

**GLAXOSMITHKLINE INC. ("GSK") - CANADA
PURCHASE ORDER TERMS AND CONDITIONS**

1. **Entire Agreement.** This agreement (the "Purchase Order" or "PO") is made up of the following terms and conditions (the "Terms"), an order page (the "Order Page") that is a cover to the Terms, and if indicated on the Order Page, a statement of work (an "SoW") that specifies further criteria or other terms with respect to the supply (the "Supply") of goods or services. Except when a written contract exists between the parties listed on the Order Page pertaining to the same matter covered by this PO, this PO constitutes the entire agreement of sale and purchase of the goods or the performance of services specified.
2. **Term.** The term of this PO shall commence as of the effective date stated on the Order Page, or if no effective date is stated, then as of the order date of this PO and shall terminate when (a) all goods covered by the PO have been delivered and accepted, or (b) all services have been fully performed, unless earlier terminated in a manner provided in this PO.
3. **Acceptance.** The goods and services specified in this PO shall be furnished by Supplier subject to all the terms and conditions set forth in this PO, which Supplier, in accepting this PO, agrees to be bound by and to comply with. Written acceptance or shipment of all or any portion of the goods, or the performance of all or any portion of the services, covered by this PO shall constitute unqualified acceptance of all of its terms and conditions. Notwithstanding any legal rule of construction to the contrary, in the event of any inconsistency between the matters on the Order Page, an SoW and the Terms, the Order Page and any SoW shall prevail over the Terms, and any SoW shall prevail over the Order Page. In the event of any inconsistency between the terms and conditions of this PO and the provisions of another written agreement between the parties pertaining to the same subject matter, the latter shall prevail.
4. **Independence.** Supplier is an independent contractor. Neither Supplier nor any individual performing the Supply is an employee of GSK as defined by the (Ontario) *Employment Standards Act, 2000* or other legislation dealing with employment standards and is not entitled to any rights or remedies under any such legislation. Supplier has no authority to assume or create any obligation in the name of GSK. Supplier shall provide all equipment, tools and materials used in the Supply, except anything stated to be supplied or loaned by GSK. Any equipment, tools or materials loaned by GSK must be returned in good condition (less reasonable wear) whenever requested by GSK, and immediately upon termination of this contract.
5. **Price.** Supplier warrants that prices shown in this PO shall be complete, and no additional charges of any type shall be added without GSK's express consent. In the event Supplier reduces its price for such goods or services during the term of this PO, Supplier agrees to reduce correspondingly the price of those goods delivered after the date of the reduction and/or of those services performed after the date of the reduction.
6. **Taxes.** All applicable taxes which might be levied as a result of the production, sale or shipment of any goods or performance of any services to GSK are specified in this PO, unless otherwise indicated. Supplier shall remit taxes collected to the proper authorities. Notwithstanding the foregoing, as regards taxes on income, unless Supplier provides GSK with a waiver from tax authorities in Canada prior to providing services, GSK shall have the right to withhold, from the payments to be made hereunder, any and all amounts which it may be required to withhold under the laws of Canada or of its provinces or territories and to remit such amounts to the authorities in Canada. In the event that GSK be assessed an amount by tax authorities in respect of payments to a non-resident for services rendered in Canada by Supplier, GSK shall be entitled to deduct or withhold the amount, plus any penalties and interest, from any amounts paid or credited to Supplier, or to otherwise recover them from Supplier.
7. **Invoices.** Supplier shall invoice GSK monthly for the Supply provided in the preceding month, at the fees specified. Each invoice must give details of work performed. Each invoice shall certify that the stated Supply was performed and shall be signed by Supplier. GSK may reject any invoice if it is not complete, or if GSK has reasonable doubt that the Supply was performed, and in such cases Supplier shall provide further information requested by GSK. In addition to any other information specified elsewhere herein, invoices and packing slips shall contain the following information: PO number, item number, description of goods and services, sizes, quantities, weight, unit prices and extended totals.
8. **Payment.** GSK shall make payment for goods and services within sixty (60) days after receipt of an acceptable invoice and delivery and acceptance of the goods or complete performance of the service. All payment for goods and services shall be in Canadian dollars, unless otherwise provided in the Order Page or SoW. Payment of an invoice shall not constitute acceptance of goods or services and shall be subject to adjustment for errors, shortages, defects in the goods or services, damage to GSK for which Supplier is partially or wholly responsible, or other failure of Supplier to meet the requirements of this PO.
9. **Audit.** If any payment provided for hereunder is to be made on some basis other than a lump sum price, GSK shall have the right to inspect and audit Supplier's books, records and all associated documents relating to such costs (excluding, however, the basis for agreed upon fixed rates). In the event that any such audit or audits reveal any error or discrepancy of any nature whatsoever, such error or discrepancy will be promptly corrected, and any monies owing and due either to GSK or to Supplier will be promptly paid by the other party.
10. **Delivery.** Time is of the essence and the goods must be received or services performed on the dates and at the destination(s) set forth on the Order Page. If Supplier fails to meet any such delivery date, GSK may, without limiting its other rights and remedies, direct expedited routing, charge excess costs incurred thereby to Supplier, or cancel all or part of this PO. All rejected or over-run goods and material with GSK's printing or identification must be destroyed by Supplier at Supplier's expense and not sold as surplus.
11. **Freight; Title and Risk of Loss.** (a) Unless otherwise specifically provided for herein, Supplier shall be responsible for freight and delivery to the destination specified on the Order Page. All freight and delivery charges will be paid by Supplier.
(b) Notwithstanding anything else herein, Supplier shall bear all risks of loss and damage to the goods until final acceptance by GSK at GSK's "ship to" destination specified on the Order Page. Further, Supplier shall bear the same risks with respect to any goods rejected by GSK or as to which GSK has revoked its acceptance, from the time of such rejection or revocation.
12. **Inspection.** (a) Notwithstanding any prior inspections or payments hereunder, all goods and services shall be subject to final inspection, which may include measurement, testing or examination, and acceptance at GSK's facility within a reasonable time after receipt at destination. Any inspection by GSK does not relieve Supplier of any obligations or liabilities under this PO.
(b) If any goods or services delivered do not meet the requirements of this PO, GSK shall have the right to reject such goods or services and return such goods at Supplier's expense. GSK may elect to reject the entire goods or services tendered even if only a portion thereof is nonconforming. If GSK elects to accept nonconforming goods or services, GSK, in addition to its other remedies, shall be entitled to an appropriate reduction in price. Payment for any goods or services shall not be deemed an acceptance thereof.
13. **Warranty.** (a) Supplier warrants to GSK and its customers that all goods to be delivered under this PO will be of merchantable quality, free from any latent or patent defects, will conform to GSK's specification or samples, and will be safe, durable and fit for their intended use. Supplier warrants that title to all goods shall be free and clear of all liens, encumbrances, security interests or other claims.
(b) Supplier warrants that it will perform all services in a professional, competent and workmanlike manner, and will conform to GSK's specification.
(c) After a breach of any warranty by Supplier which results in Supplier's inability to substantially perform its obligations under this PO and after Supplier's failure to cure such breach within a reasonable time after receiving notice thereof from GSK, GSK may (among other remedies) "cover" by making in good faith and without unreasonable delay any reasonable purchase of or contract to purchase goods or services in substitution for those from Supplier. GSK may recover from Supplier as damages the difference between the cost of cover and the contract price under this PO, together with any incidental or consequential damages, but less expenses saved in consequence of Supplier's breach.
(d) Failure of GSK to effect cover as specified above does not bar GSK from any other remedy. Furthermore, the election of cover is in addition to any other warranties provided for in law or equity.
14. **Confidentiality.** (a) Supplier covenants to maintain confidential all data, information, documentation and know-how relating to the products, operations and business of GSK and its affiliates (the "Information"), whether provided by GSK or encountered by Supplier during the Supply, and to use the Information solely for the purpose of the Supply and shall not use the Information for its own benefit or for the benefit of any other third party. Supplier acknowledges that disclosure of any Information in contravention of the terms contained herein, shall cause GSK irreparable harm for which

damages alone will not be an adequate remedy and for which GSK shall be entitled to injunctive relief in addition to any other available remedies.

(b) The covenants set forth above do not apply with respect to: (i) information which, at the time of disclosure, is in the public domain; (ii) information which, after disclosure, becomes part of the public domain by publication or otherwise, except by breach of this PO by Supplier; (iii) information which Supplier can establish was in its possession at the time of disclosure and was not acquired either directly or indirectly from GSK; and (iv) information which is required by law to be disclosed.

(c) Upon GSK's request at any time, or upon termination of this Agreement, and in the absence of further agreement of the parties, Supplier shall: (i) cease any and all use of the Information; (ii) promptly return to GSK any and all tangible Information, including all copies, reproductions, summaries, memos, correspondence and compilations of the Information, so Supplier will no longer have any Information in its possession or under its control in either electronic or paper format; and (iii) cease any and all work hereunder and refrain from, directly or indirectly, using the Information.

(d) The provisions of this Section shall survive termination of this PO.

15. **Intellectual Property.** (a) **Ownership.** Supplier agrees that all writings, drawings, designs, copyrightable material, inventions (whether or not patentable), improvements, discoveries, developments, and all works of authorship created by Supplier in performance of its work hereunder, including all worldwide rights therein under patent, copyright, trade secret, confidential information, or other intellectual property right (collectively "Work Product"), are the sole property of GSK, and that it shall promptly disclose to GSK all Work Product. Supplier assigns to GSK all right, title and interest in and to such Work Product, and hereby expressly waives any moral rights in or to all such Work Product, and shall perform such further acts needed to transfer, perfect, and defend GSK's ownership of the Work Product. Supplier shall require its subcontractors to execute written assignments of Work Product to effect such assignment.

(b) **License.** To the extent that Supplier or third parties retain ownership rights in materials delivered with the Supply, or upon which the Work Product is based, Supplier hereby grants to GSK an irrevocable, worldwide, non-exclusive, royalty-free right and license to make, have made, modify, use, distribute, publicly perform or display, sell, offer to sell, and import such materials. Supplier hereby warrants that it owns or has acquired rights in all such intellectual property necessary to grant the licenses and intellectual property rights set forth in this Intellectual Property section. Supplier hereby grants to GSK a non-exclusive, royalty-free, fully paid, irrevocable licence to use in GSK's business any intellectual property owned by or licensed to Supplier prior to the term of this PO, if that intellectual property is reasonably necessary for effective use of the Supply.

16. **Compliance with GSK rules.** Supplier agrees to comply with all applicable GSK rules, regulations and requirements with respect to conduct and the health, safety and protection of persons and property, while on GSK premises.

17. **Indemnity.** (a) Supplier shall be liable for and agrees to indemnify and save GSK completely harmless against any and all liability, damages, demands, claims, actions, proceedings, suits, judgments and expenses that may be brought against or suffered by GSK as a result of: (i) any action or omission by Supplier in connection with the provision of the Supply, including any breach of warranty under this PO; (ii) the negligence or willful misconduct of Supplier; or (iii) non-compliance by Supplier of its obligations under this PO.

(b) Without limiting GSK's right and remedies hereunder, if GSK believes that the Supply is likely to be determined to be an infringement or misappropriation of a patent, copyright, trademark, trade secret, or other proprietary right, GSK may require Supplier to (i) replace such Supply or (ii) modify such Supply to make it non-infringing.

18. **Insurance.** Supplier shall, at its own expense, carry and maintain during the performance of services not less than (a) the minimum amount of insurance required to cover its indemnification obligations hereunder, and (b) the following minimum amounts of insurance: (i) Workers' Compensation Insurance: Statutory; (ii) Commercial General Liability (also sometimes referred to as Public Liability) including premises and operations coverage, completed operations coverage, coverage for independent contractors, personal injury liability and blanket contractual liability: \$2,000,000; (iii) Professional Liability Insurance which covers errors and omissions by Supplier or independent contractors: Combined single limit \$2,500,000; (iv) Product Liability Insurance (if applicable) \$5,000,000. The above amounts should not be construed and are not meant, in any way, to limit the indemnity of Supplier under this PO. Supplier shall, at GSK's request, provide GSK with certificates of insurance or written evidence of self-insurance for the above coverage. Such certificate or written evidence shall also provide that,

in the event such insurance coverage should be materially adversely changed or terminated for any reason, the insurer thereunder will give both parties at least thirty (30) days' prior notice.

19. **Termination.** (a) GSK may at any time terminate this PO, in whole or in part, without cause, upon notice to Supplier. Upon any such termination Supplier shall, to the extent specified by GSK, stop all work related this PO, 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 GSK reimburse Supplier for goods, inventory or services in excess of those required to meet GSK's delivery schedule for binding forecasts. In no event shall such reimbursement include foreseeable loss of profits for undelivered goods or unperformed services.

(b) GSK may immediately terminate this PO, in whole or in part upon notice to Supplier, if Supplier: (i) fails to make delivery of or perform the Supply within the time specified herein; (ii) fails to replace or correct defective goods or services in accordance with the provisions of this PO; (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; or (iv) becomes insolvent, files or has filed against it a petition in bankruptcy, or makes an assignment for the benefit of creditors.

(c) Any termination of this PO by GSK shall not relieve Supplier from any liability hereunder.

20. **Remedies.** GSK's remedies shall be cumulative and remedies herein specified do not exclude any remedies allowed by law or in equity. Waiver of any breach shall not constitute waiver of any other breach of the same or any other provision.

21. **Assignability and Subcontracting.** This PO 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, delegated or otherwise transferred by the Supplier except upon the prior consent of GSK, and any assignment or transfer without such consent shall be void and of no effect. Supplier shall not appoint any subcontractor or non-employee to carry out its obligations under this PO without the consent of GSK. Even with GSK consent, Supplier shall remain liable for the performance of all such obligations and shall ensure that any permitted subcontractor or non-employee reads and understands the terms of this PO. GSK may assign its rights or obligations under this PO to any GSK affiliate or successor without Supplier's consent.

22. **Survivorship.** Any and all provisions, promises and warranties contained herein which by their nature or effect are required or intended to be observed, kept or performed after termination of this PO will survive the termination of this PO and will remain binding upon and for the benefit of the parties.

23. **Publicity; Release of Information.** Any disclosure to a third party or other public announcement of any type whatsoever regarding the existence of this PO or the matters contemplated herein, will be made only with the prior approval of both parties, except as may be required under applicable law and then only after notice to and consultation with the other party to the extent reasonably possible

24. **Limitation of GSK's Liability.** IN NO EVENT SHALL GSK BE LIABLE FOR ANY CONSEQUENTIAL (INCLUDING, WITHOUT LIMITATION, LOST PROFITS AND BUSINESS INTERRUPTION WHETHER OR NOT SUCH DAMAGES ARE FORESEEABLE), INCIDENTAL, INDIRECT, SPECIAL, ECONOMIC, OR PUNITIVE DAMAGES ARISING OUT OF OR RELATED TO THE BREACH OR REPUDIATION OF CONTRACT, BREACH OF WARRANTY, NEGLIGENCE OR OTHERWISE, EVEN IF SUPPLIER HAS ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

25. **Compliance with Laws.** Supplier warrants that all Supply will be produced or performed in compliance with, and Supplier agrees to be bound by, all laws, legislation, rules, regulations, and governmental requirements with respect to the Supply, of any and all applicable jurisdictions, including without limitation obtaining and maintaining any and all export permits, import permits, consents, licenses, approvals, registrations, certifications and authorizations required for the manufacturing, sale and distribution of the goods hereunder and necessary for the services performed under this PO in such jurisdictions. Supplier warrants that it does not have any existing obligations, and while this PO is in effect will not enter into any obligations, that would prevent fulfillment of its obligations under this PO.

26. **Applicable Law.** This PO shall be governed by and construed in accordance with the laws of the province of Ontario and the federal laws of Canada applicable therein. GSK and Supplier attorn to the exclusive

jurisdiction of the Courts of the Province of Ontario. The *United Nations Convention on Contracts for the International Sale of Goods* shall not apply to this PO.

27. **Force Majeure.** The parties hereto shall have the right to suspend any Supply or payment therefore without penalty or liability in the event of war, riot, flood, acts of God, fire, court order, strike, work stoppage, act of governmental authority, or other causes beyond its control, but Supplier shall take all reasonable steps and precautions to prevent or limit their effect on the Supply.
28. **Severability.** If any provision or provisions of this PO shall be held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby except that the parties hereto shall work together to agree upon replacement terms that they reasonably believe would accomplish the spirit and intent of the PO and would be valid, legal and enforceable.
29. **Language.** GSK and Supplier declare that they have requested and do hereby confirm their request that this PO, and related documents, be in English. Les parties déclarent qu'elles ont exigé et par les présentes confirment leur demande que le présent contrat ainsi que les documents qui s'y rattachent, soient rédigés en anglais.
30. **Notices.** Any notice, invoice, approval, consent or communication relating to this PO shall be in writing, and delivered in person or by mail, courier, facsimile or electronic mail to the addresses set forth on the Order Page.

31. **Ethical Standards and Human Rights.**

31.1 Unless otherwise required or prohibited by law, Supplier warrants, to the best of its knowledge, that in relation to the Supply:

- (a) it does not employ engage or otherwise use any child labour in circumstances such that the tasks performed by any such child labour could reasonably be foreseen to cause either physical or emotional impairment to the development of such child;
- (b) it does not use forced labour in any form (prison, indentured, bonded or otherwise) and its employees are not required to lodge papers or deposits on starting work;
- (c) it provides a safe and healthy workplace, presenting no immediate hazards to its employees. Any housing provided by Supplier to its employees is safe for habitation. Supplier provides access to clean water, food, and emergency healthcare to its employees in the event of accidents or incidents at Supplier's workplace;
- (d) it does not discriminate against any employees on any ground (including race, religion, disability or gender).
- (e) it does not engage in or support the use of corporal punishment, mental, physical, sexual or verbal abuse and does not use cruel or abusive disciplinary practices in the workplace;
- (f) it pays each employee at least the minimum wage, or a fair representation of the prevailing industry wage, (whichever is the higher) and provides each employee with all legally mandated benefits;
- (g) it complies with the laws on working hours and employment rights in the countries in which it operates;
- (h) it is respectful of its employees right to join and form independent trade unions and freedom of association.

31.2 Supplier agrees that it is responsible for controlling its own supply chain and that it shall encourage compliance with ethical standards and human rights by any subsequent supplier of goods and services that are used by Supplier when performing its obligations under this contract.

31.3 Supplier shall ensure that it has ethical and human rights policies and an appropriate complaints procedure to deal with any breaches of such policies.

31.4 GSK reserves the right upon reasonable notice (unless inspection is for cause, in which case no notice shall be necessary) to enter upon Supplier's premises to monitor compliance by Supplier of the warranties set out herein and Supplier shall, subject to compliance with law, furnish GSK with any relevant documents requested by GSK in relation thereto.