

CONDITIONS OF PURCHASE (GOODS AND SERVICES)

1. DEFINITIONS

“Shopper” or “GSK” means the GSK Indonesia entity indicated on the face of Order.

“Supplier” means the person, firm or company to whom the Order is addressed by the Shopper and includes any sub-contractor of the Supplier.

“Order” means an Order for the supply of Goods or Services placed by the Shopper with the Supplier.

“Goods” means the goods described in the Order and includes any goods supplied to the Shopper in connection with the supply of Services to the Shopper by the Supplier.

“Services” means the services described in the Order and all work done by or on behalf of the Supplier for the Shopper.

“Restricted Information” means any information which is disclosed to the Supplier by the Shopper in connection with the Order whether orally or in writing and whether or not such information is expressly stated to be or marked as confidential and includes all details relating to the Order.

2. CONDITIONS

2.1 These conditions apply to all Orders for the supply of Goods and Services from time to time. Other than Orders made under any negotiated supply agreement between the Shopper and Supplier and prevail over any terms and conditions, standard or otherwise, of the Supplier or implied by trade custom, practice or course of dealing. Any change or addition to these Conditions may only be made in writing signed by a duly authorized employee of the Shopper.

3. GOODS SUPPLIED

3.1. The Goods to be supplied to the Shopper by the Supplier shall:

3.1.1. Be of the description and quality specified in the Order, of merchantable quality, capable of any specified standard of performance and fit for the purpose for which they are supplied.

3.1.2. Confirm to any specifications agreed by the Shopper and Supplier and any samples provided to and approved by the Shopper.

3.1.3. Be supplied in the quantity stated in the Order; and

3.1.4. Comply with all applicable statutes, rules, directives and regulations.

3.2. The Supplier shall not change any specifications applicable to the Goods to be supplied to the Shopper at any time without any written consent of the Shopper.

4. SERVICES SUPPLIED

The Services to be supplied to the Shopper by the Supplier shall:

4.1. Be performed efficiently, safely, and competently and in conformity with any applicable, industry code of practice by suitably qualified and experienced personnel;

4.2. Be of the quality reasonably expected by the Shopper and comply with any requirements specified by the Shopper, and

4.3. Together with any equipment supplied and the use of such equipment by the Supplier, comply with all applicable statutes, rules, directives and regulations.

5. INSPECTION AND TESTING

5.1. The Supplier shall supply the Shopper with such schedules of manufacture and delivery of Goods and performance of Services as the Shopper may reasonably require from time to time.

5.2. The Shopper shall be granted access to the Supplier's works at all reasonable times and shall be entitled to inspect all Goods (during the course of manufacture and testing, and on completion) and plant used in the provision of Services.

5.3. Any inspection, checking or approval of Goods, the Supplier's works or plant used in the provision of Services by or on behalf of the Shopper shall not relieve the Supplier of any obligation under these Conditions or constitute acceptance of the Goods by the Shopper.

6. DELIVERY AND PERFORMANCE

6.1. Unless otherwise agreed, Goods and Services shall be delivered or performed (as the case may be) at the place and time specified in the Order and Goods shall be delivered according to both manufacturing date order and batch number order.

6.2. If the Supplier fails to deliver the Goods or to perform the Services at the time and place specified in the Order the Shopper may cancel all or part of the Order without prejudice to any other right it may have against the Supplier.

6.3. Time shall be of the essence of these Conditions.

7. PRICE

The price for the Goods and Services shall be as specified in the Order and shall include all handling, packing delivery and customs charges, unless agreed otherwise.

8. PAYMENT

8.1 Payment for the Goods and Services shall be stated in the Order.

8.2 Invoices for the Goods and Services must quote the date of delivery of Goods or of Performance of Services and the Purchase Order number and must be sent to the Shopper address specified in the Order together with the signed Purchase Order by Supplier.

8.3 Shopper has the right to hold all invoice process and payment until a correct and complete invoice has been received from the Supplier. This action shall not constitute a failure or negligence on Shopper of its performance under this Agreement. The Supplier does not have the right to impose any interest or penalties to Shopper on such withhold of payment.

8.4 All and any tax(es) that might be imposed in connection with the supply of any Goods and/or Services by Supplier to Shopper shall be borne by each relevant party as per the prevailing tax law and regulation. The Supplier must provide Shopper with valid tax document for any taxable supply it makes to Shopper under this Agreement at or before

the time of payment. Shopper will not be required to pay the Supplier until the Supplier has provided valid tax documents to Shopper.

- 8.5 In the event that Services is supplied by a foreign Supplier, Supplier shall provide the Shopper a valid Certificate of Domicile not later than the 20th day of the following month as of the date of the Invoice or after the Services is performed, whichever is earlier. A failure to provide such requirement will cause the Shopper to deduct the payment as per prevailing tax law and regulation.

9. LABELING AND PACKAGING

The Goods shall be labeled and packed as specified in the Order, in accordance with any agreed specifications and any applicable statutes, rules, directives and regulations, and in such a manner as to reach the place of delivery undamaged and in good condition.

10. ACCEPTANCE OF GOODS

- 10.1. Goods received by the Shopper from the Supplier are subject to inspection and approval by the Shopper within a reasonable time of delivery. Payment by the Shopper for Goods and Services shall not prejudice the Shopper's right of rejection.

Acknowledgement of receipt of Goods by the Shopper does not constitute acceptance of the Goods.

- 10.2. Where Goods are delivered to the Shopper in such circumstances or in such a condition as to be in breach of these Conditions, the Shopper, without prejudice to any other right which it may have against the Supplier, may:

10.2.1. Reject all or part of the Goods.

10.2.2. Treat all part of the Order as repudiated by the Supplier, and

10.2.3. Required Supplier at its own risk and expense to promptly remove the Goods and if not required by the Shopper, promptly replace or repair them.

- 10.3. Title of the Goods shall pass to the Shopper on delivery but without prejudice to the Shopper's right of rejection.

11. LIABILITY

- 11.1. The Supplier shall indemnify the Shopper against any action, claim, loss, damage, cost or liability (including legal cost and expenses on a full indemnity basis) arising from or in connection with any breach of these Conditions or caused or contributed to by the negligence of the Supplier, its employees, agents or subcontractors.

- 11.2. The Supplier shall not exclude or limit its liability under these conditions in any way whatsoever.

- 11.3. Without prejudice to any other right the Shopper may have against the Supplier, the Supplier shall promptly repair or replace all Goods which are or become defective during proper usage due to faulty design or manufacture, incorrect instructions as to use, any Breach of these Conditions or any breach of any warranty, express or implied, given by the Supplier.

- 11.4. The Supplier shall maintain insurance cover adequate to cover the risks and liabilities specified in these Conditions.

12. Representative and Warranties of Supplier

- 12.1. It is a limited liability company duly organized, validly existing and in good standing under the laws of Indonesia and is fully qualified on its business in Indonesia.
- 12.2. It has power to enter into this Agreement and to perform its obligations hereunder and has taken all necessary corporate or other actions to authorize the execution, delivery and performance of this Agreement.
- 12.3. The execution, delivery and performance by it of this Agreement will not exceed the powers granted to it by, or violate the provisions of (i) any applicable law or regulation, governmental guideline or policy statement or any order of any court, regulatory body or arbitral tribunal; or (ii) its constituent documents; and (iii) any agreement to which it is a party.
- 12.4. It is duly authorized to provide the Goods and it has in place at the date of this Agreement the necessary licenses and all appropriate governmental approvals and authority required in order to carry out the activities contemplated herein.
- 12.5. The Goods delivered to GSK have passed the quality test done by the Supplier and fulfilled the quality assurance required by GSK.

13. INTELLECTUAL PROPERTY

- 13.1. The Supplier warrants that neither the Goods and Services nor their supply to or use by the Shopper infringe any patent, trade mark, trade name, registered design or Copyright or other intellectual property right of any third party.
- 13.2. The Supplier will, on request, assign free of charge to the Shopper the title to all intellectual property rights of whatever nature in all countries of the world in any words, pictures, drawings, artwork, storyboards, design, devices, representations, packaging or other things created or prepared by the Supplier in connection with an Order. For these purposes intellectual property rights includes patents and patent applications which have resulted directly or indirectly from design or development work undertaken by the Supplier exclusively for the Shopper.

14. CONFIDENTIALITY

- 14.1. The Supplier shall at all times keep all Restricted Information confidential and not disclose any Restricted Information to any person unless such Restricted Information is or become public knowledge through no fault of the Supplier or it can be shown to the reasonable satisfaction of the Shopper that such Restricted Information was known to the Supplier before it was disclosed by the Shopper.
- 14.2. Any specification design, drawing, pattern, artwork, tool or mould supplied by the Shopper for the purpose in connection with this Order shall remain the property of the Shopper and the Supplier shall be responsible for its safe custody and return to the Shopper.
- 14.3. Supplier shall not use, alter, modify, or in any way publish any of GSK name, product, logo, and/or any Goods and/or Services provided by Supplier to Shopper without prior written consent from Shopper.

15. FORCE MAJEURE

Performance by the Shopper of its obligation in connection with the supply of Goods or services may be suspended in the event of interference with such performance due to any matter outside the Shopper's reasonable control. Such suspension shall be without prejudice to the Shopper's to the Shopper's right to cancel all or on all part of the order where such interference continues for seven days or more.

16. HAZARDS

The Supplier will inform the Shopper on all hazards and regulatory requirements associated with the use, handling, storage, labeling and transport of the Goods and the Supplier will ensure that the Goods are properly and prominently marked with the appropriate internationally recognized hazard symbols and that prominent hazard symbols and that prominent hazard warnings appear on all Goods and associated documents.

17. ON SITE WORKING

The Supplier, its employees, agents, and sub contractors shall abide by the Shopper's applicable site and safety rules when working on the Shopper's site.

18. SUB-CONTRACTING AND ASSIGNMENT

The Supplier shall not sub-contract or assign its obligation under these Conditions without the prior written consent of the Shopper. Any sub-contracting or assignment does not relieve the Supplier of its obligations under these Conditions.

19. COMMUNICATIONS

Any communications required to be served by a party in connection with these Conditions shall be sent by ordinary mail (expert in cases of emergency when telex, facsimile transmission or registered must be used) to the registered office of the other party or any other address communicated in writing by one party to the other for this purpose.

19. WAIVER

No exercise or failure to exercise any right shall constitute a waiver of any other right under these Conditions.

20. GOVERNING LAW

These Conditions shall be governed by the Law of Republic of Indonesia and shall be subject to the exclusive jurisdiction of the Republic of Indonesia.

21. ANTI-CORRUPTION AND ANTI-BRIBERY

21.1. Supplier acknowledges receipt of the 'Prevention of Corruption – Third Party Guidelines' and agrees to perform its obligations under the Agreement in accordance with the principles set out therein.

21.2. Supplier shall comply fully at all time with all applicable laws and regulations, including but not limited to applicable anti-corruption laws, of the territory in which the Supplier conducts business with Shopper.

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

22.HUMAN RIGHT CLAUSE

The Supplier warrants that:

- 22.1. it does not employ engage or otherwise use any child labour in circumstances in all countries in which it operates or sources Goods;
- 22.2. it does not use forced labour in any form;
- 22.3. it meets all Indonesian Laws in relation to equal opportunity, discrimination, working hours and employment right;
- 22.4. it does not engage in or support the use of corporal punishment, mental, physical, sexual or verbal abuse and does not use cruel or unusual disciplinary practices in the workplace;
- 22.5. it pays each employee at least the minimum wage, or the prevailing industry wage, (whichever is the higher) and provides each employee with all legally mandated benefits;
- 22.6. it complies with all applicable local environment, safety and health regulations and provides a safe and healthy workplace, presenting no immediate hazards to its staff;
- 22.7. Its worker shall be free to join associations of their choice and be free to lawfully organise and bargain collectively without fear of interference or restrictions.

23.DATA PRIVACY

Supplier acknowledges that in the course of performing the Agreement, it and its respective authorized employees or subcontractors may receive or have access to personal information of individuals. Supplier acknowledges and agrees with the strong concern of Shopper regarding the protection and preservation of the privacy and confidentiality of individuals. To the extent that Supplier receives or otherwise obtains access to information that is identifiable to a particular individual as a result of its activities, duties, or obligations hereunder, it agrees that it shall maintain any such information it obtains in strict confidence and shall use such information solely for the purpose of performing the Agreement and for no other purpose whatsoever without that individual's consent. Provided, however, that the foregoing limitation on the dissemination of such information shall not restrict Supplier from transferring such information to a third party contemplated herein (or otherwise engaged by a party with respect to this Agreement) on a strict need to know basis, provided that such receiving third party agrees to ensure the privacy and confidentiality of such information in the manner set forth in this Article.

24.INDEPENDENT CONTRACTOR

The Supplier shall perform this Agreement as an independent contractor, and the Supplier agrees that it is not an employee, agent, partner or representative of the Shopper. The Supplier shall conduct its business under its own name as an independent contractor, and is hereby expressly prohibited from holding itself out as an employee, agent, partner or representative of the Shopper. It is agreed that any person employed by the Supplier to

perform hereunder shall not be deemed to be an employee of the Shopper, and the Supplier and the Supplier's employees, Suppliers, subcontractors, agents or representatives shall not be, or represent themselves to be, officers, employees, agents or representatives of the Shopper and shall not bind, or attempt to bind, the Shopper to any agreement, liability or obligation of any nature.

25. ENTIRE AGREEMENT

These Conditions is an integral and inseparable part of any Purchase, Supply and/or any agreement between Supplier and Shopper. In the event that there is any discrepancy between the agreement and these Conditions, the terms and conditions in the Agreement shall prevail and bind Supplier and Shopper.

26. TERMINATION

26.1. Shopper has the right at any time without cause to terminate this Agreement with 30 days written notice to the Supplier.

26.2 The Parties waive the provisions, procedures and operation of Article 1266 of the Indonesian Civil Code (Kitab Undang-Undang Hukum Perdata) to the extent that court approval or court order is required to terminate this Agreement and Article 1267 of the Indonesian Civil Code to the extent that the party, towards whom the obligation has not been complied, to elect to demand the other party to comply with the obligation or to demand the dissolution of the agreement with compensation of cost, loss and interest .

PREVENTION OF CORRUPTION – THIRD PARTY GUIDELINES

The GSK Anti-Bribery and Corruption Policy (POL-GSK-007) requires compliance with the highest ethical standards and all anti-corruption laws applicable in the countries in which GSK (whether through a third party or otherwise) conducts business. POL-GSK-007 requires all GSK employees and any third party acting for or on behalf of GSK to ensure that all dealings with third parties, both in the private and government sectors, are carried out in compliance with all relevant laws and regulations and with the standards of integrity required for all GSK business. GSK values integrity and transparency and has zero tolerance for corrupt activities of any kind, whether committed by GSK employees, officers, or third-parties acting for or on behalf of the GSK.

Corrupt Payments – GSK employees and any third party acting for or on behalf of GSK, shall not, directly or indirectly, promise, authorise, ratify or offer to make or make any “payments” of “anything of value” (as defined in the glossary section) to any individual (or at the request of any individual) including a “government official” (as defined in the glossary section) for the improper purpose of influencing or inducing or as a reward for any act, omission or decision to secure an improper advantage or to improperly assist the company in obtaining or retaining business.

Government Officials – Although GSK's policy prohibits payments by GSK or third parties acting for or on its behalf to any individual, private or public, as a “quid pro quo” for business, due to

the existence of specific anticorruption laws in the countries where we operate, this policy is particularly applicable to “payments” of “anything of value” (as defined in the glossary section), or at the request of, “government officials” (as defined in the glossary section).

Facilitating Payments – For the avoidance of doubt, facilitating payments (otherwise known as “greasing payments” and defined as payments to an individual to secure or expedite the performance of a routine government action by government officials) are no exception to the general rule and therefore prohibited.

GLOSSARY

The terms defined herein should be construed broadly to give effect to the letter and spirit of the ABAC Policy. GSK is committed to the highest ethical standards of business dealings and any acts that create the appearance of promising, offering, giving or authorising payments prohibited by this policy will not be tolerated.

Anything of Value: this term includes cash or cash equivalents, gifts, services, employment offers, loans, travel expenses, entertainment, political contributions, charitable donations, subsidies, per diem payments, sponsorships, honoraria or provision of any other asset, even if nominal in value.

Payments: this term refers to and includes any direct or indirect offers to pay, promises to pay, authorisations of or payments of anything of value.

Government Official shall mean:

- Any officer or employee of a government or any department, agency or instrument of a government;
- Any person acting in an official capacity for or on behalf of a government or any department, agency, or instrument of a government;
- Any officer or employee of a company or business owned in whole or part by a government;
- Any officer or employee of a public international organisation such as the World Bank or United Nations;
- Any officer or employee of a political party or any person acting in an official capacity on behalf of a political party; and/or
- Any candidate for political office.