

**GLAXOSMITH KLINE PAKISTAN LIMITED  
TERMS AND CONDITIONS OF PURCHASE (GOODS AND / OR SERVICES)**

**1. DEFINITIONS**

"Affiliate" means an organization, which is directly or indirectly, controlled by, in Control of, or under common control with, either Supplier or Purchaser as appropriate.

"Agreement" means the agreement between Purchaser and Supplier consisting of the Purchase Order, these Terms and Conditions, the Specifications, and any other documents (or parts thereof) specified in the Purchase Order or otherwise expressly incorporating these Terms and Conditions or any other agreement between the Purchaser and the Supplier agreed in writing.

"Goods" means all (or any) of the Goods covered by the Agreement including without limitation raw materials, processed materials, fabricated products, as well as any other materials, supplies, items, and equipment.

"Incoterms" means the Year 2000 edition of the official International Chamber of Commerce Rules for the interpretation of trade terms.

"Intellectual Property Rights" means any registered and unregistered trade marks, trade names, brand names, logos, trade dress, registered and unregistered designs, patents, and any applications for registration thereof, and any know how, copyright and database rights wherever subsisting.

"Packaging" means bags, cases, carboys, cylinders, drums, pallets and other containers or materials used to pack or contains the Goods as covered by this PO.

"Purchaser" means GlaxoSmithKline Pakistan Limited or any subsidiary thereof as specified in the Purchase Order.

"Purchase Order" means Purchasers purchase order issued to the Supplier by the Purchaser which is either attached or overleaf and includes these Terms and Conditions. It shall be abbreviated as "PO." herein.

"Services" means the work and/or services covered by the PO.

"Specification" means the specification detailed on the face of the PO or in a schedule to be attached to the P.O, or as separately documented by Purchaser in writing which sets out the details of the Goods and/or Services required.

"Supplier" means the person, firm (or any individual partner thereof), or company designated on the face of this Purchase Order to provide the required Goods / Services and shall also include its employees, subcontractors, independent contractors and all other persons performing any type of work under the Agreement.

"Supplier's Personelle" mean Supplier or Supplier's employees, agents, sub-contractors or any other person appointed by Supplier to provide Goods and/or Services, whether in part or whole, under Agreement.

"Terms and Conditions" means the terms and conditions appearing on this PO. and a part thereof.

## **2. ACCEPTANCE**

This PO must be accepted in writing by the Supplier. If the Supplier fails to accept the same in writing, any conduct by the Supplier which recognizes the existence of an Agreement pertaining to the subject matter hereof shall constitute an acceptance by Supplier of this PO in its entirety. Any terms proposed by the Supplier's which add to, vary from, or conflict with these Terms and Conditions are hereby rejected and shall not apply unless agreed to by the Purchaser in writing.

If this PO has been issued by Purchaser in response to an offer and if any of these Terms and Conditions are additional to or different from any terms of such offer, then the issuance of this PO by Purchaser shall constitute a counter offer as per the terms herein contained. The Supplier shall then have the option of accepting these additional and / or different Terms and Conditions, and Supplier shall be deemed to have so accepted unless the Supplier notifies Purchaser to the contrary in writing within 10 days of receipt of this PO. If the Supplier wishes to impose additional and/or different terms and conditions from the Terms and Conditions herein contained, making a further counter offer, acceptance of such additional/different terms and conditions as proposed by the Supplier shall be at the discretion of the Purchaser and shall only be considered accepted after due notice in writing to that effect is issued by the Purchaser.

## **3. ENTIRE AGREEMENT**

This PO, together with the terms contained herein and on the face as well as any specifications, exhibits or amendments which may be referred to or attached hereto, sets forth the complete and final agreement between the parties with respect to the subject matter hereof, and supersedes any and all prior or contemporaneous oral or written communications relating thereto.

If this PO is used as a release for Goods and/ or Services under a pre-existing master agreement, then the Terms and Conditions of this PO shall supplement the provisions of such master agreement to the extent they are not inconsistent. In the event of any inconsistency between the terms of any pre-existing master agreement, the terms on the face of this PO or these Terms and Conditions, the following shall be the order of precedence: (i) the terms of the master agreement, (ii) the terms on the face of the PO, and (iii) these pre-printed Terms and Conditions.

The failure of Purchaser to insist on performance of any provision hereof shall not be construed to be a waiver of such provision or any part thereof.

## **4. CONTRACT PRICE**

The price (which shall be a firm fixed price), shall be exclusive of GST/VAT, and inclusive of all Packaging and other related charges, delivery and insurance and insurance charges (unless otherwise stated separately in writing). Any increase in the price for any reason shall be subject to the express prior written consent of Purchaser.

Invoices. All invoices raised by the Supplier shall contain the following information: PO number, item number, description of Goods and/or Services, sizes, quantities, weight, unit prices, extended totals and delivery challan/LC No. The GST (where applicable) should be shown separately and should be accompanied by the GST invoice. The Purchaser will accept no liability whatsoever for invoices, delivery notes or other communications which do not bear correct or complete information as specified here-in-above.

To ensure payment in accordance with the above procedure all invoices must be received at the invoice address shown on the Purchase Order.

## **5. PAYMENT**

Purchaser shall make payment for the Goods and / or Services after receipt of invoice and delivery and inspection of the Goods by our Q/C dept which may include measurement, testing or examination at the Purchaser's facility within a reasonable time (but not less than 90 days) after receipt at destination, or complete performance of the services or in case of import, after acceptance of documents, as applicable, unless different terms have been stated on the face of this PO.

It is clarified that acceptance of the Goods by our QC department does not tantamount to unconditional, absolute and irrevocable acceptance. Purchaser reserves the right to return any and all defective damaged and / or spoiled Goods which are discovered to be defective damaged and / or spoiled as a result of the Supplier's action and / or omission back to the Supplier at ANY TIME before the Goods reach their expiry date. As appropriate GSK will either seek refund of the spoiled, damaged and / or defective Goods or deduct the cost of the Goods from the amount payable to the Supplier, if any. The Supplier is unconditionally agreeable to the same. It is clarified that any defects discovered in the Goods subsequent to acceptance of the Goods by the Purchaser will be duly rectified if rectification thereof is possible by the Supplier at its own cost.

An invoice shall not constitute unconditional acceptance of price charged for the Goods and/or Services and shall be subject to adjustment for errors, shortages, defects in the Goods and/or Services, or damage to Purchaser for which Supplier is partially or wholly responsible, or other failure of the Supplier to meet the requirements of the PO,

## **6. DELIVERY OF GOODS AND/OR PROVISION OF SERVICES**

Unless otherwise instructed in writing by Purchaser, all Goods must be delivered and Services must be performed at the time and place specified in the PO by the Supplier at Supplier's cost.

If Goods and/or Services are incorrectly delivered Supplier shall be responsible for additional expenses incurred in delivering them to the correct point specified in the PO or subsequently advised in writing by Purchaser. The quantity specified in the Agreement may not be changed without Purchasers prior written consent.

Time is of the essence and the Goods must be received or Services performed on the date and at the destination(s) set forth in the PO. If Supplier fails to meet any such delivery date, Purchaser may, without limiting its other rights and remedies, direct expedited routing, charge excess costs incurred to it as a result of the delay by the Supplier to Supplier, or cancel all or part of this PO.

The Purchaser reserve the right to hold the Supplier liable for all damages caused by such delay. In case of non delivery, Purchaser may at its discretion cancel the PO and the Supplier warrants that it shall indemnify the Purchaser for any loss and or damage suffered by the Purchaser including costs of defending legal proceedings etc. caused due to the Suppliers failure to deliver the Goods / Services in the specified time.

## **7. FREIGHT TITLE AND RISK OF LOSS.**

Unless otherwise specifically provided for herein, Supplier shall be responsible for freight and delivery to the destination specified on the face of this PO or notified subsequently in writing. All freight and delivery charges will be paid by Supplier.

Unless Incoterms are agreed, the title and risk in Goods shall remain with Supplier until they are delivered at the "ship to" destination specified on the face of this PO. Further, the Supplier shall bear the same risks with respect to any goods rejected by Purchaser or as to which Purchaser has revoked its acceptance, from the time of such rejection or revocation.

In case of Import, the Goods shall be delivered by the Supplier to the nearest port of loading (Sea Port/Air Port). From the time of the dispatch from the Supplier's premises till the time that the Goods are loaded on to the vessel, the risk of and loss or damage to or deterioration of the Products from whatever cause arising shall be borne by the Supplier.

## **8. QUALITY AND FITNESS FOR PURPOSE OF GOODS**

Goods and/or Services must comply with the Agreement and all express and implied conditions, warranties and terms must specifically comply with the Specifications/artworks or any modifications that may be agreed in writing. Drugs and Chemicals must comply with official standards (e.g. BP, BPC, USP etc) unless otherwise stated. Goods purchased against sample must conform in all respects with the previously approved sample.

Notwithstanding any prior inspections or payments hereunder, all Goods and/or Services shall be subject to an inspection as stated in clause 5 above, which may include measurement. Testing or examination at the Purchaser's facility within a reasonable time (but not less than 90 days) after receipt of Goods at the destination. Any inspection by the Purchaser does not relieve the Supplier of any of its obligations or liabilities under the Agreement.

The Goods must be, supplied with adequate instructions as to use and use-by date, be fit for the purpose for which they are intended, be of satisfactory quality and be free from defects in design, material and workmanship.

## **9. REJECTION, REPAIR AND REPLACEMENT**

In the case of Goods not conforming with the Agreement, either before or after acceptance of the Goods the Purchaser may, at its discretion:

- (i) Require the Supplier as soon as reasonably practicable to either repair or replace the Goods at the destination or at the Supplier's works, whichever the Purchaser shall so determine, or where repair is not appropriate refund to Purchaser all payments, if any, made to it under the Agreement for the Goods which do not correspond with the specifications. Repairs, replacements, and any refunds shall be subject to the same obligations as in the Agreement unless otherwise agreed by the Purchaser in writing.
- (ii) In the case of defective delivery, require Supplier to promptly reimburse the Purchaser in respect of any cost including but not limited to freight, clearance, duty and storage charges incurred by Purchaser; and
- (iii) Purchase Goods elsewhere which as nearly as practicable accord with the Specifications; and any extra expense thus incurred shall be paid by Supplier to Purchaser. Before exercising such right to purchase elsewhere Purchaser shall give Supplier a reasonable opportunity to replace rejected Goods with Goods which conform

with the Specifications failing which the Supplier shall refund to the Purchaser the costs of such Goods.

In the event of a rejection in accordance with (l) above Purchaser shall notify the Supplier in writing and the payment obligation in relation to any such Goods shall be suspended forthwith. If Purchaser elects to accept nonconforming Goods or Services, the Purchaser shall, in addition to and without prejudice to its other remedies in law, be entitled to an appropriate reduction in price. The Parties shall use their best endeavors to resolve any dispute arising pursuant to Clauses 8 and If no agreement can be reached within 30 days, the Parties shall agree on an independent expert (not an arbitrator) whose decision shall be final and binding as to the dispute. Fees for the independent expert shall be borne by the Party found to be in default of its obligations under the Agreement by the said independent expert.

If the independent expert finds that any delivery of the Goods or Services has not complied with the Agreement, Purchaser shall have the rights stated above.

If the Independent expert finds that the Goods or Service comply with the Agreement, Purchaser shall pay for such Goods or Service in accordance with the payment provisions contained in the Agreement.

All rejected Goods and material with Purchasers name and or identification appearing thereon will be destroyed by the Purchaser at any of its premises at the Supplier's expense and not sold as surplus. The Supplier shall not be entitled to claim any compensation for such destruction.

## **10. WARRANTY**

Supplier warrants that all Goods furnished hereunder shall:

- (i) be free from latent and patent defects in workmanship, material, manufacture, and design (where design is Supplier`s responsibility);
- (ii) comply with the requirements of this Agreement including all drawings and Specifications incorporated herein and samples and warranties furnished by Supplier as well as any other written instructions given by Purchaser and /or agreed in writing between the Parties;
- (iii) be merchantable and safe for consumer use, and fit and sufficient for the purpose/ use intended by Purchaser;
- (iv) be free and clear of any lien, security interest or other adverse claim against title which may result in loss and/or damage to the Purchaser;
- (v) comply with all relevant statutes, regulation and other legal requirements.

The Supplier`s warranties shall be effective from the time of delivery of the Goods and shall continue till expiry of the Goods. For goods that are covered under an independent Supplier's warranties shall be effective for the period of time set forth on the face of this PO or one (1) year from the date of Purchasers acceptance, whichever is greater.

These warranties shall run to Purchaser`s customers and end users of its products wherein the Goods are used. If any Goods furnished hereunder do not meet the warranties specified in this PO, the Purchaser may, at its option:

- (i) require the Supplier to correct/rectify, at no cost to Purchaser any defective or non conforming Goods by repair or replacement within seven (7) days of written notice regarding the defective or no conforming Goods or Services being sent to the Supplier;
- (ii) return such defective or nonconforming Goods at the Supplier's expense to the Supplier and recover from the Supplier the cost of the same;
- (iii) correct the defective or nonconforming Goods itself and charge Supplier with the cost of such correction;
- (iv) accept the defective or nonconforming Goods or services at a reduced price.

## **11. STANDARD OF SERVICES**

Supplier warrants and represents to Purchaser that any Services performed by Supplier or duly appointed sub-contractor:

- (i) shall be performed in a good and workmanlike fashion and with all due speed, care, skill and diligence. Supplier shall furnish such programmes for the Services as Purchaser may reasonably require within 30 days of receipt of the PO and / or the Agreement. Suppliers programmes shall give details of its proposals for carrying out the Services within the time stipulated indicating the sequence and timing of all operations forming part of the Services.
- (ii) shall be carried out in accordance with the PO and / or the Agreement and in accordance with current industry standard codes of practice, and shall conform to the highest standards prevailing in Supplier's industry. Supplier shall ensure that all of its personnel and sub-contractors are suitably qualified to perform the Services and that all necessary licenses, work permits or other authorisations have been obtained by it.

If the Services do not conform with the PO or the Agreement, Purchaser shall have the right to have the Services performed from elsewhere which as nearly as practicable conform to the PO; and any extra expense incurred shall be paid by Supplier to Purchaser. Before exercising such right to obtain the Services from an alternative supplier Purchaser shall give the Supplier an opportunity to replace the services in respect of which payment was cancelled and /or withheld with Services which conform with the PO or the Agreement in case of Services the warranties shall be effective from the time performance of Service is initiated till such time at the end of the Service that the Purchaser deems the Service rendered to be satisfactory.

These warranties shall run to Purchaser's customers and end users of its products wherein or in relation to which the Services are used.

## **12. WORKERS/EMPLOVES OF SUPPLIER**

The Supplier shall strictly abide by all provisions of law in force in Pakistan from time to time applicable to it generally and also respect of his employees/workers and shall maintain records of work done by the as required under law.

The Supplier warrants that it does not employ children, indulge in forced labor and does not discriminate against any employee/worker on all basis of race, gender, ethnicity, religion disability or cast.

At no point shall the Supplier's Personal be deemed to be employee(s) of the Purchaser and nothing in the Agreement shall be construed or have effect as constituting any relationship of



employer and employee between Purchaser and Supplier's Personal or the Supplier. Supplier shall make all payments directly to Supplier's Personal and pay all related taxes including withholding tax.

### **13. CHANGES**

Purchaser reserves the right at any time to change this PO or any term of the Agreement in writing, and if such change causes an increase or decrease in price or delivery of Goods or Services, a reasonable adjustment shall be made.

### **14. PACKAGING**

Supplier will package and label the Goods in a manner suitable for transit and storage at no cost to Purchaser. Purchaser will not pay for or return Packaging materials unless previously agreed between the Parties in writing. Packaging must comply with all relevant legislative requirements, in force in Pakistan including those pertaining to environmental and occupational health and safety standards.

### **15. INSPECTION**

Purchaser, and any third party it appoints on its behalf, shall have the right upon prior notice to inspect and/or carry out any tests, or batch sampling, as it wishes on all Goods at Supplier's premises and the premises of any sub-contractors of the Suppliers and on any Services provided.

Where pre-shipped inspection is specified, Supplier must, at its expense provide for the same and provide any or all relevant certificates of analysis.

Supplier shall, and shall ensure that its sub-contractors shall, grant a right of access to the Purchaser and any third party it appoints in order to inspect and test the Goods for compliance with relevant environmental, occupational health and safety legislation/regulations in force in Pakistan and other requirements such as the Purchaser policies, procedures and standards.

### **16. CONFIDENTIALITY AND PUBLICITY**

The Supplier shall, and shall procure that Suppliers Personnel shall, keep secret any Intellectual Property Rights, Specification or other information of a commercial or technical nature disclosed to Supplier by Purchaser for the purpose of the Agreement, and shall not use or disclose such information to any third party without Purchaser's prior written consent. Supplier shall not without Purchaser's prior written consent disclose, copy, publicise or publish, the existence of the Agreement or any information related to the Agreement including the name of Purchaser, the Goods, Services, and the place of delivery or performance.

### **17. INTELLECTUAL PROPERTY RIGHTS**

The Supplier shall, at its expense, defend any actions arising from infringements or alleged infringements of its Intellectual Property Rights in connection with the Goods or Services. The Supplier undertakes to indemnify the Purchaser against any costs which the Purchaser may incur in connection with such actions, provided that Purchaser gives the Supplier all appropriate information and assistance and shall be the sole authority to defend or settle any legal proceedings at Supplier's expense.

Purchaser retains Intellectual Property Rights in, and ownership of all materials, plans, drawings, Specifications, patterns and/or designs and artwork provided by Purchaser to Supplier, including any originals, copies, summaries and derivations thereof. The same shall all be returned at such time as the Purchaser demands in good condition to the Purchaser.

Where Goods are made to Purchaser's Specification, model, or plans, the Intellectual Property Rights in the Goods in so far as they relate to the Specification, model, or plans, and any improvements or developments thereof shall be the absolute property of the Purchaser, and it shall be assumed that all such Intellectual Property Rights have been assigned to the Purchaser by the Supplier as are necessary for appropriate and purposeful use of the Goods.

Intellectual Property Rights arising during or out of the provision of Services shall be and remain the property of Purchaser.

In the event that the Intellectual Property Rights relating to the Goods and/or Services are held by the Courts to infringe a third party's rights, and their use is enjoined by that third party, Supplier shall have the option at its expense to procure for the purposes of the Agreement for the Purchaser the right to continue using the Goods or Services for the duration of the Agreement, or replace the Goods with non-infringing Goods or Services, or modify the Goods or Services so that they become non-infringing without detracting from their overall performance and functionality.

#### **18. WORK ON PURCHASERS' PREMISES; OCCUPATIONAL HEALTH SERVICES**

In the case of Services the Supplier shall comply with all applicable safety and environmental laws in force in Pakistan from time to time and any and all policies, procedures and regulations of the Purchaser. Supplier shall provide the Purchaser with a complete list of all chemicals, hazardous materials, and ingredients used or produced in the composition of Goods or used in the performance of the Services hereunder. The submission of such list by the Supplier shall not relieve Supplier of exclusive responsibility for the safe transportation, use, storage, and disposal of such materials prior to acceptance by the Purchaser and or any liability arising from breach of any safety /environmental law in force in Pakistan from time to time. All chemicals and hazardous materials brought by Supplier to Purchaser's premises shall bear a label stating the identity of the chemical or material.

Supplier will indemnify Purchaser against all liability and loss related to any third party claims which arises from Supplier's or Supplier's sub-contractors' actions resulting in alleged release of any waste, hazardous substance or other pollutant.

#### **19. INDEMNITY; INSURANCE**

Supplier shall defend, indemnify and hold the Purchaser, its affiliated companies, and their respective shareholders, officers, directors, employees, agents, successors, and assigns harmless from and against any and all claims, suits, actions, liabilities, losses, costs, reasonable attorneys' fees, expenses, judgments or damages, whether ordinary, special or consequential arising directly or indirectly from or in connection with ;

- (i) the acts, negligence, omissions or willful misconduct of Supplier;
- (ii) Goods or Services supplied hereunder;
- (iii) a breach of any of Supplier's warranties or any other term and condition of this PO and the Agreement;
- (iv) Suppliers negligent, unauthorized or wrongful acts or omissions with regard to the use or installation of hazardous material;



- (v) a claim that any Goods or Services furnished hereunder infringe upon or misappropriate any patent, copyright, trademark, trade secret or other intellectual property interest of another; or
- (vi) a claim of any lien, security interest or other encumbrance made by a third party.
- (vii) any injury sustained by Supplier's Personelle while providing any Goods or Services under the Agreement.

Without limiting the Purchaser's rights and remedies hereunder, if the Purchaser believes that the Goods and/or Services supplied hereunder are likely to be determined to be an infringement or misappropriation of a patent, copyright, trademark, trade secret, or other proprietary right, the Purchaser may require Supplier to:

- (i) replace such Goods or
- (ii) modify such Goods to make them non-infringing.

Supplier shall carry out and maintain insurance coverage satisfactory to cover its obligations under this PO and the Agreement.

## **20. TERMINATION.**

The Purchaser may, at any time, terminate this PO, in whole or in part, without cause, upon written notice to Supplier. Upon any such termination Supplier shall, to the extent specified by the Purchaser stop all work on this PO and / or the Agreement, and cause its suppliers and subcontractors to stop work. Charges for any such termination of this PO shall be limited to actual non-recoverable costs incurred by Supplier, which Supplier can demonstrate were properly incurred prior to the date of termination. In no event will the Purchaser reimburse Supplier for Goods, inventory or services in excess of those required to meet the Purchaser's requirements. In no event shall such reimbursement include anticipated profits for undelivered Goods or unperformed services. Purchaser's liability is limited to Services in progress, and no further loss or liability will accrue to the Purchaser in this regard.

The Purchaser may terminate this PO, in whole or in part, if Supplier:

- (i) fails to make delivery of the Goods or perform the Services within the time specified herein;
- (ii) fails to replace or correct defective Goods or services in accordance with the provisions of this PO or the Agreement;
- (iii) fails to perform any other provision of this PO or so fails to make progress as to endanger performance in accordance with its terms;
- (iv) becomes insolvent, files or has filed against it a petition in bankruptcy, or makes an assignment for the benefit of creditors.

Termination or expiry shall not relieve either party from any liability or action accrued prior to such termination or expiry.

## **21. CONSEQUENCES OF TERMINATION**

Upon termination of the Agreement Supplier shall, not later than seven days after Purchaser's request:

- (i) deliver to Purchaser at the destination all quantities of the Goods in its possession which comply with the Agreement;
- (ii) return to Purchaser all documents provided to Supplier by Purchaser, as well as all documents containing Intellectual Property Rights and/or any information of a technical nature relating to the Goods, the manufacture of the Goods and the provision of Services, or of a confidential nature and supplied/due to be supplied by Purchaser to Supplier.

With effect from termination of the Agreement Supplier shall not make any use for any purpose whatsoever of any Intellectual Property Rights which are the property of Purchaser.

## **22. PURCHASER PROPERTY**

All drawings, artwork, data, material, supplies, equipment, tooling, dies, molds, fixtures, and patterns furnished or paid for by the Purchaser or which have had their cost amortized shall be Purchaser's exclusive property, and shall be used by Supplier only in performance of this PO and / or the Agreement. Such property, while in Supplier's custody and control, shall be held at Supplier's sole risk and, upon Purchaser's request, shall be returned to the Purchaser in good condition, normal wear and tear excepted.

## **23. ASSIGNABILITY AND SUBCONTRACTING**

This PO and the Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and permitted assigns. Notwithstanding the foregoing, neither this PO nor any interest therein shall be assigned, or otherwise transferred by the Supplier except upon the prior written consent of the Purchaser and any assignment or transfer without such consent shall be void and of no effect.

Supplier shall not, without the prior written consent of Purchaser, appoint any sub-contractor or any person or persons to carry out its obligations under the Agreement. In the event that Supplier appoints a sub-contractor or other person to perform its obligations, the supplier shall remain liable to Purchaser for the performance of all its obligations and shall ensure that any such sub-contractor or other person reads and understands the implications of the Agreement.

Purchaser may assign its rights or obligations under this PO or Agreement to any Affiliate or successor without Supplier's consent.

Nothing in this Agreement shall be deemed to constitute an agency between the Purchaser and the Supplier.

## **24. RELEASE INFORMATION.**

Supplier shall not release any statement, advertisement, information, or publicity referring to Purchaser or its Affiliate, or use of the word "Glaxo", "SmithKline", or "GlaxoSmithKline" without the Purchaser's prior written approval.

## **25. FORCE MAJEURE**

Neither party shall be liable for, nor be deemed to be in default, on account of any delay in completion or the performance of any other act under the Agreement due to circumstances which could not have been contemplated by the parties and which are beyond the party's reasonable control ("Force Majeure"), provided that the party claiming hereunder shall notify the other with all possible speed specifying the cause and probable duration of the delay or non-performance and shall minimize the effects of such delay or non-performance.

Purchaser shall have the right to suspend any shipment from Supplier hereunder without penalty or liability to Purchaser in the event of war, riot, flood, acts of God, fire, court order, strike, work stoppage, act of governmental authority.

## **26. SEVERABILITY**

In the event that any provision of this PO and /or the Agreement is declared invalid by a proper tribunal or law, the remainder of the provisions shall not be affected thereby, and each term and provision not declared invalid or unenforceable shall be valid and shall be enforced to the fullest extent permitted by law,

## **27. AMENDMENT**

The Agreement may only be amended in writing by authorized representatives of both Parties or the Purchaser.

## **28. ARBRITATION**

If, at any time, any disagreement or dispute ("Dispute") arises between the Parties out of or in respect of this Agreement, the Parties in Dispute shall endeavor to settle such Dispute amicably failing which the Dispute shall be finally settled by arbitration in accordance with the Pakistan Arbitration Act, 1940 before a sole arbitrator who shall be a retired judge of the High Court of Pakistan as may be agreed by and between the Parties.

The award of the arbitrator shall be final and binding upon the Parties who shall give full effect there to. The arbitration shall be conducted at Karachi in the English language.

## **29. ANTI-BRIBERY & CORRUPTION:**

The Supplier agrees that it shall comply fully at all times with all applicable laws and regulations, including but not limited to anti-corruption laws, and that it has not, and covenants that it will not, in connection with the performance of this Agreement, directly or indirectly, make, promise, authorise, ratify or offer to make, or take any act in furtherance of any payment or transfer of anything of value for the purpose of influencing, inducing or rewarding any act, omission or decision to secure an improper advantage; or improperly assisting it or GSK in obtaining or retaining business, or in any way with the purpose or effect of public or commercial bribery, and warrants that it has taken reasonable measures to prevent subcontractors, agents or any other third parties, subject to its control or determining influence, from doing so. For the avoidance of doubt this includes facilitating payments, which are unofficial, improper, small payments or gifts offered or made to government officials to secure or expedite a routine or necessary action to which we are legally entitled.

GSK shall be entitled to terminate this Agreement immediately on written notice to the Supplier, if the Supplier fails to perform its obligations in accordance with this clause. The Supplier shall have no claim against GSK for compensation for any loss of whatever nature by virtue of the termination of this Agreement in accordance with this Clause.

The Supplier shall not contact, or otherwise knowingly meet with any Government Official for the purpose of discussing activities arising out of or in connection with this Agreement, without the prior written approval of GSK and, when requested by GSK, only in the presence of a GSK designated representative. For the purpose of this agreement "Government Official" (where 'government' means all levels and subdivisions of governments, i.e. local, regional, national, administrative, legislative, executive, or judicial, and royal or ruling families) means: (a) any officer or employee of a government or any department, agency or instrumentality of a government (which includes public enterprises, and entities owned or controlled by the state); (b) any officer or employee of a public international organisation such as the World Bank or United Nations; (c) any officer or employee of a political party, or any candidate for public office; (d) any person defined as a government or public official under applicable local laws (including anti-bribery and corruption laws) and not already

covered by any of the above; and/or; (e) any person acting in an official capacity for or on behalf of any of the above.

The Supplier shall inform GSK in writing, if, during the course of this Agreement, it is convicted of or pleads guilty to a criminal offence involving fraud or corruption, or becomes the subject of any government investigation for such offenses, or is listed by any government agency as debarred, suspended, proposed for suspension or debarment, or otherwise ineligible for government programs.

The Supplier represents and warrants that except as disclosed to GSK in writing prior to the commencement of this Agreement: (1) it does not have any interest which directly or indirectly conflicts with its proper and ethical performance of this Agreement; (2) it shall inform GSK in writing at the earliest possible opportunity of any conflict of interest that arises during the performance of this Agreement; and (3) it shall maintain arm's length relations with all third parties with which it deals for or on behalf of GSK in performance of this Agreement.

GSK shall have the right during the terms of this agreement to conduct an audit of the Supplier's activities under this Agreement to monitor compliance with the terms of this Agreement. The Supplier shall cooperate fully with such audit, the scope, method, nature and duration of which shall be at the sole reasonable discretion of GSK.

The Supplier shall ensure that all transactions under the agreement are properly and accurately recorded in all material respects on its books and records and each document upon which entries such books and records are based is complete and accurate in all material respects. The Supplier must maintain a system of internal accounting controls reasonably designed to ensure that it maintains no off-the-books accounts.

The Supplier agrees that in the event that GSK believes that there has been a possible violation of the terms of this Agreement, GSK may make full disclosure of such belief and related information at any time and for any reason to any competent government bodies and its agencies, and to whomsoever GSK determines in good faith has a legitimate need to know.

### **3. Conflict of Interest:**

The Supplier represents and warrants that except as disclosed in writing: (1) it does not have any interest which directly or indirectly conflicts with its proper and ethical performance of this Agreement; and (2) it shall maintain arms length relations with all third parties (including government officials) with whom it deals for or on behalf of the Purchaser.

4. The Purchaser shall be entitled to terminate this Agreement & the services of the Supplier immediately on written notice, if it fails to perform its obligations in accordance with this article

29. The Supplier shall have no claim against the Purchaser for compensation for any loss of whatever nature by virtue of the termination of its service.

### **30. APPLICABLE LAW**

This Agreement shall be enforced in accordance with and governed by the laws of the Islamic Republic of Pakistan.