

STANDARD TERMS AND CONDITIONS FOR PURCHASE ORDERS

1. DEFINITIONS

“**Agreement**” means the agreement to purchase and supply goods and/or services made between the Supplier and Connetics on these terms and conditions pursuant to this purchase order.

“**Supplier**” means the person or organisation who is supplying the goods or services to Connetics.

“**Connetics**” means Connetics Limited and its successors and assigns.

2. GENERAL

The terms and conditions are to apply to all orders to purchase services or goods made by Connetics. The Supplier by supplying the goods or services is deemed to have accepted these conditions, which may not be altered without the written consent of Connetics, and which shall take precedence over any of the Suppliers terms and conditions except to the extent the parties agree otherwise in writing.

3. WARRANTIES

Notwithstanding anything to the contrary in any terms and conditions of the Supplier, the Supplier warrants that the goods or services supplied:

- (a) are of good quality having regard to good industry practices in the industry in which the Supplier operates;
- (b) are fit for their normal purpose or any other particular purpose Connetics has made known to the Supplier;
- (c) comply with any description, sample or representation that has been provided to Connetics;
- (d) will be supplied within any time period agreed by the parties, or in the event no such period is agreed then within a reasonable time of the order being placed; and
- (e) will be delivered to the place and in the manner described in the purchase order.

4. INDEMNITY

Notwithstanding anything to the contrary in any Supplier's terms and conditions, the Supplier hereby indemnifies Connetics against all costs, damages (whether direct or indirect), proceedings, losses or other expenses incurred by Connetics as a result of any failure of the goods or services supplied, including, but not limited to, any failure to comply with the warranties specified above.

5. CANCELLATION

In the event that the goods or services provided by the Supplier fail to comply with any of the warranties above, then Connetics may, without limiting any of its other rights against the Supplier, cancel this Agreement and return the goods to the Supplier and the Supplier shall refund the purchase price of the goods and all reasonable costs of Connetics incurred by the cancellation (including any costs of returning the goods). If this Agreement is

cancelled the Supplier agrees that Connetics shall have no liability to the Supplier in relation to this Agreement.

6. PAYMENT TERMS

The payment terms for the goods or services to be supplied by the Supplier are to be agreed by the Supplier and Connetics prior to the supply. In the event that the payment terms are not agreed prior to the supply then the parties agree that payment is to be made by Connetics by the 20th day of the month following receipt of an appropriate invoice for the goods or services from the Supplier.

7. OWNERSHIP OF GOODS AND SERVICES

Unless specifically agreed in writing by the parties ownership of any goods supplied to Connetics passes to Connetics when delivery of the goods takes place with risk in the goods also passing to Connetics at that time.

All intellectual property rights arising from the supply of services to Connetics shall be the property of Connetics, unless Connetics and the Supplier have agreed to the contrary in writing. It is the Supplier's responsibility to ensure that all drawings and specifications used have been approved for construction by Connetics and that all goods are manufactured according to such drawings and specifications and any subsequent revisions thereof.

The Supplier, unless Connetics has granted to consent in writing, shall not sublet the drawings or specifications to any third party.

All intellectual property rights arising from designs of goods provided or prepared by or on behalf of Connetics shall be the sole and exclusive property of Connetics, unless Connetics and the Supplier have agreed to the contrary in writing.

8. ONSITE DELIVERY (Except Chapmans Road Depot)

The acknowledgement of receipt of goods by Connetics shall not constitute acceptance of them for on-site deliveries if the Supplier has not obtained a legible printed name and signature of a Connetics representative. This clause excludes deliveries to Chapmans Road Depot. Furthermore Connetics reserves the right to reject goods or services provided by the Supplier in the event of non-compliance with the warranties (stated above).

9. GENERAL CLAUSE

Neither party shall be liable for failure to perform its obligations if the failure results from force majeure, act of God, fire or explosion.