

The following terms and conditions shall form an integral part of the Purchase Orders terms and conditions.

Conduct of the Service Provider

1.1 Definitions

Agreement means the Purchase Order between Seller/Services Provider/Service Provider and the Buyer for the supply of the goods specified in the Purchase Order and/or the provision of services specified in the Purchase Order

Affiliate means any individual, corporation, partnership, limited liability company, association, trust or other entity which controls, is controlled by or is under common control with a party, and “control” means the ability, directly or indirectly, to direct the affairs of another by means of ownership, contract or otherwise.

Benefit means any payment, loan, service, gratuity, cash gift, non-cash gift of any retail value, entertainment or other favour of any value.

Facilitation payment means a small payment to a Government Official to expedite or secure the performance of routine government action (actions that are ordinarily and commonly performed). Examples include payments to speed up issuing of legitimate visas; licenses or permits; and to connect telephones or other utility services.

Government Official means:

- (a) any officer or employee of government, including officers or employees of government-owned entities (even if the government is a minority shareholder of the company) or government-controlled companies, or any department, agency or instrumentality thereof, or of a Public International Organization (such as the International Red Cross or the World Bank);
- (b) Any political party, any employee or other representative of a political party, or any candidate for political office;
- (c) Any uncompensated honorary government officials or representatives whose duties are ceremonial if such officials have actual influence in the award of business;
- (d) Any member of ruling or reigning royal family; or
- (e) Any other person acting in an official capacity or on behalf of: a government or any department agency or instrumentality thereof; Public International Organization; a political party or a ruling or reigning royal family.

PMPKL means Philip Morris (Pakistan) Limited (“PMPKL”), a company incorporated under the Companies Ordinance 1984 and having its registered offices at 19th floor, The Harbour Front, Dolmen City, HC-3, Block 4, Clifton, Karachi.

Sanctions means any economic or financial sanctions or trade embargoes implemented, administered or enforced by the U.S. Department of the Treasury’s Office of Foreign Assets

Control, the U.S. Departments of State or Commerce or any other US government authority, the United Nations Security Council, the European Union, Switzerland or other such Sanctions authority in a jurisdiction of relevance to this Agreement.

1.2 Government Relations

The Parties to this Agreement are committed to compliance with the laws of the Territory as well as the laws of other countries that are, or may be, of potential relevance, including the U.S. Foreign Corrupt Practice Act (“FCPA”) and the U.K. Bribery Act (“UKBA”). Accordingly, the Service Provider represents as follows:-

(a) that it is now in compliance with the laws of Pakistan applicable to the Service Provider’s performance under this Agreement as well as the laws of any other countries or jurisdictions that are applicable to the transactions contemplated herein and will remain in compliance with all such laws for the duration of this Agreement. The provisions of this Agreement relating to the execution of this Agreement and the transactions contemplated thereby, including the compensation of Service Provider, are legal and binding under the laws and policies of the relevant jurisdictions, including, without limitation, the laws and regulations relating to the taxation and exchange tools;

(b) that it does not have, and will not have during the term of this Agreement, any Conflict of Interest including but not limited to any undisclosed personal relationship (i.e. personal borrowing/lending relation etc.) with any government official or PMPKL employee, that would compromise its ability to provide the Services or would create an appearance of impropriety in regard to its performance of the Services.

(c) The Service Provider further represents and warrants that neither it nor any officer, director, employee, owner or partner, nor any agent or representative who will perform Services under this Agreement on behalf of the Service Provider, is a Government Official, or close relative of a Government Official in a position to influence the award of business or other advantages to PMPKL, nor will become, during the term of this Agreement, a Government Official, without the Service Provider providing advance notice to and obtaining written approval from PMPKL in its sole discretion;

(d) in providing Services in connection with this Agreement, the Service Provider warrants that it shall not offer, promise, or give any payments or provide anything else of value, directly, indirectly, or through any other means whatsoever, to (a) any Government Official or to any other person while knowing that all or any portion of the money or value will be offered, promised or given to a Government Official for the purpose of (i) influencing any act or decision of such official in his official capacity, (ii) inducing such official to do or omit to do any act in violation of his lawful duty, (iii) securing any improper advantage, or (iv) inducing such official to use his influence with a government or instrumentality thereof to affect or influence any act or decision of such government or instrumentality for the benefit of PMPKL or (b) to any person (whether or not a Government Official) to influence that person to act in breach of a duty of good faith, impartiality or trust, or to reward such an act. The Service Provider further warrants that the Service Provider and its Personnel shall not under any circumstance offer or make any Facilitation Payment in performance

of the Services under this Agreement. The Service Provider further warrants that it shall not make a gift or political contribution in cash or in kind to, nor shall it entertain, any Government Official or any other persons on behalf of PMPKL without the prior written approval of PMPKL, and that all such approved gifts, entertainment and contributions will be accurately recorded in its books and records and will not be reimbursed by PMPKL without having received the necessary approvals from PMPKL in writing in advance; For the purposes of Clause 12.1, a person shall be deemed to have "knowledge" with respect to conduct, circumstances or results if such person is aware of (1) the existence of or (2) a high probability of the existence of such conduct, circumstances or results.

(e) that no part of any payments by PMPKL to the Service Provider may be used, directly, indirectly, or through any other means whatsoever, (i) for any purpose that would constitute a violation of the FCPA, UKBA or equivalent laws, (ii) in order to procure any benefit from any Government Official on behalf of PMPKL, or (iii) for any illegal, unethical, or improper purpose, whether or not in connection with this Agreement;

(f) that it shall ensure that each employee, agent and representative performing Services in connection with this Agreement will review and comply with the standards of conduct set out in this Clause, and the Service Provider will comply with, and will cause each such employee, agent and representative to comply with such policies and codes of conduct of which PMPKL has given, or may in the future give, Service Provider express notice of, including the PMI Code of Conduct and PMI Principles and Practices 14-C.

(g) that it shall secure and maintain all licenses, certifications and registrations which may be required under applicable law or regulation in order to perform the Services;

(h) that it shall in an accurate and timely manner and at its own expense (i) file all reports with governmental authorities as required by applicable law in connection with its activities on behalf of PMPKL hereunder and shall forward copies of all such reports to PMPKL immediately upon their filing, and (ii) provide PMPKL periodic reports detailing the Services performed in connection with this Agreement, all other information and assistance necessary for PMPKL to comply with any registration or filing requirements;

(i) that it shall not create or maintain any secret or unrecorded funds or assets for any purpose in connection with this Agreement or the Services performed hereunder;

(j) it shall immediately inform PMPKL if the Service Provider or any of its owners, affiliates, officers, directors, employees and agents involved in providing services to PMPKL, learn of or suspect a possible violation of any applicable anti-corruption laws or PMI's Principles & Practices 14-C in connection with Service Provider's performance of Services under this Agreement.

The preceding representations and warranties are material terms of this Agreement and Service Provider's full compliance in all respects with such terms is an essential component of its obligations under this Agreement. The Service Provider acknowledges that its breach of any of the foregoing will constitute grounds for termination under the provisions herein. In the event that PMPKL has reason to believe that a breach of any of the representations and warranties in this Agreement has occurred or may occur, PMPKL may withhold further payment under this Agreement until such a time as it has received confirmation to its satisfaction that no breach has

occurred or will occur. PMPKL shall not be obligated under this Agreement to take any action or omit to take any action (including making any payment hereunder) that it believes, in good faith, would cause it to be in violation of the laws of any jurisdiction.

1.3 Benefits forbidden

The Service Provider shall not, and shall not use any third party to:

- (a) provide any Benefit of more than \$ 250 to any employee of PMPKL or any of its Affiliates. Gifts of personal travel and lodging are prohibited absolutely. All such requests shall require prior approval from PMPKL and the Service Provider express notice of PMI Principles & Practice PMI 14 C;
- (b) Offer gifts, money, loans or anything of value to PMPKL employees as part of an agreement to do anything in return for the gift or entertainment or enter into personal borrowing or lending relationship with any PMPKL employee.
- (c) do business with PMPKL if any employee of PMPKL owns a Substantial Interest in the Service Provider's organisation and is in a position to affect the decision to engage or terminate the Service Provider or the terms of this Agreement between PMPKL and the Service Provider;
- (d) give bribes, facilitation payments, kickbacks, secret commissions or other unlawful or improper methods of remuneration to any person;
- (e) purchase, sell or otherwise trade in securities of PMPKL or Philip Morris International, Inc. (the US listed ultimate parent of PMPKL) while in possession of material non-public information and shall not provide material non-public information, directly or indirectly, to anyone; or
- (f) engage in the unauthorised duplication of any software owned by or licensed to PMPKL or any of its Affiliates.

Immediate disclosure in writing to PMPKL is required if the Service Provider becomes aware of a breach of Clause 12.1. PMPKL may terminate this Agreement if the Service Provider knowingly breaches Clause 12.1.

1.4 Compliance with trade and other sanctions and Local laws

The Service Provider acknowledges that, as an affiliate of a US based group of companies, PMPKL is required to comply with trade restrictions and prohibitions of the United Nations, the European Union and the United States of America as well as a number of other jurisdictions and accordingly agrees:

- (a) to take all reasonable measures to ensure that services supplied to and used by PMPKL do not originate from any of the countries that are placed on the various lists of sanctioned countries or specifically designated nationals and blocked persons/entities from time to time; and
- (b) that neither it, nor any of its affiliates (nor any director, officer or to its knowledge, employee of it or any of its affiliates) nor any of its agents, is a person, or is owned or controlled by a person that is (i) the subject of any Sanctions; (ii) engaged in any activities that could trigger a designation under the Sanctions administered by the relevant authorities or (iii) employs, uses, procures or subcontracts any workers or labour originating from or attributable to North Korea.

(c) upon request by PMPKL, to provide to PMPKL such information as it requires to verify that neither the Service Provider, nor those persons or entities known to exercise control over the Service Provider through ownership, management or otherwise, is a specially designated national or blocked person. This information will be handled by PMPKL in accordance with local laws.

The listings of currently sanctioned countries, specifically designated nationals and blocked persons/entities are available from the US Treasury Office of Foreign Assets Controls (OFAC) website: www.treas.gov/ofac

(c) The Service Provider shall ensure compliance by itself, its employees, representatives and agents compliance with all local laws of Pakistan as applicable to the Service Provider and its employees, representative and agents. The Service Provider shall also be solely responsible for payment of all taxes, levies, fees and other applicable dues, charges or the like as applicable to the Service Provider or its employees.

1.5 Audit

This Clause 12.4 applies only to Services supplied on a costs plus basis, or where PMPKL is reimbursing costs. PMPKL shall have the right to have its internal and/or independent auditors audit the Service Provider's books and records (including, but not limited to, financial and accounting records) pertaining to the Service Provider's performance hereunder upon reasonable notice during normal business hours. PMPKL may exercise its right to audit twice per year during the term of this Agreement and once during the 12 months immediately following the termination or expiration of this Agreement. The Service Provider will fully cooperate in any audit that may be conducted. Upon reasonable notice in writing to the Service Provider, the Service Provider will permit PMPKL and its nominees at all times during the term of this Agreement to audit the Service Provider's books of account and financial records to the extent that such information relates to the provision by the Service Provider of services and other information relating to the performance by the Service Provider of its obligations under this Agreement. The Service Provider will assist PMPKL in its conduct of the audit including without limitation, providing:

- (a) PMPKL with adequate space, the said books of account and financial records and any other relevant information as required by PMPKL; and
- (b) a person capable of operating any relevant computers and of answering any queries PMPKL may have.

All financial statements, reports and billings rendered by the Service Provider to PMPKL shall, in reasonable detail, accurately and fairly reflect the activities and transactions related to PMPKL's account. The Service Provider shall also keep and maintain complete and accurate books, records of account, reports and other data necessary for the proper administration of this Agreement for 5 years after the termination or expiration hereof.

1.6 Labour

- (a) The Service Provider will not employ any person who is younger than the age of 18 years.

(b) The Service Provider represents and warrants that no Service Provider Personnel will be engaged in work that, by its nature or the circumstances in which it is carried out, is likely to harm the health or safety of the Service Provider Personnel. In addition, the Service Provider represents and warrants that the weekly and daily working schedules of all the Service Provider Personnel will comply with all applicable laws and regulations.

(c) The Service Provider will not employ persons under conditions that this work or service is exacted from them under the menace of any penalty and for which the said person has not offered himself voluntarily.

(d) The Service Provider will use its best endeavours to ensure that its Service Providers comply with the obligations of Clause 12.2.

(e) PMPKL, its employees and agents have the right, upon reasonable advance notice, and at PMPKL's expense to audit the Service Provider's books and premises with regard to the Service Provider's performance with the obligations of Clause 12.

(f) It is agreed and understood that the Service Providers Personnel shall at all times remain employees of the Service Provider. Nothing whether in this Agreement or otherwise shall be construed as having established any form of direct relationship, responsibility or liability on part of PMPKL for the Service Provider's Personnel.

12.6 The Service Provider will not sub-contract the performance of services under this Agreement or assign any of its rights or obligations in connection with this Agreement to any third party, or contract with any third party to serve as a subcontractor, without the prior written consent of PMPKL. The Services to be provided hereunder will be performed by the Service Provider and its Personnel unless otherwise agreed in writing by PMPKL.