



TERMS OF PURCHASE

Scope

1 These Conditions, together with the accompanying order or letter, govern the purchase by Sphere Medical Limited and its subsidiaries ("Sphere") of goods and services from suppliers ("Supplier").

Delivery and Risk

2 All goods and services shall be supplied to Sphere's premises (which, unless the accompanying letter indicates otherwise, shall be Harston Mill, Harston, Cambridge). All costs of shipment and delivery to Sphere shall, unless otherwise agreed between Sphere and Supplier and confirmed in the accompanying letter, be borne by Supplier. All risks associated with the goods or services shall be borne by Supplier until safe delivery to Sphere's premises has taken place.

Prices

3 The price that Sphere shall pay for the goods or services shall be that agreed between Sphere and Supplier and shown in the accompanying order or letter.

Acceptance and Invoicing

4 All goods and services shall be subject to acceptance by Sphere. If Sphere does not indicate acceptance or rejection of the goods or services with 14 days of the date of delivery, they shall be deemed accepted.

5 If Sphere rejects the goods or services, which they shall only do on reasonable grounds, Supplier will be given the opportunity to rectify the defects that Sphere has identified within 21 days of the date of rejection.

6 If Supplier fails to correct any defects within the above period, Sphere shall be entitled to terminate this agreement forthwith.

7 Supplier shall be entitled to submit and invoice only on or after acceptance by Sphere. Sphere will pay valid invoices within 30 days of receipt.

Intellectual Property Rights

8 Any intellectual property rights (including inventions, designs and copyright) which Supplier may create in the course of its engagement (whether or not made at Sphere's premises or during normal office hours) shall belong to Sphere; and Supplier shall, at Sphere's request and expense, execute such formal documents as may be required to confirm or give effect to this provision.

9 Supplier shall ensure that its employees and sub-contractors are bound to assign intellectual property rights to Sphere (either directly or via Supplier) and shall ensure that such employees and sub-contractors execute such formal documents as may be required to confirm or give effect to this provision.

Confidentiality

10 Supplier must not without authority either disclose to any third party or use for its own benefit any confidential or secret information about Sphere's business or that of its clients and associates; nor may Supplier without authority make or possess copies of documents or other media on which such information is recorded. Supplier shall continue to honour this obligation after the termination of this agreement until such time as the relevant information falls into the public domain otherwise than through its own default.

Termination

11 Sphere may terminate this agreement on one week's notice at any time without cause. Except where Supplier has failed to deliver goods or services by the date set for their delivery or has failed to rectify defects in delivered goods or services within the timescale set in clause 5 hereof, Sphere shall pay such proportion of the agreed price as is fair and reasonable, given the degree to which Supplier has fulfilled the agreement, and Supplier shall provide to Sphere all the goods or services that he has completed at the date of termination. This agreement shall expire, if not terminated beforehand, once Sphere has accepted all goods and services deliverable hereunder and paid all Supplier's valid invoices.

Restrictions

12 Both during the term of this agreement and during the six months following its termination (for whatever cause), Supplier shall not seek to entice away from Sphere any of Sphere's employees or associates.

Laws

The validity, performance and construction of this contract shall be governed by the laws of England.