

Aytu BioScience, Inc. ("Aytu") may purchase and you (the "Supplier") shall provide the Services and Items described in Purchase Orders, all in accordance with the Terms and Conditions set forth herein. All Purchase Orders issued to Supplier by Aytu and signed by Supplier shall be governed only by these Terms and Conditions notwithstanding any preprinted terms and conditions on Supplier's acknowledgment or Aytu's Purchase Order. Each Purchase Order and these Terms and Conditions shall be referred to collectively as the "Agreement". Any additional or different terms in Supplier's documents (including, without limitation, contracts proposed by Supplier) are hereby deemed to be material alterations and notice of objection to and rejection of them is hereby given.

1. DEFINITIONS

- A. "Items" mean the goods which Supplier is to provide to Aytu as set forth in a Purchase Order.
- B. "Purchase Order" is Aytu's document setting forth specific Services to be rendered and/or specific Items to be provided.
- C. "Service(s)" means the work to be performed as set forth in the Purchase Order

2. TERMINATION

- A. Aytu may, at any time and for any reason or no reason, terminate a Purchase Order in whole or in part by written notice to Supplier, whether Supplier is in breach of the applicable Agreement or not. Upon termination, Aytu shall have no obligations under the Agreement. If the Purchase Order is terminated by Aytu without a breach of the Agreement by Supplier, Supplier shall be entitled to, as its sole and exclusive remedy, payment for Services and Items provided prior to the effective date of termination. If the Purchase Order is terminated by Aytu for Supplier's breach of the Agreement, Supplier shall not be entitled to any additional payment, and Aytu may pursue any and all remedies it may have against Supplier under the Agreement or at law or in equity.

3. PRICING

- A. The purchase price for the Items and Services shall be as set forth in the Purchase Order. All applicable taxes, including but not limited to sales/use taxes, transaction privilege taxes, gross receipts taxes, and other charges such as duties, customs, tariffs, imposts, and government-imposed surcharges shall be stated separately on Supplier's invoice. Each party is responsible for its own respective income taxes or taxes based upon gross revenues, including but not limited to business and occupation taxes. Aytu shall make payment within forty-five (45) days after Aytu's receipt of a properly prepared invoice. A properly prepared invoice must include the Purchase Order number. Payment will be made in the currency of the United States of America unless Aytu and Supplier have agreed, in writing, that payment will be made in a different currency. Unless otherwise specified in a related statement of work, quote, proposal, presentation or similar document, Aytu will determine the local currency equivalent of the price as of date of payment.

4. DELIVERY AND SCHEDULING

- A. Supplier shall notify Aytu in writing within two (2) business days of receipt of Aytu's Purchase Order if Supplier is unable to provide Services or Items in accordance with the Purchase Order and state the reasons therefor. The absence of such notice constitutes acceptance of the Purchase Order. Supplier shall promptly provide Items and Services as scheduled in the Purchase Order.

5. WARRANTY

- A. Supplier makes the following representations, warranties and covenants regarding Items and Services furnished hereunder, which shall survive any delivery, inspection, acceptance or payment:
 - (i) Supplier has the necessary right, title, and interest to provide said Items and Services to Aytu, and the Items will be delivered to Aytu free of liens, claims and encumbrances;
 - (ii) Items and Services are free from defects in workmanship and material, conform to all samples, drawings, descriptions, and specifications furnished or published by Supplier and to any other agreed-to specifications;
 - (iii) Services provided shall be performed in accordance with good workmanlike standards;
 - (iv) In connection with the performance of Services, Supplier shall comply with all applicable laws and regulations, including but not limited to the Federal Food, Drug, and Cosmetic Act and the regulations promulgated pursuant thereto.
 - (v) All Items have been manufactured, packaged and labeled in compliance with applicable laws and regulations, including but not limited to the Federal Food, Drug, and Cosmetic Act and the regulations promulgated pursuant thereto.
 - (vi) Neither Supplier nor any of its employees and other persons performing hereunder (i) has been debarred and (ii) to the best of Supplier's knowledge, is under consideration to be disbarred by the Food and Drug Administration (the "FDA") or any other government agency from working in or providing services to any pharmaceutical or biotechnology company. Supplier shall notify Aytu immediately if Supplier or any of its employees or other persons performing hereunder comes under investigation by the FDA for debarment or disqualification or is debarred or disqualified.
- B. If Supplier breaches any of the warranties herein, or Items or Services are otherwise defective or non-conforming, during a period of sixty (60) days after Aytu's receipt of Items or Supplier's performance of Services, Supplier shall, at Aytu's option, promptly repair, replace, or refund the amount paid for such Items or Services.

6. OWNERSHIP

- A. All (i) Items, (ii) data, information and results, (iii) written materials and other works which may be subject to copyright and (iv) patentable and un-patentable inventions, discoveries, data, and ideas (including but not limited to any computer software) which are made, conceived, generated, reduced to practice or written by Supplier, its employees, contractors, vendors and agents based upon or in connection with the performance of the Services ("Developments") shall become Aytu property. Supplier, by signing a Purchase Order, expressly agrees to Aytu's ownership of all Developments, and Supplier hereby assigns all right, title and interest in and to all Developments and related patents and other intellectual property rights to Aytu. Supplier shall disclose promptly to Aytu each Development and, upon Aytu's request and at Aytu's expense, Supplier shall assist Aytu, or its designees, in filing patent or copyright applications in any country in the world. Each copyrightable work, to the extent permitted by law, shall be considered a work made for hire and the authorship and copyright of the work shall be in Aytu's name and, if not so considered, Supplier hereby assigns to Aytu all of Supplier's rights, title, and interests in such works. Supplier shall

execute or cause to be executed by the inventor(s) or a duly authorized agent of Supplier, as the case may be, all papers and do all things which may be reasonably necessary or advisable, to prosecute such applications and to vest in Aytu, or its designee, all the right, title and interest in and to the Development.

7. CONFIDENTIALITY

- A. Supplier will have access to and contact with Confidential Information. Supplier agrees that it will not, during the Term or at any time thereafter, disclose to others, or use for its benefit, the benefit of others, or for any purposes other than as may be necessary to provide Services to Aytu, any Confidential Information or Invention. Supplier will treat Confidential Information as confidential and proprietary and shall take all reasonable precautions to protect the Confidential Information. All Confidential Information (including copies and derivatives thereof) shall be returned to Aytu upon the earlier of the termination of the Services or Aytu's request.
- B. "Confidential Information" shall mean all information (whether or not patentable and whether or not copyrightable) owned, possessed or used by Aytu or generated by Supplier under a Purchase Order, including, without limitation, any formula, vendor information, customer information, apparatus, equipment, trade secret, process, research, report, technical data, know-how, computer program, software, software documentation, hardware design, technology, marketing or business plan, forecast, unpublished financial statement, budget, license, price, cost and employee list that is communicated to, learned of, developed, generated or otherwise acquired by Supplier in the course of the Services. Without limiting the generality of the foregoing, information regarding Developments shall be deemed "Confidential Information."

8. INTELLECTUAL PROPERTY INDEMNIFICATION

- A. Supplier shall indemnify and hold Aytu and its customers harmless from any costs, expenses (including reasonable attorneys' fees), losses, damages, or liabilities incurred because of actual or alleged infringement of any patent, copyright, trade secret, or trademark, or other intellectual property right arising out of the use or sale of the Items or Supplier's provision of Services.

9. MATERIALS

- A. Aytu may supply Supplier with the tangible materials described on Purchase Order ("Materials"). "Materials" include any derivatives of such provided materials, including, without limitation, any progeny derived from a cell line, monoclonal antibodies or recombinant proteins produced from the provided materials, and substances routinely purified from any source material included in the provided materials. Aytu shall, with respect to Materials, provide Supplier with safe handling instructions and material safety data sheets (the "Handling Documents"). Supplier agrees to use the Materials in accordance with the Handling Documents solely as required for the conduct of Services under a Purchase Order. Supplier shall not use the Materials for any other purpose, including, without limitation, (i) any in vivo experiments on human subjects, (ii) clinical trials, or (iii) diagnostic purposes involving human subjects without the prior written consent of Aytu. Supplier shall not distribute any Materials or describe the Materials to any third party other than its employees. Upon the sooner to occur of (i) the termination of the Services and (ii) the request of Aytu, Supplier shall either destroy or return any unused Materials, as directed by Aytu. All right, title, and interest in and to all Materials and any patent and intellectual property rights to the Materials shall remain in Aytu. Nothing in the Agreement is intended to grant Supplier any rights under any patent, trademark, copyright or other intellectual property right, nor shall the Agreement grant Supplier any rights in or to Materials, except the limited right to use such Materials in connection with the Services.

10. INSURANCE

To the extent a Purchase Order includes an insurance addendum that requires Supplier to maintain insurance, Supplier shall maintain, at its sole cost and expense, with companies acceptable to Aytu, such insurance on the terms and conditions set forth in the addendum.

11. GENERAL INDEMNIFICATION

- A. Supplier shall, to the fullest extent permitted by law, protect, defend, indemnify, and hold Aytu harmless from and against any and all claims, liabilities, demands, penalties, forfeitures, suits, judgments, and the associated costs and expenses (including attorney's fees), which Aytu may hereafter incur, become responsible for, or pay out as a result of: death or personal injury (including bodily injury) to any person, destruction or damage to any property, contamination of or adverse effects on the environment, and any clean-up costs in connection therewith, or any violation of law, governmental regulation or orders, to the extent caused by (i) Supplier's breach of any term or provision of the Agreement; or (ii) any negligent or willful acts, errors, or omissions by Supplier, its employees, officers, agents, representatives, or subcontractors in the performance of the Agreement.

12. RETENTION

Supplier will maintain complete and accurate records of the Services performed under a Purchase Order for a period of five (5) years after the completion of the Services. Copies of records relating to the performance of a Purchase Order shall be made available to Aytu upon its reasonable request.

13. INDEPENDENT CONTRACTOR

In performing Services under a Purchase Order, Supplier is an independent contractor and its personnel and other representatives shall not act as nor be agents or employees of Aytu. As an independent contractor, Supplier will be solely responsible for determining the means and methods for performing the required Services.

14. MERGER, MODIFICATION, WAIVER, AND REMEDIES

- A. The Agreement contains the entire understanding between Aytu and Supplier with respect to the subject matter hereof and merges and supersedes all prior and contemporaneous agreements, dealings and negotiations. No modification, alteration, or amendment shall be effective unless made in writing, dated and signed by duly authorized representatives of both parties.
- B. No waiver of any breach hereof shall be held to be a waiver of any other or subsequent breach.

- C. Aytu's rights and remedies herein are in addition to any other rights and remedies provided by law or in equity.
- D. If any provision of the Agreement is determined by a court of competent jurisdiction to be invalid, illegal, or unenforceable, such determination shall not affect the validity of the remaining provisions unless Aytu determines in its discretion that the court's determination causes the Agreement to fail in any of its essential purposes.

15. SUBCONTRACTORS; ASSIGNMENT

- A. Supplier may not subcontract to any third party (a "Subcontractor") any of its rights or obligations under a Purchase Order without Aytu's prior written consent. If Aytu consents to the use of a Subcontractor, Supplier will: (i) guarantee and will remain liable for the performance of all subcontracted obligations; (ii) indemnify Aytu for all damages and costs of any kind incurred by Aytu or any third party and caused by the acts and omissions of Supplier's Subcontractors and (iii) make all payments to its Subcontractors. If Supplier fails to timely pay a Subcontractor for work performed, Aytu will have the right, but not the obligation, to pay the Subcontractor and offset any amount due to Supplier by any amount paid to the Subcontractor. Supplier will defend, indemnify and hold Aytu harmless for all damages and costs of any kind, without limitation, incurred by Aytu and caused by Supplier's failure to pay a Subcontractor.
- B. Supplier shall not assign this Agreement or any portion thereof without the written consent of Aytu. For purposes of this Section 15, the acquisition, merger, consolidation, or change in control of Supplier or any assignment by operation of law shall be deemed an assignment that requires Aytu's written consent. Aytu may cancel the Agreement as a material breach hereof should Supplier attempt to make or enter into an unauthorized assignment or subcontract of any right or obligation arising hereunder.

16. LIMITATION OF LIABILITY

IN NO EVENT WILL AYTU BE LIABLE TO SUPPLIER FOR ANY INCIDENTAL, INDIRECT, SPECIAL, CONSEQUENTIAL DAMAGES OR LOSS OF PROFITS ARISING OUT OF, OR IN CONNECTION WITH, THE AGREEMENT, WHETHER OR NOT AYTU WAS ADVISED OF THE POSSIBILITY OF SUCH DAMAGE. NOTWITHSTANDING ANYTHING ELSE IN THE AGREEMENT, AYTU WILL NOT BE LIABLE TO SUPPLIER WITH RESPECT TO THE SUBJECT MATTER OF THE PURCHASE ORDER UNDER ANY CONTRACT, NEGLIGENCE, STRICT LIABILITY OR OTHER LEGAL OR EQUITABLE THEORY FOR ANY AMOUNTS IN EXCESS IN THE AMOUNT AYTU PAID TO SUPPLIER UNDER SUCH PURCHASE ORDER.

17. APPLICABLE LAW

The Agreement shall be interpreted and construed in accordance with the substantive and procedural laws of the State of Delaware, excluding that body of law known as choice of law. The parties agree that service of process upon them in any such action may be made if delivered in person, by courier service, by telegram, by telefacsimile or by first class mail, and shall be deemed effectively given upon receipt.

18. SURVIVAL

The provisions of Sections 5-18 shall survive the termination or expiration of the Agreement.