**NATIONAL DRUG SOURCE, INC.**
7109 Weddington Road NW
Concord, NC 28027
United States of America

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# STANDARD TERMS AND CONDITIONS OF SALE

**Version 2.0**

Effective Date: July 1, 2026

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**Document Control:**

| Version | Date | Description |
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| 2.0 | 2026-06-22 | Modernized standard; supersedes prior versions. Rev7 refinements: §6.2 export clearance allocation; §6.3(a) delay-shield narrowed to sole-source manufacturer/import customs (with §6.3(b) Seller-conduct carve-out preserved); §8.5 manufacturer-defect testing-cost carve-out; §8.6 editorial sentence removed; §9.7(d) restructured to fault-based indemnity with consolidated activity prong (importation, transportation, storage, handling, distribution, sale), qualified patient-injury prong, Clause 9 catchall, and Seller carve-out (§14.1, negligence, willful misconduct, violation of law); §11.2 customers removed from compliance reach; §11.5 signal management removed and framework enumeration condensed; §14.4(b) and (c) §9.7 indemnification carve-outs; §16.1 export-holds qualifier for Seller-conduct exclusion. Carries forward rev6 anchors (§9.8 controlled substances, §11.7 no audit rights, §18.2 tiered arbitration, §19.12 regulatory change, §6.4 cure period, §16.1 API/allocation FM events) and rev5 anchors (§3.4 mutual corrections, §15 insurance duration, §9.7(b) condensation). |

**Confidentiality:** *Confidential — for use with Buyer's executed or implied acceptance of these Terms and Conditions of Sale, posted at shopNDSrx.com/terms.*

## 1. DEFINITIONS

In these Terms and Conditions:

**"Buyer"** means the person or entity purchasing Products from National Drug Source.

**"Conditions"** means these Terms and Conditions, together with any special terms agreed in writing and signed by an authorized signatory of the Seller, as either may be amended from time to time.

**"Contract"** means the contract between the Seller and the Buyer for the sale of Products formed in accordance with Clause 3.

**"Delivery"** means the moment the Products are handed over to the Buyer's nominated carrier at the Seller's facility under Clause 6.2, except for the purposes of Clause 8.1 (apparent nonconformity claim window), where "Delivery" means the date of physical receipt by the Buyer at the Buyer's premises (or, where the Buyer holds the shipment in customs, on customs release into the Buyer's possession).

**"Disputed Sum"** has the meaning set out in Clause 5.5.

**"Importing Authority"** means any regulatory authorization, permit, license, named-patient certificate, special-access approval, compassionate-use authorization, or equivalent instrument issued by the relevant authority of the destination jurisdiction authorizing the importation of the Products into that jurisdiction.

**"Medicinal Product"** has the meaning assigned under the U.S. Federal Food, Drug, and Cosmetic Act, solely for purposes of these Conditions; the destination jurisdiction's definition may differ.

**"Order"** means the Buyer's purchase order for Products.

**"Products"** means the Medicinal Products identified in an accepted Order.

**"Quality Technical Agreement" or "QTA"** means any separately executed quality, technical, or pharmacovigilance agreement between the parties governing GxP, complaint handling, pharmacovigilance, recall coordination, change control, audit rights, records retention, or related quality matters.

**"Recalled Products"** means Products subject to a recall mandated by the U.S. Food and Drug Administration (FDA), voluntarily conducted by a manufacturer with the FDA's knowledge, or mandated by an equivalent regulator in the destination jurisdiction.

**"Sanctions Laws"** means any law, regulation, or measure applicable to either party relating to economic sanctions, export controls, or trade embargoes, including those administered by the U.S. Office of Foreign Assets Control (OFAC), the U.S. Department of Commerce Bureau of Industry and Security (BIS) under the Export Administration Regulations, the United Nations Security Council, His Majesty's Treasury (UK), and the European Union.

**"Sanctioned Person"** means any individual, entity, or body (i) specifically designated under Sanctions Laws, (ii) owned or controlled by any such designated person, or (iii) acting on behalf of any such designated person.

**"Seller"** means National Drug Source, Inc.

References to "writing" or "written" include email and exclude facsimile. References to a "person" include a natural person and any corporate or unincorporated body.

## 2. BASIS OF THE CONTRACT

### 2.1 Application.

These Conditions apply to all sales of Products by Seller to Buyer to the exclusion of any other terms the Buyer seeks to impose or which are implied by trade, custom, practice, or course of dealing.

### 2.2 Master agreement.

Where the parties have executed a separate written master agreement signed by an authorized signatory of the Seller that expressly references and supersedes these Conditions, that master agreement shall govern to the extent of any conflict.

**2.3 Order of precedence.**

In the event of conflict between documents governing the relationship of the parties:

(a) any executed master agreement governs as set out in that agreement;

(b) these Conditions govern all commercial, liability, indemnity, warranty, insurance, payment, and risk-allocation matters, and prevail over any Quality Technical Agreement on such matters;

(c) any executed Quality Technical Agreement governs operational quality matters (pharmacovigilance procedures, complaint handling, recall execution, change control, audit, records retention, and similar GxP matters) to the extent not addressed by these Conditions;

(d) the accepted Order governs Product, quantity, price, and delivery specifications.

**2.4 Reliance.**

The Buyer acknowledges it has not relied on any statement, promise, or representation not set out in the Contract.

**2.5 Supersession.**

From the Effective Date above, these Conditions supersede all prior conditions of sale published by the Seller.

## 3. ORDERS AND ACCEPTANCE

**3.1 Order as offer.**

Each Order constitutes an offer by the Buyer to purchase Products on these Conditions.

**3.2 Acceptance.**

An Order is accepted only when the Seller issues a written order acknowledgment, at which point the Contract comes into force. The Seller shall use commercially reasonable efforts to acknowledge or decline each Order within three (3) business days. Where the Seller has not issued a written acknowledgment within five (5) business days of the Buyer's Order, the Order is deemed declined and may be withdrawn by the Buyer without liability.

**3.3 Buyer information.**

The Buyer is responsible for (i) the accuracy of each Order and (ii) providing all information the Seller reasonably requires to perform the Contract.

**3.4 Corrections.**

**(a) Seller corrections.** The Seller may correct typographical, clerical, or other minor administrative errors in any quotation, pro forma invoice, order acknowledgment, invoice, or related document issued by it, except in cases of the Seller's bad faith or willful misconduct. A Seller correction shall not materially change the price, quantity, specification, or delivery terms of any Order after acceptance without the Buyer's prior written consent, which shall not be unreasonably withheld.

**(b) Buyer corrections.** The Buyer may correct typographical, clerical, or other minor administrative errors in any Order or related document issued by it (including purchase order reference, contact information, and shipping or invoicing address within the agreed destination jurisdiction) by giving prompt written notice to the Seller, except in cases of the Buyer's bad faith or willful misconduct. Any Buyer-initiated change to the Products, quantity, destination

jurisdiction, delivery date, or other commercial terms of an accepted Order shall be treated as a cancellation and replacement under Clause 3.5, and the Buyer shall remain liable under Clause 3.5 for any reasonable direct losses, costs, and expenses incurred by the Seller as a result, including any non-cancellable or non-returnable supplier commitments.

### 3.5 Buyer cancellation.

No accepted Order may be cancelled by the Buyer except with the Seller's written agreement. Where cancellation is agreed, the Buyer shall indemnify the Seller against all reasonable direct losses, costs, and expenses incurred (including any non-cancellable or non-returnable supplier commitments, as evidenced by supplier invoice or written commitment), after the Seller's use of commercially reasonable mitigation efforts (including resale to other customers or return to manufacturer where possible). Special-order items means Products procured by the Seller on a non-returnable or non-cancellable basis from its supplier; special-order items are non-cancellable once accepted.

### 3.6 Supply unavailability after acceptance.

Where, after acceptance of an Order, the Seller becomes unable to fulfill the Order due to manufacturer backorder, supplier supply shortage, inventory discrepancy, or other supply-side disruption not within the Seller's reasonable control, the Seller shall promptly notify the Buyer. Either party may cancel the affected Order (in whole or in part) by giving written notice within five (5) business days of the Seller's notification. Neither party shall be liable to the other for any losses, costs, or damages arising from such cancellation; the Buyer shall be refunded any amounts already paid for the cancelled portion.

## 4. PRICE

### 4.1 Exclusions.

Prices are exclusive of carriage, insurance, taxes, duties, and value-added tax, all of which are the Buyer's responsibility. Where Seller arranges carriage or insurance on Buyer's behalf, such costs shall be invoiced to the Buyer.

### 4.2 Order price.

The price for any Order is the Seller's quoted price at the time the Order is accepted.

### 4.3 Manufacturer pricing changes.

The price quoted for an Order assumes the manufacturer's price to the Seller in effect at the time of quotation. Where, between quotation and acceptance, the manufacturer's price to the Seller has changed, the Seller may notify the Buyer and either (i) the parties agree to an adjusted price in writing, or (ii) either party may decline the Order without liability. Once an Order is accepted, the price for that Order is fixed and shall not be increased except where:

(a) the Buyer requests a change to quantity, specification, packaging, or delivery; or

(b) a change in applicable law, duty, or regulation directly affects the cost of supply.

### 4.4 List pricing.

The Seller may revise list pricing for future Orders at any time.

## 5. PAYMENT

### 5.1 Currency and method.

Payment shall be in United States dollars, in cleared funds, by wire transfer unless otherwise agreed. Checks, if accepted, must be drawn on a U.S. bank.

### 5.2 Pro forma invoices.

Pro forma and down-payment invoices are estimates, not official accounting invoices. The accounting invoice issued at or after shipment is the official invoice. Where an Order has been accepted, the price on the accounting invoice shall match the accepted Order price subject only to Clause 4.3.

### 5.3 Payment terms.

Standard payment terms are Net thirty (30) days from the invoice date unless otherwise agreed in writing. Where no due date is stated, payment is due thirty (30) days from invoice date. The Seller may require advance payment or other security for new accounts, high-value Orders, or Orders to higher-risk destinations.

### 5.4 No deduction.

The Buyer shall pay without deduction, set-off, counterclaim, or withholding (except as required by law). All wire transfer fees are for the Buyer's account.

### 5.5 Disputed sums.

A sum is a "Disputed Sum" only where the Buyer notifies the Seller in writing within fifteen (15) days of the invoice date, identifying the specific invoice line and the basis for the dispute, accompanied by reasonable supporting documentation. All other amounts are undisputed and due on the invoice due date. If the Buyer fails to pay any undisputed sum by its due date, the Seller may, without prejudice to any other right or remedy:

(a) charge interest at the lesser of 1.5% per month or the maximum rate permitted by law;

(b) charge reasonable costs of collection, including collection agency fees and attorneys' fees as awarded by the tribunal or court of competent jurisdiction;

(c) suspend further shipments under any Contract with the Buyer until payment is received; and

(d) require payment in full in advance of further shipments.

### 5.6 Set-off.

The Seller may set off any amount owed by the Buyer against any amount payable by the Seller to the Buyer.

## 6. DELIVERY, TITLE, AND RISK

### 6.1 Shipping terms.

Unless expressly agreed otherwise in writing, all Products are sold FCA Seller's facility (Incoterms 2020) for international shipments and F.O.B. Origin (Seller's facility) for domestic U.S. shipments.

### 6.2 Title and risk.

Title to, and risk of loss or damage in, the Products shall pass to the Buyer at the moment the Products are loaded onto the Buyer's nominated carrier at the Seller's facility. The Seller has no responsibility for Products after that moment, including any responsibility for routing, transit conditions, import customs clearance, or delivery. The Seller is responsible for U.S. export clearance and for providing the export documentation reasonably required for shipment under the accepted Order; the Buyer is responsible for import customs clearance and all destination-jurisdiction approvals, licenses, permits, duties, taxes, and fees. Passing of title and risk under this Clause 6.2 does not constitute acceptance of the Products. The Buyer's right to reject nonconforming Products under Clause 8 is preserved.

### 6.3 Delivery dates.

(a) Delivery dates are estimates given in good faith. The Seller shall use commercially reasonable efforts to meet stated dates but is not liable for delay to the extent caused by sole-source manufacturer supply failure or insolvency, import customs clearance, force majeure, or the Buyer's failure to provide adequate or timely instructions.

(b) The Seller's protection from liability for delay under Clause 6.3(a) does not apply to the extent the delay is caused or contributed to by the Seller's own acts, omissions, negligence, failure to dispatch the Products in accordance with the accepted Order, or failure to provide accurate and complete documentation required for export or shipment.

**6.4 Late delivery remedy.**

Where delivery exceeds thirty (30) days from the agreed delivery date (excluding delay caused by force majeure or by the Buyer), the Buyer may, upon ten (10) business days' prior written notice to the Seller, cancel the affected Order (in whole or in part) without further liability. If the Seller delivers within the ten (10) business day notice period, the Buyer's cancellation right under this Clause 6.4 is suspended for that Order.

**6.5 Pack-out.**

The Seller is responsible for proper pack-out of Products in accordance with the manufacturer's labeled storage conditions at the time of handover to the Buyer's carrier. The Seller assumes no responsibility for thermal excursions, handling damage, or other in-transit conditions occurring after handover.

**6.6 Carrier selection.**

The Seller reserves the right, acting reasonably, to refuse the Buyer's selection of any freight forwarder, carrier, or broker that the Seller considers unable to handle the Products in compliance with applicable law or manufacturer requirements.

**6.7 Unloading.**

The Buyer shall provide adequate equipment and labor for unloading at the place of delivery, at the Buyer's expense.

**6.8 Buyer storage.**

The Buyer shall store and maintain Products in compliance with all applicable regulatory requirements and manufacturer storage conditions.

**6.9 Customs and import.**

The Buyer is solely responsible at the port of entry for customs clearance, regulatory approvals, licenses, permits, duties, taxes, and fees required to import, sell, or distribute the Products in the destination jurisdiction.

**6.10 Failure to take delivery.**

If the Buyer fails to obtain authorization, arrange release, or accept shipment (except by reason of force majeure, the Seller's breach, or other cause beyond the Buyer's reasonable control), delivery is deemed completed and risk has passed; the Seller has no liability for related costs, including storage and insurance.

**6.11 Labeling and packaging.**

Products are supplied in the manufacturer's original sealed retail packaging with labeling in the source-country language. The Seller does not authorize any alteration of the manufacturer's packaging. The Buyer is responsible for compliance with destination-jurisdiction labeling requirements, including obtaining any required regulatory waiver, exception, or local authorization for supply.

## 7. EXPIRY DATING

### 7.1 Minimum shelf life.

Unless otherwise agreed in writing for a specific Order, Products supplied shall have a remaining shelf life of not less than twelve (12) months at the time the Seller notifies the Buyer that the Products are ready for shipment from the Seller's facility. Any delay in shipment caused or requested by the Buyer after such notification shall not be deemed a failure to meet the minimum shelf-life requirement.

### 7.2 Shorter-dated Product.

Where market availability prevents the Seller from meeting the applicable minimum dating, the Seller shall notify the Buyer prior to shipment and the Buyer may either accept the shorter-dated Product or cancel that Order without liability.

## 8. NONCONFORMING PRODUCTS; TRANSIT DAMAGE

### 8.1 Pre-handover nonconformity (apparent).

The Buyer shall inspect each shipment promptly on receipt and notify the Seller in writing within five (5) business days of Delivery of any nonconformity attributable to the condition of the Products at the time of handover. The Buyer shall retain all shipment packaging for investigation until otherwise notified.

### 8.2 Latent manufacturer defects.

Where a Product defect attributable to the manufacturer (such as a manufacturing defect, lot-level quality failure, or mislabeling at the point of manufacture) could not reasonably have been identified by visible inspection at delivery, the Buyer shall notify the Seller within five (5) business days of discovery and in any event within ninety (90) days of Delivery.

### 8.3 In-transit loss or damage.

Risk of loss or damage in transit passes to the Buyer at handover under Clause 6.2. Claims for in-transit loss, damage, theft, temperature excursion, or other condition arising after handover are the responsibility of the Buyer and its carrier; such claims shall not be brought under Clauses 8.1 or 8.2. Cargo insurance is an optional service offered by the Seller. Where the Buyer has elected and contracted with the Seller for cargo insurance covering a particular shipment, the Seller will in good faith pursue covered claims with the insurer and remit any proceeds received to the Buyer. The Buyer acknowledges that standard cargo insurance does not cover temperature excursions or cold-chain failures, and the Buyer is solely responsible for procuring separate coverage for such risks if desired.

### 8.4 Remedy for nonconforming Product.

Where Products are confirmed by the Seller to be nonconforming under Clause 8.1 or 8.2, the Seller shall, at its option, (a) replace the Products or (b) refund the price of the affected Products. This is the Buyer's sole and exclusive remedy for nonconformity, subject to Clauses 14 and 15.

### 8.5 Independent testing.

Where the parties dispute whether Products are nonconforming, either party may request independent testing by a mutually agreed laboratory. The requesting party shall bear the testing cost initially; if nonconformity is confirmed, the Seller shall reimburse the Buyer's reasonable testing costs, except where the confirmed nonconformity is attributable to the manufacturer rather than the Seller's chain-of-custody, in which case the testing costs shall be allocated in accordance with the manufacturer's complaint and refund procedures.

**8.6 No general returns.**

Apart from Clauses 8.4 and 10, all sales are final.

## 9. EXPORT, IMPORT, AND REGULATORY COMPLIANCE

**9.1 Regulatory compliance.**

Each party shall comply with all applicable laws, regulations, and guidelines governing the export, import, distribution, sale, and use of the Products in any jurisdiction in which that party operates.

**9.2 U.S. trade compliance.**

The Seller will not knowingly ship to any country or person subject to U.S. trade embargoes or sanctions. Diversion of Products contrary to U.S. law is prohibited.

**9.3 Buyer regulatory warranties.**

The Buyer warrants and undertakes that:

(a) it holds, and shall maintain throughout the performance of the Contract, all licenses, permits, and authorizations required to purchase, import, store, distribute, and sell the Products in its jurisdiction;

(b) for international shipments, prior to placing each Order it has obtained, or will obtain prior to shipment, the necessary Importing Authority for the Products and destination stated in the Order;

(c) the Buyer shall use commercially reasonable efforts to ensure the Importing Authority remains valid throughout the importation and distribution of the Products;

(d) the Products will be supplied only to authorized recipients consistent with the Importing Authority and the regulatory framework of the destination jurisdiction (including named-patient supply, special-access, compassionate-use, or equivalent frameworks where applicable);

(e) the Products will not be used outside the labeled indications without appropriate independent regulatory authorization; and

(f) the Buyer shall comply with all destination-jurisdiction obligations regarding patient consent, prescriber authorization, and any other regulatory requirement attaching to the importation and use of the Products.

**9.4 Notification of changes.**

The Buyer shall promptly notify the Seller in writing of any suspension, revocation, or material change in any Importing Authority or other regulatory authorization relevant to the Products.

**9.5 Right to refuse shipment.**

The Seller may refuse, suspend, or delay any shipment where the Seller has reasonable grounds to believe that any Buyer warranty under Clause 9.3 or Clause 9.6 is or has become untrue.

**9.6 Anti-diversion and supply-chain integrity.**

The Buyer warrants and undertakes that:

(a) the Products are purchased for the destination jurisdiction stated in the Order and for the authorized end use under the applicable Importing Authority;

(b) the Buyer will not introduce, sell, supply, or deliver the Products into any counterfeit, grey-market, parallel-import, or otherwise unauthorized distribution channel;

(c) the Buyer will supply the Products only to authorized prescribers, hospitals, pharmacies, patients, or other recipients consistent with the destination jurisdiction's regulatory framework; and

(d) the Buyer will not supply the Products to any Sanctioned Person or to any country or person subject to U.S., UN, UK, or EU trade embargoes or sanctions.

A breach of this Clause 9.6 in respect of (i) supply to any Sanctioned Person or to any country subject to U.S., UN, UK, or EU trade embargoes or sanctions, or (ii) introduction of Products to any counterfeit or grey-market channel is a material breach not capable of remedy. Any other breach of this Clause 9.6 is a material breach with a thirty (30) day cure period upon written notice.

**9.7 International importation — Buyer risk and indemnity.**

Where the Buyer imports Products into any jurisdiction outside the United States:

(a) the Products are imported under the Buyer's regulatory authority, license, or authorization (the Importing Authority), and not under any authority of the Seller;

(b) the Products may be unregistered or unlicensed in the destination jurisdiction and may be supplied only under the applicable regulatory framework of that jurisdiction;

(c) the Buyer is responsible for compliance with all destination-jurisdiction requirements regarding patient consent, prescriber authorization, pharmacovigilance, adverse event reporting, and any other regulatory obligations attaching to imported unlicensed medicines;

(d) the Buyer shall indemnify, defend, and hold harmless the Seller from and against any and all claims, losses, damages, fines, penalties, or expenses (including reasonable attorneys' fees) arising from or relating to, and to the extent caused by:

(i) the Buyer's importation, transportation, storage, handling, distribution, and sale of the Products in the destination jurisdiction, including compliance with applicable destination-jurisdiction regulatory requirements;

(ii) any patient injury or claim alleged to arise from use of the Products outside the United States, to the extent caused by the Buyer's breach of this Agreement, the Buyer's failure to comply with applicable regulatory requirements, or the Buyer's negligent acts or omissions in the handling, transportation, storage, or distribution of the Products; or

(iii) the Buyer's breach of any representation, warranty, or obligation under Clause 9;

except to the extent caused by the Seller's breach of Clause 14.1, the Seller's negligence, willful misconduct, or violation of applicable law;

(e) the Buyer's obligations under this Clause 9.7 survive termination of the Contract indefinitely and continue with respect to any Products supplied during the term.

**9.8 Controlled substances.**

Where any Order involves a Product that is a controlled substance under U.S. or destination-jurisdiction law, the Seller may refuse, suspend, delay, or cancel the Order in its commercially reasonable discretion to comply with the Controlled Substances Act, DEA regulations, export licensing requirements, Sanctions Laws, or any other applicable regulatory framework. The Seller's exercise of this right shall not give rise to liability or any cancellation indemnity by either party.

## 10. PRODUCT RECALL

**10.1 Notification.**

The Seller shall promptly notify the Buyer of any recall, market withdrawal, or safety alert affecting Products previously shipped to the Buyer of which the Seller becomes aware. The

Buyer is independently responsible for carrying out sub-recall efforts and for monitoring destination-jurisdiction regulatory channels for recalls and safety alerts affecting Products in its territory.

**10.2 Buyer cooperation.**

On notice of a recall, the Buyer shall cooperate fully and promptly with the Seller to identify, isolate, return, or destroy Recalled Products and to provide stock reconciliation, contact details for recall execution, and any other information or actions reasonably necessary to administer the recall. Where the parties have executed a Quality Technical Agreement addressing recall execution, the QTA shall govern operational recall procedures.

**10.3 Returns of Recalled Products.**

Returns of Recalled Products require the Seller's prior authorization. Return freight to the Seller's facility is for the Buyer's account; replacement freight is for the Seller's account. Where no replacement is available, refund or credit shall be determined by reference to the manufacturer's recall terms.

**10.4 Recall coordination costs.**

Each party shall bear its own internal costs, personnel time, customer-notification costs, downstream refund obligations, and other costs of administering the recall within its own organization. Neither party shall be liable to the other for such costs except as expressly allocated under Clauses 10.3 and 14.5.

**10.5 Refund and replacement from manufacturer.**

Notwithstanding any other provision of these Conditions, the Seller's obligation to refund, credit, or replace Recalled Products is contingent on and limited to the refund, credit, or replacement actually received by the Seller from the manufacturer. The Seller shall use commercially reasonable efforts to pursue manufacturer remedies on the Buyer's behalf and shall remit refunds, credits, or replacements to the Buyer as and when received from the manufacturer. The Seller shall not be liable for any failure, delay, or refusal by the manufacturer to provide a refund, credit, or replacement, including by reason of manufacturer insolvency, dispute, or change in policy. This Clause 10.5 does not apply to the extent the recall arises from the Seller's breach of Clause 14.1.

## 11. QUALITY, SAFETY, AND PHARMACOVIGILANCE

**11.1 Baseline complaint notice.**

The Buyer shall notify the Seller in writing within two (2) business days of becoming aware of any quality complaint, adverse drug reaction, suspected adverse drug reaction, or safety issue relating to a Product. The Seller shall forward such notice to the manufacturer and to relevant regulatory authorities as appropriate.

**11.2 Manufacturer instructions.**

The Buyer shall comply at all times with the manufacturer's written instructions and shall ensure that its employees, agents, and subcontractors do the same.

**11.3 MedWatch reporting.**

Serious adverse events involving FDA-approved Products may also be reported to the FDA MedWatch Program at https://www.accessdata.fda.gov/scripts/medwatch/.

**11.4 Quality investigation samples.**

Where the manufacturer requests a Product sample for investigation arising from a complaint the Buyer initiated, the Buyer shall bear return freight to the Seller's facility and the Seller shall arrange onward shipment to the manufacturer at the Seller's cost.

**11.5 Pharmacovigilance.**

For international shipments, the Buyer is responsible for destination-jurisdiction pharmacovigilance obligations under the applicable regulatory framework. The Buyer shall comply with all such obligations, including adverse event reporting to the local regulator and periodic safety updates. The Seller has no independent pharmacovigilance obligation in the destination jurisdiction.

**11.6 Quality Technical Agreement.**

The parties may execute a separately negotiated Quality Technical Agreement to address operational quality matters, including pharmacovigilance procedures, complaint handling timelines, recall execution protocols, change control notifications, audit rights, and quality records retention. Where executed, the QTA shall govern those operational matters and shall prevail over this Clause 11 to the extent of any express inconsistency on operational topics. The QTA shall not be construed to modify, reduce, or override any commercial, liability, indemnity, warranty, insurance, or payment provision of these Conditions, all of which remain governed exclusively by these Conditions. The QTA shall not require disclosure of the Seller's sourcing relationships, supplier identity, pricing, inventory data, or other confidential commercial information except to the extent strictly necessary for traceability under applicable regulatory requirements. Any audit rights granted under a QTA shall be limited to (i) one scheduled audit per calendar year on reasonable advance notice, (ii) topics directly relevant to the Seller's distribution of Products to the Buyer, and (iii) reasonable confidentiality protections. The baseline obligations under Clause 11.1 apply whether or not a QTA is in place.

**11.7 No audit rights.**

Except as expressly provided in a separately executed Quality Technical Agreement or required by applicable law, the Buyer has no audit, inspection, or access rights relating to the Seller's facilities, suppliers, sourcing arrangements, inventory systems, pricing, business records, or operational data. Where a QTA grants audit rights, those rights are subject to the limitations in Clause 11.6.

## 12. TERMINATION

**12.1 Grounds for termination.**

Either party may terminate the Contract immediately by written notice if:

(a) the other party fails to pay any undisputed sum when due and fails to remedy within thirty (30) days of written notice;

(b) the other party commits a material breach not capable of remedy, or fails to remedy a remediable material breach within thirty (30) days of written notice;

(c) the other party becomes insolvent, files or has filed against it a petition in bankruptcy, enters into an arrangement with creditors, or ceases or threatens to cease carrying on business;

(d) any analogous event occurs in any jurisdiction in respect of the other party; or

(e) the other party becomes a Sanctioned Person.

**12.2 Suspension.**

In addition, the Seller may suspend further shipments under any Contract with the Buyer where the Seller exercises its rights under Clause 9.5 or where the Buyer has breached Clause 13 or Clause 14.

**12.3 Survival.**

Termination does not relieve the Buyer of the obligation to pay sums due for Products shipped before the effective date of termination. The Seller's obligations with respect to Products shipped prior to the effective date of termination (including under Clauses 10 and 14.1, subject to Clause 10.5) survive termination. Clauses 5, 6.2, 6.5, 8, 9, 10, 11, 13, 14, 15, 16, 17, 18, and 19.7 survive termination. Any Quality Technical Agreement survives termination in accordance with its own terms.

## 13. ANTI-CORRUPTION; SANCTIONS; MODERN SLAVERY

**13.1 Anti-corruption.**

Each party shall comply with all applicable anti-bribery and anti-corruption laws, including the U.S. Foreign Corrupt Practices Act and the UK Bribery Act 2010, and shall not directly or indirectly offer, promise, or give anything of value to any person to influence action or obtain an improper advantage.

**13.2 Sanctions.**

Each party shall comply with all applicable Sanctions Laws. Neither party shall take any action that would cause the other to breach Sanctions Laws. Each party shall conduct reasonable due diligence on third parties involved in the supply, transport, or onward sale of the Products to confirm they are not Sanctioned Persons.

**13.3 Modern slavery.**

Each party shall take reasonable steps to ensure that slavery, human trafficking, and forced labor do not occur in its business or supply chain, and shall comply with applicable modern-slavery laws including the UK Modern Slavery Act 2015 where applicable.

**13.4 Material breach.**

A breach of Clause 13.1 or Clause 13.2 that is criminal, willful, or in deliberate disregard of these Conditions is a material breach not capable of remedy. Any other breach of this Clause 13 is a material breach with a thirty (30) day cure period upon written notice.

## 14. WARRANTY AND LIMITATION OF LIABILITY

**14.1 Limited Seller warranty.**

The Seller warrants only that, at the time of handover to the Buyer's carrier under Clause 6:

(a) the Seller has good title to the Products and the right to sell them;

(b) the Products have been stored and handled by the Seller in accordance with the manufacturer's labeled storage conditions;

(c) the Products are packed for shipment in accordance with manufacturer requirements, except as modified by any Release of Liability for Temperature Excursions During Transit executed by the Buyer or other alternative pack-out instructed in writing by the Buyer; and

(d) the Products were sourced by the Seller from authorized U.S. manufacturers, authorized distributors, or other lawful U.S. supply-chain participants in accordance with the U.S. Drug Supply Chain Security Act (DSCSA), and the Seller has no knowledge that the Products are counterfeit, diverted, or otherwise compromised.

**14.2 No other warranty.**

The Seller does not manufacture, repackage, relabel, or test the Products. The Seller distributes Products in the manufacturer's original sealed retail packaging. Except as expressly set out in Clause 14.1, the Seller makes no warranty of any kind, express or implied, including any implied warranty of merchantability or fitness for any particular purpose, all of which are expressly disclaimed to the maximum extent permitted by law. The Buyer's recourse for any defect attributable to manufacture, formulation, design, or labeling is against the manufacturer. The Seller shall, where assignable, pass through to the Buyer any applicable manufacturer warranty.

**14.3 Cap on liability.**

Subject to Clause 14.5, the Seller's total aggregate liability arising out of or in connection with any Contract shall not exceed the price paid by the Buyer for the specific Products giving rise to the claim.

**14.4 Excluded losses.**

Neither party shall be liable to the other for any indirect, incidental, consequential, special, or punitive damages, whether characterized as direct or consequential, including without limitation:

(a) loss of profits, revenue, business, goodwill, or anticipated savings;

(b) regulatory fines, penalties, or sanctions imposed on the other party by any governmental or regulatory authority (except as covered by indemnification expressly set out in these Conditions, including Clause 9.7);

(c) costs of recall coordination, customer notification, refunds to downstream purchasers, or destruction of stock (other than freight costs expressly allocated under Clause 10) (except as covered by indemnification expressly set out in these Conditions, including Clause 9.7);

(d) costs of investigation or testing other than those expressly allocated under Clause 8 or Clause 11; or

(e) third-party claims (except those covered by indemnification expressly set out in these Conditions).

**14.5 Carve-outs.**

Nothing in these Conditions limits or excludes liability for:

(a) death or personal injury caused by negligence;

(b) fraud or fraudulent misrepresentation; or

(c) any other liability that cannot lawfully be limited or excluded.

**14.6 Time limit on claims.**

Any claim by the Buyer must be brought within twelve (12) months of the date the cause of action accrued, failing which it is waived.

## 15. INSURANCE

Each party shall maintain insurance appropriate to its business and sufficient to meet its obligations under these Conditions, with reputable insurers rated A.M. Best A- or better (or equivalent), for the duration of any active Contract and for a reasonable period thereafter consistent with the party's policy structure and applicable statutes of limitation. On reasonable written request, each party shall provide the other with a certificate of insurance.

## 16. FORCE MAJEURE

**16.1 Force majeure events.**

Neither party is liable for any failure or delay in performance to the extent caused by events beyond its reasonable control, including acts of God, governmental or regulatory action (including export holds (other than those caused by the Seller's failure to comply with applicable export requirements), sanctions, or suspensions of Importing Authority), war, terrorism, civil disturbance, epidemic or pandemic, fire, flood, strike or labor dispute, sole-source manufacturer supply failure or insolvency, active pharmaceutical ingredient (API) shortages affecting the broader supply chain, manufacturer allocation programs limiting available quantities, carrier failure, cyberattack, or material IT system outage.

### 16.2 Mitigation and cancellation.

The affected party shall notify the other promptly and use commercially reasonable efforts to mitigate. If a force majeure event continues for more than thirty (30) days, the non-affected party may cancel any or all affected Orders on written notice without liability.

### 16.3 Payment for delivered Products.

Force majeure does not excuse payment for Products already delivered.

## 17. CONFIDENTIALITY

### 17.1 Confidentiality obligation.

Each party shall keep confidential all non-public information disclosed by the other in connection with the Contract, including pricing, customer information, and the terms of the Contract. This obligation survives termination for three (3) years.

### 17.2 Exceptions.

Confidential information does not include information that: (a) is or becomes publicly available other than through breach of this Clause 17; (b) was lawfully in the receiving party's possession before disclosure; (c) is lawfully received from a third party without obligation of confidentiality; or (d) is independently developed without use of the disclosing party's confidential information.

### 17.3 Required disclosure.

Confidential information may be disclosed where required by law, regulation, or court order, provided the disclosing party gives the other party reasonable prior notice where lawful.

## 18. DISPUTE RESOLUTION; GOVERNING LAW

### 18.1 Negotiation.

The parties shall first attempt in good faith to resolve any dispute by negotiation between senior representatives. A party may initiate the negotiation period by written notice; if the dispute is not resolved within sixty (60) days, either party may proceed under Clause 18.2.

### 18.2 Arbitration.

Any unresolved dispute arising out of or relating to the Contract shall be finally settled by arbitration administered by the American Arbitration Association under its International Arbitration Rules. The seat of arbitration shall be Miami, Florida (or, on mutual written agreement, another U.S. city). Claims with an aggregate amount in controversy of less than U.S. $200,000 shall be resolved by a single arbitrator; claims at or above that threshold shall be resolved by a panel of three (3) arbitrators. The language shall be English. Judgment on the award may be entered in any court of competent jurisdiction.

### 18.3 Governing law.

The Contract is governed by the laws of the State of Florida, without regard to its conflict-of-laws principles. The U.N. Convention on Contracts for the International Sale of Goods does not apply.

**18.4 Injunctive relief.**

Notwithstanding Clause 18.2, either party may seek injunctive or equitable relief in any court of competent jurisdiction to protect intellectual property, confidential information, or to enforce payment obligations.

## 19. GENERAL

**19.1 Notices.**

(a) Routine notices may be delivered by email to the email address of record for each party.

(b) Notices of breach, termination, indemnification claim, or arbitration must be delivered by commercial courier with delivery receipt to the party's registered office or principal place of business, and are effective on the date of delivery shown on the courier's receipt.

**19.2 Variation.**

No variation to these Conditions or any Contract is binding unless agreed in writing and signed by an authorized signatory of each party.

**19.3 Assignment.**

Neither party may assign or transfer any rights or obligations under the Contract without the other's prior written consent (not to be unreasonably withheld), except that either party may assign to an affiliate or in connection with a merger or sale of substantially all of its assets.

**19.4 Severability.**

If any provision is held invalid or unenforceable, the remainder shall continue in force.

**19.5 No waiver.**

No failure or delay in exercising any right is a waiver of that right.

**19.6 Entire agreement.**

The Contract, together with these Conditions, constitutes the entire agreement between the parties regarding the sale of the Products, and supersedes all prior negotiations, representations, and understandings regarding that subject matter. Notwithstanding the foregoing, any separately executed waiver, addendum, technical agreement, master agreement, or Quality Technical Agreement (including without limitation the Release of Liability for Temperature Excursions During Transit) remains in full force and effect and is incorporated by reference, provided it expressly references these Conditions or the parties have agreed in writing that it shall survive.

**19.7 No third-party beneficiaries.**

Nothing in the Contract creates rights enforceable by any third party, including without limitation any patient, prescriber, healthcare provider, hospital, or downstream purchaser of any Product.

**19.8 Independent contractors.**

The parties are independent contractors. Nothing in the Contract creates any partnership, joint venture, agency, or employment relationship between them. Neither party has authority to bind the other.

**19.9 Publicity.**

Neither party shall use the other party's name, trademarks, or logos in marketing materials, press releases, or public statements without the other's prior written consent.

**19.10 Counterparts; electronic signatures.**

The Contract may be executed in counterparts and by electronic signature, each of which is deemed an original.

**19.11 Controlling language.**

These Conditions are executed in English. Any translation provided is for convenience only; the English version controls in case of conflict.

**19.12 Compliance with regulatory changes.**

Each party may modify its operational procedures, documentation, shipment practices, or compliance requirements where necessary to comply with changes in applicable law, regulation, regulatory guidance, sanctions, or governmental directives. Where such modifications materially affect the Contract's pricing or delivery terms, the affected party shall notify the other promptly, and either party may cancel the affected Order without liability if commercially reasonable accommodation cannot be reached.

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**NATIONAL DRUG SOURCE, INC.**

By: _____

Name: Ethel Torres

Title: Chief Executive Officer

Date: _____

**BUYER:**

By: _____

Name: _____

Title: _____

Date: _____