



Terms and Conditions of Sale for Animal Health Products

These Terms and Conditions of Sale 1) govern all direct purchases of Animal Health Products sold by Intervet Canada Corp. (referred to as “the Company”) as of July 1, 2015 in Canada (“Product(s)”) inclusive of purchases by distributors (collectively, “Purchaser(s)”); 2) have precedent over any conflicting or inconsistent terms contained in any quotation, purchase order, acknowledgement, invoice or other document issued by anyone other than the Company and 3) may not be altered or amended by any other documents except as provided at Article 18 hereunder. Acceptance of the Company’s Product by Purchaser and/or the express or implicit acceptance of the present Terms and Conditions, either verbally or in written form, signify Purchaser’s acceptance of and agreement to be bound by these Terms and Conditions of Sale.

1. Payment Terms and Remittance

Terms of payment will be as specified on the Invoice and must be paid as specified from the date of Invoice.

Neither anticipation allowance nor interest for early payment of Invoices is available under any circumstances. Deductions for cash discounts resulting from an audit of Purchaser’s books and all other claims are unauthorized if made beyond twelve months from the original Invoice payment date or claim date.

In order to earn a cash discount for early payment or for any other reason, if and when applicable, Purchaser must send remittance to the lock-box address shown on the Company’s invoice. The Company recognizes the remittance as received only on the date the bank deposits the remittance into the Company’s bank account.

The Company may charge an amount equal to 1.5% per month (18% per annum) on the amount of any unpaid balance calculated from the date the payment is due until the payment is received in full by the Company. Such interest rates are subject to change without notice based on prevailing rates.

2. Standard Pricing

Prices for Products sold exclusive of all applicable taxes shall be as set out in the Company’s current price list at the time of sale by the Company. The Company reserves the right to increase or otherwise change prices for Products at any time without further notice. The Company will not accept claims for retroactive adjustment following price decreases.

3. Order Requirements

- 1) Unless the Company otherwise agrees in writing, the Company requires a minimum net order of \$1,250 and the minimum shipping units as specified in the Company’s current price list. Orders not conforming to the dollar minimum or unit pack sizes will be subject to a \$100 shipping and handling charge. The Company, at its sole discretion, may make exceptions to these requirements for new Product placement or for Products requiring special distribution or handling.
- 2) LIQUID NITROGEN CANS: A \$200 deposit will be charged per Liquid Nitrogen Can when the order is processed. The said deposit will be refunded upon receipt of the Liquid Nitrogen Dewar at our warehouse.

4. Order Acceptance Policy

All orders placed with the Company by Purchaser are subject to the approval of the Company. The Company may in its sole discretion refuse any order. The obligation of the Company to supply any Product is at all times furthermore subject to the condition that the Company is able to make or obtain a sufficient



supply of such Product. The Company shall not, under any circumstance, incur any liability whatsoever for any delays in delivery or any incapacity, inability, refusal or default to supply any Product.

Purchaser's receipt of an electronic or other form of order confirmation does not signify the Company's acceptance of Purchaser's order, nor does it constitute a confirmation of an offer to sell. Every effort will be made to ship orders in single lots; on occasion however, this may not be possible (for example, due to inventory shortage).

5. Shipping Instructions

Unless mutually agreed to by the Company and Purchaser, the Company will determine the time, route and carrier of all shipments.

6. Freight and Handling Charge

The Company will pay transportation costs, except those costs that result from special routing requested by Purchaser or that require special means. If special delivery services are requested, the difference between ordinary ground transportation charges and the charges for special delivery services will be added to the invoice.

7. Title and Risk of Loss

Title to the Products and risk of loss shall pass to the Purchaser upon delivery to the carrier. The Company shall not be responsible for Products in the possession of a carrier, and shall not be liable for any failure to deliver by the carrier, or loss or damage in transit and shall be under no obligation to replace Products so lost or damaged. All claims for failure to deliver, or for loss or damage in transit, must be made by the Purchaser against the carrier. At its sole discretion, the Company may assist the Purchaser in resolving certain carrier claims.

8. Incorrect Shipments

It shall be the Purchaser's responsibility to report any incorrect shipments, including any Products ordered in error, within 5 working days of the date of delivery, to the Company's Customer Service Department at 1-866-683-7838. The Company shall not be required to assume responsibility for any incorrect shipment reported by the Purchaser more than 5 days after the date of delivery.

9. Proof of delivery

Upon Purchaser's request, the Company will assist in providing Proof of Delivery, provided that said Purchaser's request is made within ninety (90) days from the date of invoice.

10. Returned Goods

Only Products purchased from the Company or a Distributor are eligible for return under this policy. Products returned under this policy must be returned to the entity from which they were purchased.

Products eligible for return and credit under this policy include the following, and must not be specifically listed hereunder as ineligible:

- Recalled Products
- Defective Products
- Expired products returned within 90 days after the expiry date
- Expired products from buying groups will have an additional 60 days or a total of 150 days for the return of product in consideration of the time needed to collect and process returns from their customers.



- Partial trays/packs will be allowed for the following “expired” vaccines only:

069092	Encevac-T w/Havlogen 10x1ml	036486	Prestige V w/Havlogen 10x1ml
035127	Encevac TC-4 w.Havlogen 10x1ml	094938	Prestige V + WNV 10x1ml
108144	Equinile 10x1ml	069141	Prodigy w/Havlogen 10x2ml
032396	EQUI-RAB w/Havlogen 10x1ml	069151	Super-Tet w/Havlogen 10x1ml
001968	Flu Avert I.N. 10x1ml	030791	Prestige II w/Havlogen 10x1ml
099895	Nobivac Lyme 25x1ds	065277	Nobivac Feline 2-FeLV 25x1ds

All returns must be accompanied with documentation identifying the Purchaser’s name, address, products name and product code, quantity of goods returned and reason for the return. All product returns must be approved by the Company’s Customer Service Department (call 1-866-683-7838) prior to return. Freight for return must be prepaid by the Purchaser.

Purchaser shall make returns to the following address:

Lynden International Logistics Co.
Attn: Merck Returns Dept
10 Corrine Court
Vaughan, On L4K 4T7

Eligible product returned under this policy shall be credited at 75% of the current list price. Buying groups shall be credited 100% for eligible expired product from their own inventory.

- These returns should be documented independently with their respective return authorization number (customer expired returns vs. inventory expired returns)

10.1 Short Dated products

Unless otherwise specified, short dated products purchased with (4) months and less before expiry, shall be credited at 100% of the invoiced price.

Products Not Eligible for Return and Credit

- Product returned AFTER 90 days following the expiry date;
- Product provided free of charge for any reason. This will include “free goods” received as part of any promotional offer;
- Products without original label;
- Products NOT expired;
- Products damaged by fire or water, obtained through bankruptcy, obtained illegally or by diversion, illegally imported into Canada or otherwise distressed;
- Products that have been unduly subjected to or exposed to extreme changes in temperature or improper storage conditions;
- Products not in their original package;
- Product expressly sold or given on a non-returnable basis;
- Partial bottles/cartridges/syringes not allowed with the exception of those listed above.
- Pesticide products

The Company reserves the right to deduct the shipping charge and applicable taxes from the credited transaction in the event that Products are not returned prepaid, and the Purchaser shall have no right to offset these amounts or any other amount due and owing to the Company, from any invoiced amount issued by the Company.



11. Reporting of Purchase Data

The Company's authorized distributors are required to report all Product sales (including historical sales data) to the Company and/or to any third party designated by the Company from time to time, such as Impact Vet, a division of AgData. Reports are to be provided in a format and at such intervals, as the Company may instruct from time to time. The information received by the Company will be held in confidence and used solely for the management of the Company's terms of sale and sales policies in compliance with applicable law (including legislation governing the privacy of personal information).

12. No Export or Trans-shipment for Export

The Products purchased from the Company may only be sold in Canada and are NOT FOR EXPORT. No license, express or implied, is granted with respect to these Products under intellectual property rights existing under the laws of the United States of America or any other country. Exporting, or permitting the export of these Products may violate laws and infringe intellectual property rights in other countries. Purchasers may not at any time either directly or indirectly export out of Canada any of the Company products. This includes not selling, facilitating the sale of, transferring, or distributing products to any person or entity whom the Purchaser has reason to believe, or reasonably ought to have reason to believe, will or may export the Company products out of Canada. In addition to all other rights and remedies available to the Company, the Company may, in its sole discretion, limit or refuse to make further sales to a Purchaser (and its affiliates) which fails to comply with this policy.

13. Breach of Terms and Conditions of Sale

Any breach of these Terms and Conditions of Sale may result in the Company refusing all further sales, or revoking its approval of sales by the Company authorized distributors, of the Company products to that person. Should the Company have reason to believe that a Purchaser is in breach of these Terms and Conditions of Sale, pending completion of any investigations it chooses to carry out, the Company reserves the right, in its sole discretion, to suspend or refuse further sales to a Purchaser, or if that Purchaser is supplied by the Company authorized distributors, to suspend or refuse its approval of sales by such distributors.

The Company shall have the right, without prior notice to the Purchaser, to inspect and audit all of the Purchaser's business, accounting and supporting records, which in the Company's reasonable opinion are necessary for purposes of determining the Purchaser's compliance with the Company's Terms and Conditions of Sale. The Purchaser shall fully co-operate with the Company and any parties hired by the Company to conduct any such inspection or audit.

14. Contract Modification

Under no circumstances shall the Purchaser unilaterally impose any terms, conditions, prices or extra charges upon the Company without its prior written consent and authorization.

15. Credit Policy

If the Company at any time reasonably doubts Purchaser's financial viability, the Company may decline to make shipments hereunder except upon receipt of cash payment in advance or security or other proof of financial viability satisfactory to the Company. Remedies provided herein shall be in addition to, and not instead of, other remedies available at law.

The Company reserves the right to refuse credit terms to any Purchaser that, in the Company's sole determination, does not disclose appropriate information including, without limitation, annual financial information. In addition, should the Company have reason to believe that the Purchaser, in the Company's sole discretion, is or intends to breach these Terms and Conditions of Sale, the Company reserves the right to immediately suspend any credit terms granted to Purchaser or refuse further sales to said Purchaser.



16. Force Majeure

Neither party shall be liable for delays, failure or omissions due to any cause beyond its control. Liability shall not attach no matter how causes beyond the parties control arise, and so long as the cause is not due to the parties own negligence and the cause cannot be overcome by the exercise of appropriate due diligence. Causes beyond a party's control include, but are not limited to, labor disturbances, riots, fires, earthquakes, floods, storms, disorders, hostilities, expropriation or confiscation of properties, failure or a delay of carriers, interference by civil or military authorities, whether legal or de facto, acts of God.

17. Exclusion of Course of Performance

No course of performance, course of dealing, or usage of trade shall be admissible to contradict, supplement or explain these Terms and Conditions.

Neither Purchaser nor the Company's acceptance or acquiescence in a course of performance or course of dealing under these Terms and Conditions shall be admissible to modify, waive, supplement, or explain these Terms and Conditions, even if that party is aware of the course of performance or course of dealing and has an opportunity to object to it.

18. Changes to Terms and Conditions of Sale

The Terms and Conditions of Sale set out in this document are subject to change, from time to time, at the Company's sole discretion with notice only for any material changes. Notice of any changes may be given to Purchaser by fax, e-mail or other electronic means. Any order for the Company products made after receipt of such a notice is subject to the Company's Terms and Conditions of Sale then in effect.

The Company shall not be held liable for failure to fulfill any contract or supply any material in full or in part. Furthermore, in no event shall the Company be liable to Purchaser for any special, indirect, incidental or consequential damages, including non-restrictively, lost business, revenues or profit or failure to realize expected savings, arising out of, or as the result of the Company's actions, inactions, omissions or negligent conduct.

Purchaser shall comply with federal, provincial, local and other applicable laws and regulations.

Purchaser shall not transfer, assign or subcontract any of its rights or obligations hereunder, without the Company's prior written consent. Purported transfer, assignment or subcontract by the Purchaser shall be binding on the Company, without such consent. The Company shall be entitled to assign any of its rights or obligations hereunder, to any of its subsidiaries, parent or affiliates without any prior consent of the Purchaser.

If any provision of these Terms and Conditions of Sale or of any agreement is held invalid or unenforceable, it shall be so held to the minimum extent required by law and all other provisions shall remain valid and enforceable.

The laws of the Province of Quebec shall govern these Terms and Conditions of Sale without giving effect to the conflict of law doctrine of any jurisdiction. Purchaser submits to the jurisdiction of any federal or provincial court sitting in the judicial district of Montreal, Province of Quebec.

The parties hereto confirm it is their wish that the present Terms and Conditions be drawn up in the English language. *Les parties aux présentes confirment leur volonté que le présent document énonçant les Termes et Conditions soit rédigé en anglais.*

The above Terms and Conditions of Sale supersede all previous Terms and Conditions of Sale.

Intervet Canada Corp., July 1, 2015

Revised: Sept 21, 2015

