

CONDITIONS

1. Application

These conditions shall be incorporated into the Order between the Vendor and the Company for the supply of the goods or service specified in the Order (the "Goods" and "Services" respectively) and shall prevail over any inconsistent terms or conditions contained in the Vendor's acceptance of the Order or elsewhere or implied by trade, custom or course of dealing. These conditions, apart from any written service agreement which may be entered into between the Company and the Vendor, constitute the entire agreement between the Vendor and the Company and shall not be modified or varied in any way except with the prior written approval of the Company. Notwithstanding any action or conduct to the contrary and in the absence of the Company's prior written approval, the supply of the Goods and Services shall be subject to these conditions.

2. Acceptance

The execution and return of the acknowledgment copy of the Order by the Vendor or the shipment of any part of the Goods or the commencement of Services comprising this Order, whichever is earlier, constitutes acceptance by the Vendor of the Order and these conditions.

3. Quality, Quantity and Specifications

3.1 The Vendor warrants that the Goods shall be: (a) of the quality, quantity, description and specification as stated in the Order; (b) free from all defects in title, design, workmanship and materials and is satisfactory to the Company; (c) free from all liens and encumbrances and the Vendor shall have good and marketable title to the Goods; (d) of merchantable quality and fit for its intended purpose; (e) delivered in a timely and professional manner and in accordance with this Order; and (f) in compliance with all applicable laws and regulations including, without limitation, those related to health and safety.

3.2 The Vendor warrants and represents that all Services shall be: (a) performed in a timely, professional and workmanlike manner and all reasonable expedition at a rate of progress satisfactory to the Company; (b) delivered in accordance with all specifications, service goals and timetables and instructions issued by the Company; (c) free of defect in title, design, workmanship and materials and is satisfactory to the Company; and (d) in accordance with this Order and all applicable laws and regulations including, without limitation, those related to health and safety.

3.3 The foregoing warranties shall apply to the benefit of the Company and its affiliates and shall not be affected by delivery to, or inspection, acceptance or payment by, the Company. The warranty set forth in this Clause does not apply in lieu of, but in addition to, all other warranties, terms, representations or guarantees (whether express or implied), and the remedies set forth in this Clause 3 do not apply in lieu of, but in addition to, all other remedies available at law, in contract, in equity or otherwise.

4. Packing

The Goods shall be packaged, marked and delivered at the Vendor's expense in accordance with the Order. Unless otherwise agreed in writing between the Vendor and the Company no charge will be made by the Vendor for packing, crating, drayage, demurrage or storage without the Company's written permission.

5. Delivery, Title and Risk

Unless otherwise specified on the reverse side hereof, the Goods shall be delivered duty paid at the Company's premises (Incoterms 2010) in accordance with the Order or the Company's instructions. The Goods shall comply in all respects with Clause 3 hereof. The Vendor shall bear the risk of loss of or damage to the Goods until the Goods shall be so delivered. Title to, and risk in, the Goods shall pass to the Company on delivery of the Goods in accordance with the Order and these conditions, without prejudice to any right of rejection which may accrue to the Company under the Order and these conditions or otherwise.

6. Rejection

6.1 Delivery of the Goods must be effected within the time stated in the Order unless extended by subsequent written agreement between the Vendor and the Company. In addition to and without prejudice to other legal remedies available to the Company, the Company reserves the right to cancel the Order without liability if any portion thereof is not fulfilled within the time specified in the Order. Time is of the essence in respect of the Order.

6.2 The Goods shall be received by the Company subject to the Company's inspection and the right of rejection. If the Goods or any part thereof do not comply with the terms of these conditions and/or delivery or shipment of the Goods is not made as specified in the Order or these conditions, the Company may reject the Goods or any part thereof without liability and without prejudice to any other legal remedies available to the Company by giving notice of rejection to the Vendor. The Vendor shall forthwith refund to the Company any payment made by the Company for the Goods rejected without prejudice to any other legal remedy to which the Company may be entitled. If instructions are not received by the Company from the Vendor within fifteen (15) days after notice of rejection, the Goods shall be made available for collection at the Vendor's expense. Goods returned as defective shall only be replaced with the Company's written permission.

6.3 The Company may refuse delivery of any Goods delivered in excess of the amount specified in the Order and if it refuses such delivery, the Vendor shall collect the excess at its own expenses within three (3) days failing which the Company shall at its own discretion either destroy the excess Goods or store the excess Goods at the Vendor's costs.

6.4 Services will only be deemed delivered and accepted upon issuance of the Company's written confirmation.

7. Price

7.1 The price specified in the Order constitutes the maximum amount payable by the Company which shall be the Vendor's full compensation. The Company shall not be invoiced at any price higher than that shown on the Order without written agreement of the Company. In the event that subsequent to the acceptance of the Order and before shipment thereof, the price of any goods or services of a kind or character substantially the same as the Goods or Services or any part thereof is reduced for any reason whatsoever, any such reduced price shall supersede and may be deemed to have been substituted for the price of the Goods or Services or the relevant part thereof before the addition of other charges pursuant to Clause 4, if any.

7.2 The Company shall pay for the Goods against delivery of the Goods in accordance with Clause 5 hereof but subject to any credit terms that may be agreed upon between the parties. Neither payment for the Goods nor delivery of the Goods by the Vendor shall constitute acceptance of the Goods by the Company.

7.3 Payment of all taxes, levies or fees arising as a result of the delivery of the Goods or the performance of the Services by the Vendor shall be the Vendor's responsibility.

8. Singapore Withholding Tax on Services Rendered by Foreign Party

8.1 In the event that the Services rendered by a foreign Vendor is subject to Singapore withholding taxes, the Company will withhold from the fees due to the foreign Vendor the relevant amount of withholding tax payable to the Singapore tax authority and will act as the Vendor's agent to pay such amounts.

8.2 Where a lower withholding tax rate applies under a tax treaty, the foreign Vendor will endeavor to obtain a Tax Residency certificate from its home tax authority to be provided to the Company in order for the Company to withhold tax at the lower rate.

8.3 The Company will send to the foreign Vendor a receipt as confirmation of payment of the withholding tax.

9. Singapore Goods and Services Tax

The Vendor shall provide a Goods and Services Tax ("GST") invoice (or equivalent documentation which complies with GST law) of which the Company shall be liable for the GST in addition to the price specified in the Order, where applicable. Where the costs incurred by the Vendor in relation to this Order are to be reimbursed by the Company, the amount to be reimbursed shall be the actual cost of purchase incurred by the Vendor (the amount before GST on the relevant purchase), plus the GST amount chargeable on the reimbursement.

10. Vendor's Indemnity

The Vendor will indemnify and hold harmless the Company, its officers, agents, employees and subcontractors from claims, liabilities, losses, damages and expenses suffered or incurred by the Company, its officers, agents, employees or subcontractors including but not limited to legal fees, arising from or caused by any act or omission of the Vendor, or its officers, agents, employees or subcontractors: (a) through injury to any of the Company's and/or the Vendor's officers, agents, employees or subcontractors or to the Company's or its officers, agents, employees or subcontractors' property; or (b) by reason of any actual or alleged trademark, copyright or patent infringement; or (c) by reason of the Vendor's failure to deliver the Goods or Services in accordance with the Company's instructions; or (d) otherwise occurring as a result of any breach by the Vendor of the Order and/or these conditions.

Neither party shall be liable to the other for any punitive, indirect or consequential damages sustained by the other (or its affiliates) in connection with the performance of this Order, including without limitation, business interruptions, loss of profits, loss of revenue, loss of use of assets and loss of contracts.

11. Termination

11.1 Either party may cancel an Order immediately by notice in writing to the other party if:

- the other party commits a breach of this Order and fails to remedy the breach within fourteen (14) days after being required, in writing, to do so or repeatedly breaches its obligations under this Order or commits a breach which is incapable of being remedied;
- the other party becomes bankrupt or insolvent, or if its business is placed in the hands of a receiver, assignee, or trustee, whether by voluntary act or otherwise, or undergoes any proceeding analogous to the foregoing;
- the Company is prohibited or restricted by law such that the Company is unable to or cannot be reasonably expected to continue to discharge its obligations herein; or
- a Force Majeure Event which lasts for more than ninety (90) days.

11.2 The Company may cancel an Order, with or without cause, on 30 days written notice to the Vendor.

11.3 Without prejudice to any other rights or remedies available to the Company, the Company is entitled to deduct and withhold from payment to the Vendor any payments due prior to termination or expiration of this Order in respect of Services which are not provided in a timely or satisfactory manner.

12. Force Majeure

Where a party is unable, wholly or in part, to carry out any obligations under this Order by reason of a force majeure event and gives the other party immediate notice of the force majeure event and uses all reasonable efforts to remove the force majeure event as quickly as possible, then the obligation will be suspended so far as it is affected by the force majeure event during its continuance.

13. Insurance

The Vendor shall maintain adequate insurance against public and property damage and such employee's liability and compensation insurance as will protect the Company against the claims, liabilities, losses, etc., mentioned in the provisions of Clause 10 (a), (b), (c) and (d) above and against any claims under any relevant legislation in respect of employee's compensation or health and safety at work.

14. Conduct of; Representations and Warranties by the Vendor

The Vendor shall not, and shall not use any third party to:

- do business with the Company if any employee of the Company owns a Substantial Interest in the Vendor's organisation and is in a position to affect the decision to engage or terminate the Vendor or the terms of this Order between the Company and the Vendor; ("Substantial Interest" means an economic interest, personal or family (including family members not more remote than a first cousin and including immediate family of an employee's spouse or defacto spouse), that might influence or reasonably be thought to influence judgement or action but does not include the holding of less than one percent of the estimated value of the outstanding equity securities of a publicly held company)
- give bribes, kickbacks, secret commissions or other unlawful or improper methods of remuneration to any person;
- purchase, sell or otherwise trade in securities of Philip Morris International, Inc. (the US listed parent of the Company) while in possession of material non-public information and shall not provide material non-public information, directly or indirectly, to anyone; or
- engage in the unauthorised duplication of any software owned by or licensed to COMPANY or its affiliates.

15. Personal Data

The Vendor warrants that it has the authority to provide the personal data to the Company in connection with the performance of its obligations under this Order and that the personal data provided to the Company has been processed in accordance with applicable law including (without limitation) the Personal Data Protection Act.

16. Child Labor/Forced Labor

16.1 The Vendor shall not employ any person who is younger than the age of 18 or the applicable minimum employment age or mandatory schooling age, whichever is higher.

16.2 Without prejudice to Clause 19.1, the Vendor represents and warrants that a permitted employee under the age of 18 shall not 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 this employee. In addition, the Vendor represents and warrants that the weekly and daily working schedules of permitted employees under the age of 18 shall comply with all applicable laws and regulations.

16.3 The Vendor shall not employ persons under conditions that the work or service is exacted from them under the menace of any penalty and for which the persons have not offered themselves voluntarily.

16.4 The Company, its employees and agents have the right, upon reasonable advance notice, and at the Company's expense, to audit the Vendor's books and premises with regards to the Vendor's performance of obligations under Clauses 19.1, 19.2 and 19.3 above.

17. Sanctions and Other Relevant Laws

The Vendor represents 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.

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.

18. Report

The Vendor must permit the auditors of the Company (internal and external) at any reasonable time and whether during or for a period of up to 5 years after the completion of this Order, to inspect all or any of the books of account and other records of the Vendor which relate to this Order.

19. General

19.1 All drawings, plates, cylinders, electrotypes, models, samples, designs, technical information and data or other proprietary information written, oral or otherwise furnished to the Vendor and all rights therein are the property of the Company, and will be delivered to the Company upon demand.

19.2 The obligations of the Vendor under the Order and these conditions shall survive acceptance of the Goods or Services and payment therefor by the Company.

19.3 The Vendor shall have no rights or interests in any of the trademarks, trade names, insignia and designs owned by the Company and/or any of its affiliates which are used on or in connection with the Goods or Services and shall promptly notify the Company of any infringement of such trademarks, trade names, insignia and designs.

19.4 The Vendor shall at all times keep strictly confidential all information of a confidential nature relating to the Goods or Services, the Company and/or any of its affiliate which the Vendor may receive from the Company or any of its affiliates.

19.5 No materials bearing any trademark owned by the Company (including its subsidiaries and affiliates) and no materials designed to the Company's specifications may be supplied by the Vendor to any third party without prior written approval of the Company.

19.6 The Order and these conditions shall be governed by and construed in accordance with the laws of Singapore save that the shipping terms used herein shall have the meanings ascribed to them in the Incoterms 2010. The Parties to this Order hereby irrevocably submit for all purposes of or in connection with this Order to the non-exclusive jurisdiction of the courts of Singapore.

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