STANDARD TERMS AND CONDITIONS OF PURCHASE OF SERVICES FOR PHILIPPINES

The purchase of the Services by Medtronic Philippines, Inc. (Co. Reg. No. CS201400603) (Medtronic) from the Supplier will be subject to these terms and conditions of purchase.

1. Definitions

In this document:

Affiliate means, as to any individual, corporation, partnership, limited liability company, association, trust, unincorporated entity or other legal entity (each a "Person"), any other Person that directly, or indirectly through one or more intermediaries, controls, is controlled by, or under common control with such Person. As used in this definition, "control" (including, with correlative meanings, "controlled by" and "under common control with") shall mean possession, directly or indirectly, of the power to direct or cause the direction of the management and policies (whether through ownership of securities or partnership or other ownership interests, by contract or otherwise).

Agreement means a Purchase Contract incorporating these Medtronic standard terms and conditions of purchase.

Delivery means the Supplier completing the performance of the required Services.

Delivery Date means the time frame performance of the Services as set out in the Statement of Works or Purchase Order or, if no time frame is stipulated by Medtronic, the usual time frame for delivery to Medtronic shown in the Supplier’s Medtronic records.

Delivery Point the place for performance of the Services, as set out in the Statement of Works or the Purchase Order or, if no such place is stipulated by Medtronic, the usual place for delivery to Medtronic shown in the Supplier’s Medtronic records.

GST means Goods and Services Tax.

Insolvency Event has the meaning given in clause 20.6.

Laws means any statute, ordinance, code or other law including Federal, State, territorial or local government legislation, regulations under them and any code of practice, membership rules or standards issued by relevant regulators or industry bodies, whether or not having the force of law, applicable to or which affect the Goods, these Medtronic Standard Terms or any obligations performed under these Medtronic Standard Terms.

Loss means any loss, liability, costs (including legal costs on a full indemnity basis) or expense incurred by Medtronic relating to the Purchase Contract.

Medtronic Affiliate means Medtronic plc or any entity that is Medtronic or an Affiliate of Medtronic.

Price is defined in clause 3.1.

Purchase Contract is defined in clause 2.1.

Purchase Order means a purchase order issued by Medtronic or other form of written request or written agreement by Medtronic to the Supplier for the Supply.

Representative, in respect of a party or other person, means an officer, employee, contractor or agent of that party or person and, in the case of a Medtronic Affiliate, includes any officer, employee, contractor or agent of that Medtronic Affiliate but excludes the Supplier and the Supplier’s Representatives.

Services means the services described in the Statement of Works or the Purchase Order and includes any deliverable to be provided to Medtronic resulting from those services.

SOW Commencement Date means, in respect of a Statement of Work, the date set out in Error! Reference source not found. of that relevant Statement of Work.

SOW Period means, in respect of a Statement of Work, the period of time set out in Error! Reference source not found. of that relevant Statement of Work.

Specifications means the specification for the Services set out in the Statement of Work.

Statement of Work means a duly completed document in substantially the form set out in Annexure 1.

Specifications means the description and specifications (if any) in respect of the Services as set out in the Statement of Work or the Purchase Order.

Supply means the Services, as applicable, set out in the Statement of Works or a Purchase Order.

Supplier means the person or legal entity by or on behalf of whom the Supply is made.

2. Statement of Work, Purchase Orders and Purchase Contract

2.1 Medtronic may issue a Statement of Work or a Purchase Order to the Supplier in respect of the Supply. A purchase by Medtronic must not occur unless Medtronic has issued a Statement of Work or a Purchase Order. Medtronic is not obliged to issue any Statement of Work or Purchase Orders or to issue Statement of Works or Purchase Orders for any minimum quantity of Services.

2.2 Upon Medtronic’s issue of a Statement of Work or Purchase Order, a contract will form between Medtronic and the Supplier for the sale by Supplier, and the purchase by Medtronic, of the Supply (Purchase Contract). Each Purchase Contract will incorporate and be governed by these Medtronic standard terms and conditions of purchase (Standard Terms) to the exclusion of any other terms and conditions that the Supplier attempts or purports to stipulate or incorporate in connection with a Statement of Work or Purchase Order (including any terms and conditions specified or
referred to in or with the Supplier acceptance of the Statement of Work or Purchase Order, a Supplier invoice or in any other document provided by the Supplier.

2.3 Neither Medtronic’s acceptance of the Supply nor its failure to object to any conflicting, different or additional terms and conditions proposed by the Supplier will constitute, or be taken to constitute, an acceptance of those terms and conditions or a waiver of these Medtronic Standard Terms.

2.4 The Supplier is an independent contractor of Medtronic and nothing in these Medtronic Standard Terms or the Purchase Contract constitutes any other type of relationship between the parties, including the Supplier as Medtronic’s agent.

3. Price, invoicing and payment

3.1 The purchase price for the Supply (Price) will be:
(a) the price set on the Statement of Work or the Purchase Order for the relevant Supply;
(b) if no price is set out in the relevant Statement of Work or Purchase Order, the price for the Supply quoted in writing by the Supplier to Medtronic (or otherwise agreed in writing between the parties) in connection with the Statement of Work or Purchase Order; or
(c) if there was no price set out in the relevant Statement of Work or Purchase Order or quote given or price agreed, the price set out in the Supplier’s prevailing price list for the supply of the relevant Supply, as in effect at the time the Supply is supplied to Medtronic.

3.2 The Supplier will issue an invoice to Medtronic for the Supply, calculated in accordance with the Price.

3.3 Subject to clauses 3.7, Medtronic must pay all correctly rendered invoices, within ninety (90) days of the invoice date, by electronic funds transfer of cleared funds (in the currency nominated by the Supplier) to the Supplier’s nominated account.

3.4 For the purposes of clause 3.3, an invoice is not correctly rendered unless:
(a) the invoice is a tax invoice;
(b) the Supplier is entitled to issue the invoice under clause 3.2 and the amount claimed is correctly calculated; and
(c) the invoice includes details of the relevant Purchase Order(s) and such other information reasonably required by Medtronic.

3.5 Payment under clause 3.2 is not evidence that:
(a) Medtronic accepts all or any part of the Supply;
(b) the Supplier has carried out its obligations under the Purchase Contract; or
(c) of any waiver by or estoppel against Medtronic in relation to any right or action which Medtronic may have at any time against the Supplier.

3.6 In the event Medtronic has agreed in writing to:
(a) delivery of the Supply by instalments; and
(b) undertake progress payments, the Supplier may invoice Medtronic for each instalment.

3.7 If Medtronic pays any undisputed portion of the applicable invoice according to the terms of the Purchase Contract, Medtronic will not be taken to be in default with respect to failure to pay the disputed portion of the invoice during such time as the disputed portion is unresolved.

3.8 The Supplier expressly authorises Medtronic (or any other relevant Medtronic Affiliate) to deduct or withhold any amount (whether on account of tax or otherwise) from any payment to be made to the Supplier under a Purchase Contract where Medtronic or the relevant Medtronic Affiliate is required by or under any applicable law to do so.

3.9 The Price:
(a) covers all obligations of the Supplier under a Purchase Contract; and
(b) unless otherwise provided in the Statement of Work or the Purchase Order, is deemed to include all costs of labour, materials, packaging, freight, assembly, installation and insurance, inspection, labelling and sales, excise, or other taxes (other than GST), charges, levies, assessments or fees of any kind imposed on the Supplier in any jurisdiction in respect of the Supplier’s Services to Medtronic under this Agreement.

3.10 The Price is fixed and shall not be subject to adjustment for inflation, currency exchange fluctuation or any other adjustment whatsoever, unless otherwise specifically provided in the Purchase Order.

3.11 Medtronic shall have the right to offset from any payment payable to the Supplier any monies due from the Supplier to Medtronic, regardless of whether such monies are due under a Purchase Contract or not.

4. GST and taxes

4.1 If a party (the Supplying Party) makes a supply under or in connection with a Purchase Contract on which GST is payable (not being a supply for which the consideration is expressly described in a Purchase Contract as “GST inclusive”), the consideration payable or to be provided for that supply under a Purchase Contract but for the application of this clause 4.1 (GST Exclusive Consideration) is increased by, and the recipient of the supply (Recipient) must also pay to the Supplying Party an amount equal to, the GST Exclusive Consideration multiplied by the GST rate prevailing at the time that the supply is made (GST Amount).

4.2 The Recipient need not pay the GST Amount for a taxable supply made under or in connection with a Purchase Contract until the Supplying Party has given the Recipient a tax invoice for that taxable supply.

4.3 If a payment to a party under or in connection with a Purchase Contract is a reimbursement or indemnification of, or otherwise calculated by
reference to, a loss, cost or expense incurred by that party, then the payment is first reduced by the amount of any input tax credit to which that party is or was entitled in respect of that loss, cost or expense, and then increased in accordance with clause 4.1 (where applicable).

4.4 Subject to clause 4.1, Medtronic will be responsible for paying any and all applicable taxes (including income tax), charges, levies, assessments or other fees of any nature imposed by or under any applicable law (including by notice or order of any taxation authority or official) in respect of any distribution or sale by Medtronic of the Goods or Services. The Supplier will be responsible for paying any income tax, capital gains tax, and any other taxes, charges, levies, assessments or fees of any kind imposed on the Supplier in any jurisdiction in respect of the Supplier’s supply and sale of Goods or Services to Medtronic.

4.5 Either party may deduct or withhold any amount (including on account of any tax, charge, duty or levy) from any payment to be made to the other party if legally required to do so.

9. Provision of Services

9.1 In respect of the Services, the Supplier must:
   (a) provide (without additional charge) any incidental or related services not specifically described in the Purchase Contract which are required for the proper performance or use of the Services;
   (b) devote such time and resources as are required to properly perform the Services;
   (c) complete the Services in a proper and workmanlike manner;
   (d) exercise all due care during the performance of the Services;
   (e) comply with all reasonable and lawful directions and instructions given by Medtronic (or any other Medtronic Affiliate) from time to time; and
   (f) perform the Services in a professional, timely, competent and thorough manner.

10. Defective Services

10.1 If Medtronic determines that the Supply delivered to Medtronic does not conform with any of the Supplier’s obligations or warranties contained in a Purchase Contract, Medtronic may, within ninety (90) days of the Delivery Date and without prejudice to any other rights or remedies available to it, reject the Supply (Rejected Supply) by giving written notice to the Supplier (Rejection Notice).

10.2 Medtronic’s acceptance of the Supply does not waive Medtronic’s rights. If Medtronic accepts any Supply, this does not extinguish any of Medtronic’s rights if the Supply does not comply with a term of the Purchase Contract.

11. Other obligations

11.1 The Supplier undertakes to Medtronic that it will:

(a) safeguard the health, safety and welfare of those performing the Services in accordance with the Law;
(b) notify those performing the Services the work, health and safety policies of:
   (i) the Supplier and Medtronic (to the extent that Medtronic has notified the Supplier of its work health and safety policies);
   (ii) provide appropriate information, training and supervision in safe working practices to manage the risks associated with the performance of the Services;
   (iii) maintain any equipment required for the performance of the Services in compliance with applicable Laws; and
   (iv) have reasonable regard for the health and safety of those not employed by the Supplier, but who may be affected by the Supplier’s work under the Purchase Contract.

11.2 The Supplier will maintain for no less than seven (7) years (or other extended period as may be required by applicable law), complete and adequate records of all its operations relating to the Purchase Order and the Services.

11.3 The Supplier will at all times keep Medtronic fully informed of the progress of the Supply.

11.4 The Supplier will from time to time when requested by Medtronic deliver written reports and data to Medtronic and Medtronic shall at all times have complete access to all records and such other data as may be compiled relating to the Supplier.

11.5 The Supplier must at its own cost, obtain and maintain any licences and/or other approvals required for the lawful provision of the Supply.

12. Subcontracting

12.1 Except as expressly provided in the Statement of Works or the Purchase Order, the Supplier may not sub-contract any obligations under a Purchase Contract without the prior written consent of Medtronic. Where the Supplier sub-contracts any of its obligations under a Purchase Contract, the Supplier remains liable for the carrying out and completion of those obligations.

13. Warranties

13.1 The Supplier warrants that:
   (a) it has all rights, title, licences, interests and property necessary to provide the Supply;
   (b) the Supply complies and conforms with:
      (i) all Laws that are related in any way to the Supply and all requirements under a Purchase Contract; and
      (ii) any representations made to Medtronic or any other person; and
   (c) the Services:
      (i) are performed with the same or higher level of care and skill as would reasonably be expected of a person qualified and
13.2 The Supplier warrants that the Services and their manufacture, supply, distribution, promotion and/or use as contemplated under the Purchase Contract will not:
(a) result in a breach of any law or mandatory codes, infringe any person’s intellectual property rights (including in relation to copyright, registered design, patent, trademark, moral rights or otherwise),
(b) constitute a misuse of any person’s confidential information; or
(c) result in the Supplier breaching any obligation it owes to any person.

13.3 The warranties contained in this clause 13 are in addition to any express warranties given by the Supplier and any warranties implied by Law.

13.4 This clause 13 will survive the termination or expiration of a Purchase Contract.

13.5 Without limiting any right or remedy available to Medtronic, the Supplier must promptly re-perform any Services that do not satisfy any warranty given in this clause 13 at the Supplier’s own expense and any replacement Services will be subject to the same warranties.


14.1 For the purposes of this clause 134: Intellectual Property Rights means each of the following:
(a) all present and future intellectual property rights conferred or recognised by statute, common law or in equity and subsisting anywhere in the world, including such rights in, or in respect of patents, inventions, designs, circuit layouts, copyright, trademarks, business and trade names, domain names, technical data, formulae, know-how, confidential information and computer software, programs and databases (in each case, whether or not registered, registrable or patentable);
(b) all other intellectual property as defined in article 2 of the convention establishing the World Intellectual Property Organisation 1967; and
(c) any applications, or any rights to apply, for registration (or renewal or extension of registration) of any of the rights referred to in paragraph (a) or (b) above, but excludes moral rights and other similar personal rights which by law are non-assignable.

14.2 To the extent permitted by law, the Supplier hereby irrevocably assigns to Medtronic, upon creation, all Intellectual Property Rights in any works created by the Supplier in the course of the provision of the Supply to Medtronic.

14.3 The Supplier grants to Medtronic a non-exclusive and royalty-free right and licence to use the Supplier’s Intellectual Property Rights to the extent necessary for Medtronic to:
(a) receive the full use and benefit of the Supply;
(b) sub-license (in whole or part) the right and licence granted to it under this clause to:
(i) any Medtronic Affiliate or to any third party; and
(ii) any other person, but only in relation to the use and/or enjoyment of the benefits of any of the Goods or Services.

14.4 Except as expressly provided by clauses 14.2 and 14.3, nothing in a Purchase Contract grants, or is intended or to be taken to grant, to Medtronic any right, title or interest in or to, or claim in respect of, the Supplier’s Intellectual Property Rights owned or licensed by the Supplier or any of its Affiliates.

14.5 Except to the extent expressly provided by clause 14.6, nothing in a Purchase Contract grants, or is intended or to be taken to grant, to the Supplier any right, title or interest in or to, or claim in respect of, the Medtronic’s Intellectual Property Rights or any other Intellectual Property Rights owned or licensed by Medtronic or any of its Affiliates.

14.6 Medtronic grants to the Supplier a right to use Medtronic’s Intellectual Property to, and only to, the extent (if any) necessary for the Supplier to provide the Supply.

14.7 The Supplier will not be entitled to any lien, charge or other form of attachment or security interest whatsoever in respect of the Medtronic Intellectual Property or any other Intellectual Property Rights owned or licensed by Medtronic.

15. Indemnities

15.1 The Supplier indemnifies Medtronic and its officers, employees, contractors, affiliated companies, successors and assigns and holds them harmless from and against any and all claims, suits, actions, liabilities, Losses, judgments or damages, whether ordinary, special or consequential, arising directly or indirectly from or in connection with:
(a) any damage to or loss of real or personal property of any party to the extent caused by the Supplier;
(b) death, illness or personal injury to any person to the extent caused by the Supplier;
(c) any claim brought by any person against Medtronic for actual or alleged infringement of intellectual property rights arising out of or in connection with the Supply;
(d) the acts, omissions including but not limited to negligence, wilful misconduct unauthorised or wrongful acts or omissions with regards to the use or installations of hazardous materials, of the Supplier or the Supplier’s employees, agents and contractors;
(e) the provision of the Supply under the Purchase
Contract; or
(f) the Supplier’s performance or breach of the Purchase Contract.

15.2 This clause 155 will survive the termination or expiration of a Purchase Contract.

16. Insurance

16.1 For the duration of the Purchase Contract and for six (6) years following the expiry of the Purchase Contract, the Supplier must (at its own expense) maintain appropriate policies of insurance including the following:
(a) public liability and property damage insurance with a reputable insurer for at least USD$10 million for any single occurrence;
(b) product liability insurance in connection for any delivered Goods with a reputable insurer for at least USD$20 million for any single occurrence; and
(c) professional indemnity for any performed Services with a reputable insurer for at least USD$1 million for any single occurrence; and
(d) workers compensation in accordance with applicable Laws.

16.2 The Supplier must, at Medtronic’s request, provide Medtronic with true copies of certificates of currency with respect to the insurance policies set out in clause 16.1.

16.3 This clause 16 will survive the termination or expiration of a Purchase Contract.

17. Default and termination

17.1 If:
(a) the Supplier breaches any term of a Purchase Contract or these Medtronic Standard Terms; or
(b) an Insolvency Event occurs in respect of the Supplier.

Medtronic may, without prejudice to any other rights Medtronic has under any Purchase Contract, terminate the Purchase Contract and/or any other contracts between Medtronic and the Supplier by giving notice in writing to the Supplier.

17.2 Medtronic may terminate a Purchase Contract for convenience at any time by giving the Supplier at least ninety (90) days’ notice in writing of termination.

17.3 Subject to clause 17.4, if the Purchase Contract is terminated pursuant to clause 17.1 or 17.2:
(a) the Supplier must, to the extent specified by Medtronic, cease all work in relation to the Supply;
(b) Medtronic will only pay the Supplier the reasonable value of the work actually performed as at the date of termination.

17.4 Notwithstanding anything in a Purchase Contract or these Medtronic Standard Terms:
(a) Medtronic will not be liable for the reimbursement of anticipated profits for unperformed Services;
(b) where Medtronic is required to make a payment to the Supplier pursuant to clause 17.3:
(i) as a pre-condition to payment, the Supplier must have mitigated the relevant claimed costs or expenses;
(ii) in no circumstances will that amount exceed the Price; and
(iii) the Supplier will not be entitled to any further costs or damages howsoever arising.

17.5 In the event of termination pursuant to clause 17.1:
(a) the Supplier will refund Medtronic the full amount of any deposit that it has paid; and
(b) the rights and remedies of Medtronic under or in respect of these Medtronic Standard Terms are not thereby prejudiced but will continue to bind the Parties without limitation in time.

17.6 In this clause 17, an Insolvency Event, in respect of Medtronic or the Supplier (the relevant party), means that:
(a) the relevant party is or becomes insolvent, fails or is unable or admits its inability to pay its debts as they become due or is presumed to be insolvent under an applicable law;
(b) the relevant party has bankruptcy, insolvency or winding up proceedings initiated or instituted by or against it;
(c) a secured creditor or mortgagee enters into possession or disposes of the whole or any part of the relevant party’s assets or business;
(d) the relevant party makes any assignment for the benefit of, or proposes, enters into or makes any arrangement, compromise or composition with, its creditors;
(e) the relevant party has a liquidator, provisional liquidator, receiver, receiver and manager, trustee in bankruptcy or an administrator or any other similar official appointed (whether or not by a court) to it or in respect of all or any part of its property, assets or undertaking;
(f) the relevant party is otherwise wound up or dissolved; or
(g) the relevant party ceases to carry on business or any licence or authorisation it requires to carry on business is suspended or revoked.

18. Confidentiality and privacy

18.1 Unless stated to the contrary, all information obtained by the Supplier in connection with the Supply will be deemed to be confidential information and the Supplier shall ensure that confidential information is not divulged by the Supplier or its Representatives to any third party. Notwithstanding the foregoing, the Supplier is granted permission to share such confidential information with other parties if, and only to the extent, that:
(a) such information needs to be shared to enable the Supplier to fulfil its obligations to Medtronic;
(b) it receives the prior written consent of Medtronic;
(c) such information enters the public domain (other than as a result of a breach of any obligation of
party, enterprise or entity, public organisation or
government to obtain or retain business, or
direct business to any person or entity, or for any
other improper advantage or purpose; and
(b) comply with all applicable export and import laws
and regulations, including associated embargo
and sanction regulations and, unless authorised
by applicable governmental licence or regulation,
not directly or indirectly export or re-export any
technical information or software subject to
these Medtronic Standard Terms (including
direct products of such technical information or
software) to any prohibited destination or
country (including release to nationals, wherever
they may be located, of any prohibited country)
as specified in such applicable export
regulations, and in the event the Supplier
breaches its obligations under this clause,
Medtronic may immediately terminate any
Purchase Contract and/or other contracts and
the Supplier must indemnify and hold harmless
Medtronic against any and all claims, losses,
damages, penalties or fines related to such
breach.

20.2 This clause 20 will survive the termination or
expiration of a Purchase Contract.

21. Choice of law and jurisdiction

21.1 The validity, interpretation and construction of the
Purchase Contract and these Medtronic Standard
Terms shall be determined by the laws of the
Republic of the Philippines.

21.2 Each party submits to the exclusive jurisdiction of
Courts of the Republic of the Philippines.

22. General

22.1 In this document:

(a) the singular includes the plural and vice versa;
(b) another grammatical form of a defined word or
expression has a corresponding meaning;
(c) a reference to a clause is to a clause of these
Medtronic Standard Terms;
(d) a reference to a document includes a document
in electronic form;
(e) a reference to any supply or other act by or of
Medtronic includes a supply made, or other act
done, on Medtronic’s behalf by a person or entity
acting as Medtronic’s duly authorised
representative or agent;
(f) the terms “including”, “includes”, “for example”,
“in particular” and similar expressions are
illustrative only and do not limit the meaning of
the words preceding them; and
(g) a reference to writing includes any mode of
representing or reproducing words, figures,
drawings or symbols in a visible form.

22.2 If any clause or part of a clause is illegal,
enforceable or invalid, that clause or part is to be
treated as removed from these Medtronic Standard
Terms, but the rest of the Medtronic Standard

20. Compliance with law

20.1 In carrying on the Supplier’s business, the Supplier
must comply with its obligations under all Laws
including without limitation, the Supplier must itself,
and must procure any person reasonably within its
control to:

(a) not pay, offer or promise to pay, or authorise the
payment of, any monies or anything of value,
directly or indirectly, to any government official
or employee, any official or employee of a state-
run or state-owned or controlled enterprise or
entity, any official or employee of a public
international organisation, any candidate for
political or public office, any official or employee
of any political party, or any family member or
relative of such persons or any political party for
the purpose of influencing any act or decision of
any such official, employee, candidate, political
22.3 The waiver by Medtronic of any provision or breach by the Supplier of any provision of a Purchase Contract will not be construed as a waiver of any other provision or breach of any other provision, or of any subsequent breach of the same or any other provision of the Purchase Contract.

22.4 Medtronic’s failure to exercise or delay in exercising a right, power or remedy does not constitute a waiver of the right, power or remedy. Any waiver must be agreed in writing by Medtronic.

22.5 A Purchase Contract and any right or obligation of the Supplier under it cannot be assigned or transferred by the Supplier without the prior written consent of Medtronic.

22.6 Medtronic may sub-contract the performance of all or part of its obligations under a Purchase Contract.

22.7 A Purchase Contract may be varied only by agreement in writing of each party.

22.8 Notwithstanding anything to the contrary in these Medtronic Standard Terms, in the event that the Supplier is supplying a Supply pursuant to a current, written and signed agreement between Medtronic and the Supplier, where there is any inconsistency between these Medtronic Standard Terms and that written agreement, the terms and conditions of that agreement will prevail to the extent of the inconsistency.