Eligible for Return, Exchange or Credit:

Return items are limited to expired merchandise in original packaging. A Return Authorization Number must be obtained from Paladin Credits and Returns department before returning any product. Customers returning any narcotic or controlled drug must obtain written approval from Paladin Credits and Returns department before doing so. Narcotics and controlled drugs will be credited by the exact count.

Paladin will accept product for credit based on the following criteria:

1. Expired products returned prepaid to Paladin within one year after the expiration date in its original packaging.

2. Part Bottles/Packages must be at least 1/4 full:
 - 0 to 24% part bottle – no credit
 - 25 to 49% part bottle – 25% of eligible amount
 - 50 to 74% part bottle – 50% of eligible amount
 - 75 to 99% part bottle – 75% of eligible amount
 - Full bottles/packages will be credited at 95% of eligible amount.

Credit will be based on the lesser of acquisition price or current list price.

Credits may be given for full or partial bottles of tablets, capsules and patches. Credits will only be given for full syringes, vials, ampoules, tubes, creams, liquids and other non-countable items.

Credit will be issued only if the amount to be credited exceeds \$25.00.

Credit will be issued only if product is returned by the original purchaser.

Products Not Eligible For Return, Exchange or Credit:

- Antizol®, Elaprase®, Firazyr®, Iclusig®, Replagal® and VPRIV®
- Unexpired product.
- Emergency Drug Release Product.
- Products not in their original packaging.
- Products sold originally on a non-returnable basis.
- Products which have been subjected to improper storage conditions or exposed to smoke, fire, water or involved in a liquidation or bankruptcy sale.
- Products requiring refrigeration except for Muse®.
- Products returned by anyone other than the original purchaser.
- Discontinued products greater than 12 months after notice of discontinuation.
- Expired products after 12 months of expiry.