AstraZeneca General Conditions of Contract – UK

Standard Terms and Conditions for the Purchase of Goods and Services (“Conditions”)

1. INTERPRETATION

1.1 In these Conditions the following words have the following meanings:

“AstraZeneca” means AstraZeneca UK Limited or the AstraZeneca Affiliate purchasing Goods or acquiring Services from Seller;

“Affiliate” means, with respect to a Party, any person that controls, is controlled by or is under common control with the Party. For purposes of this definition only, “control” means: (i) to possess, directly or indirectly, the power to direct the management or policies of a Person, whether through ownership of voting securities or by contract relating to voting rights or corporate governance, or (ii) to own, directly or indirectly, fifty percent (50%) or more of the outstanding voting securities or other ownership interest of such Person, or (iii) in the case of a partnership, control of the general partner.

“Contract” means the contract between AstraZeneca and the Seller comprising: (i) the Purchase Order, (ii) these Conditions, and (iii) any other documents specified in the Purchase Order. In the event of conflict, the terms and conditions agreed to separately in writing by the Parties shall take precedence over these Conditions.

“Goods” means any goods (or any part or parts thereof) agreed in the Contract to be purchased by AstraZeneca from the Seller;

“Parties” means AstraZeneca and the Seller and “Party” shall mean one of them;

“Person” means an individual, sole proprietorship, partnership, limited partnership, limited liability partnership, corporation, limited liability company, business trust, joint stock company, trust, incorporated association, joint venture or similar entity or organization, including a government or political subdivision, department or agency of a government.

“Purchase Order” or “PO” means a Purchase Order with a unique number issued by AstraZeneca or any other written request from AstraZeneca to Seller to supply Goods or perform Services;

“Seller” means the Person, firm or company who accepts the Purchase Order;

“Services” means the services agreed to be provided by the Seller to AstraZeneca under the terms of the Contract; and

“Specification” means the technical or other requirements (if any) for the Goods and/or Services referred to in the Purchase Order.

1.2 In these Conditions references to any statute or statutory provision shall be construed as a reference to that statute or provision as from time to time amended, consolidated, modified, extended, re-enacted or replaced, and references to the singular include the plural and vice versa as the context admits or requires.

2. APPLICATION OF TERMS

2.1 These Conditions shall govern the Contract to the entire exclusion of Seller’s terms or conditions. No terms or conditions endorsed upon, delivered with or contained in the Seller’s quotation, acknowledgement or acceptance of a Purchase Order, specification or similar document will form part of the Contract and Seller waives any right which it otherwise might have to rely on such terms and conditions.

2.2 These Conditions apply to all AstraZeneca purchases and any variation to these Conditions shall have no effect unless expressly agreed in writing and signed by a duly authorised AstraZeneca representative.

2.3 AstraZeneca’s rights under these Conditions are in addition to the statutory terms implied by the UK Sale of Goods Act 1979, the
3. ACCEPTANCE

These Conditions are an offer by AstraZeneca to buy from Seller and become a binding contract on the terms set forth herein when accepted by Seller by the commencement of performance.

4. QUALITY AND DESCRIPTION OF GOODS AND SERVICES

4.1 Seller represents, warrants and undertakes to AstraZeneca that the Goods and/or Services, (including without limitation their packaging and labelling) will:

   4.1.1 conform as to quantity, quality and description with the particulars stated in the Contract;
   4.1.2 be of sound materials and workmanship;
   4.1.3 meet the Purchase Order and the Specification in all respects;
   4.1.4 be capable of any standard of performance specified in the Contract;
   4.1.5 comply with all applicable laws and regulations relating to the manufacture and sale of the Goods at the time when the same are supplied; and
   4.1.6 be fit for any purpose indicated in the Contract (either expressly or by implication).

4.2 If any Goods or Services fail to comply with this Condition 4, AstraZeneca shall have any one or more of the remedies listed in Condition 14 (Remedies).

4.3 Seller represents, warrants, and undertakes to AstraZeneca that the Services will be performed:

   4.3.1 by appropriately qualified and trained personnel with all due care and diligence and to the highest standard of quality prevailing in the industry at the time of performance; and

4.3.2 strictly in accordance with the Purchase Order and Specification.

4.4 If the personnel identified by Seller become unavailable for whatever reason, Seller undertakes to procure replacement personnel to perform the Services to the same or higher standard immediately.

4.5 Seller represents, warrants and undertakes that it will not directly or indirectly be involved in any illegal trade or counterfeiting activities and will have adequate controls in place to prevent any such trade or activity.

4.6 Seller shall ensure storage and handling of Waste (as defined below) in a manner which prevents unauthorised access and possible misuse and shall maintain adequate controls for proper disposal of Waste (“Waste” means waste material in connection with manufacture, supply or handling of the Goods and any material carrying AstraZeneca’s name, insignia, symbol, trademark, trade name, logotype or similar).

4.7 Seller shall not disclose AstraZeneca’s pack security features or anti-counterfeit measures to any third party including to its suppliers without AstraZeneca’s prior approval and any disclosure shall be in the manner directed by AstraZeneca. Seller shall, within twenty-four (24) hours from discovery, report any incident of breach of security relating to the Goods which could adversely impact AstraZeneca’s reputation or compromises integrity of the Goods. Any breach of this Condition would be treated as a material breach of the Contract.

4.8 Seller represents, warrants and undertakes that any Goods or Services comply with applicable laws and regulations of the country(ies) of origin and destination, including those relating to manufacture, labelling, transportation, importation, exportation and licensing.

5. EXPECTATIONS OF THIRD PARTIES

5.1 Seller recognizes AstraZeneca’s commitment to work only with suppliers who embrace the standards of ethical behavior consistent with AstraZeneca’s Global Standard: Expectations of Third Parties, which can be found at: https://www.astrazeneca.com/content/dam/az/our-company/Documents/Global-Standard-Expectations-of-Third-Parties.pdf, as amended from time to time, and in particular those principles
in Section 1 headed “Anti-Bribery and Anti-Corruption” ("Supplier Expectations").

5.2 Seller represents, warrants and undertakes that it: (i) will accept this Contract and operate its business in compliance with all Applicable Laws, (ii) has read and will comply with AstraZeneca’s Code of Conduct, which can be found at: https://www.astrazeneca.com/content/dam/az/our-company/Documents/Code-in-English.pdf, (iii) will accept this Contract and operate its business to ethical standards consistent with those set out in the Supplier Expectations, and in particular those principles in the Section headed “Anti-Bribery and Anti-Corruption,” (iv) will not take any action that will cause AstraZeneca to be in breach of any applicable laws for the prevention of fraud, bribery and corruption, racketeering, money laundering or terrorism, including the US Foreign Corrupt Practices Act and the UK Bribery Act, (v) will not offer, pay, request or accept any bribe, inducement, kickback or facilitation payment, and will not make or cause another to make any offer or payment to any individual or entity for the purpose of influencing a decision for the benefit of AstraZeneca, and (vi) will use reasonable efforts to cause its affiliated companies, suppliers and subcontractors performing Services with AstraZeneca or the AstraZeneca Group to operate their business in compliance with all applicable laws and in a manner consistent with the Supplier Expectations.

5.3 Failure by Seller to meet or maintain such ethical standards shall be deemed a material breach of the Contract.

5.4 Audit Rights. Upon AstraZeneca’s reasonable request, Seller shall allow AstraZeneca or a designated third party to audit Seller’s or its affiliated companies premises, sites and records to verify Seller’s performance and processes in relation to the maintenance of appropriate ethical standards, and compliance with the requirements of this Contract including Condition 17 (Compliance Training). Where AstraZeneca requires the audit to be undertaken by a designated third party, Seller shall arrange for the audit to take place and pay the fees of the designated third party for such audit. Any audit report generated shall be the property of Seller, provided that AstraZeneca shall be entitled to review such audit report and all supporting documents.

5.5 Trade Controls. Seller represents and warrants and undertakes that it is not on any applicable official national or international sanctioned party lists and that performance of this Contract will not violate applicable embargo regulations. AstraZeneca has the right, at AstraZeneca’s sole expense, to conduct screening checks of Seller, including verification of Seller’s identity, including full name, country location and address, against official national and international sanctioned party lists and embargo regulations. If the screening indicates that Seller is an international sanctioned party or is in violation of embargo regulations, AstraZeneca may terminate this Contract for breach as provided in Condition 13 (Termination) below.

6. INSPECTION AND TESTING

6.1 AstraZeneca may inspect and test the Goods at any time prior to delivery of the Goods to AstraZeneca.

6.2 If the results of such inspection or testing cause AstraZeneca to be of the opinion that the Goods do not conform or are unlikely to conform to the Purchase Order or to any Specification, AstraZeneca shall inform Seller and Seller shall immediately take such action as is necessary to ensure conformity and in addition AstraZeneca shall have the right to require and witness further testing and inspection.

6.3 Seller shall remain fully responsible for the Goods and any such inspection or testing shall not diminish or otherwise affect Seller's obligations under the Contract.

7. INDEMNITY AND INSURANCE

7.1 Indemnity. Seller shall indemnify AstraZeneca in full and on demand against all actions, suits, liabilities, claims, demands, costs, charges, damages, losses and expenses suffered or incurred by AstraZeneca, or for which AstraZeneca may be liable to any third party, due to, arising from or in connection with:

7.1.1 the negligent or wilful acts or omissions of Seller, its employees, agents or contractors in supplying, delivering and performing the Services;

7.1.2 the breach of any Contract provision by Seller, its employees, agents or subcontractors;
7.1.3 any defect in the workmanship, materials or design of the Goods or their packaging; and

7.1.4 any infringement or alleged infringement of any patent, copyright, registered design, design right, trademark, trade name or other intellectual property right for or relating to the Goods or the Services unless such infringement has occurred directly as a result of any Specification supplied by AstraZeneca.

7.2 Insurance. Seller shall maintain at its own expense appropriate insurance coverage in amounts adequate to cover Seller’s acts and omissions and as required by applicable law.

8. DELIVERY/PERFORMANCE

8.1 The Goods shall be properly packed and secured in such a manner as to reach their destination in good condition under normal conditions of transport having regard to the nature of the Goods and other relevant circumstances. Seller shall off-load the Goods as directed by AstraZeneca.

8.2 The Goods shall be delivered or the Services performed by Seller at the time or within the period specified in the Contract or, if no such date is specified, delivery shall take place within twenty-eight (28) days of the Purchase Order.

8.3 The Goods shall be delivered to or the Services performed for AstraZeneca at the address set out in the Purchase Order or to such other place as may be specified in the Contract and in the manner specified in the Contract or as subsequently agreed in writing by the Parties.

8.4 Seller shall invoice AstraZeneca upon, but separately from, despatch of the Goods to AstraZeneca.

8.5 Seller shall ensure that each delivery is accompanied by a delivery note which includes, the Purchase Order number, date of order, number of packages and contents and, in the case of part delivery, the outstanding balance remaining to be delivered.

8.6 Time for delivery of the Goods and performance of the Services shall be of the essence of the Contract.

8.7 Unless otherwise stipulated by AstraZeneca in the Purchase Order, deliveries shall only be accepted by AstraZeneca in normal business hours.

8.8 If the Goods are not delivered or the Services are not performed on time then, without prejudice to any other rights which it may have, AstraZeneca reserves the right to:

8.8.1 cancel the Contract in whole or in part;

8.8.2 refuse to accept any subsequent delivery of the Goods or performance of the Services which Seller attempts to make;

8.8.3 recover from Seller any expenditure reasonably incurred by AstraZeneca in obtaining the Goods or Services in substitution from another supplier; and

8.8.4 claim damages for any additional direct costs, losses or expenses incurred by AstraZeneca which are attributable to Seller’s failure to deliver the Goods or perform the Services on time.

8.9 If Seller requires AstraZeneca to return any packaging material to Seller, that fact must be clearly stated on any delivery note and any such packaging material will only be returned at the Seller’s cost.

8.10 Where AstraZeneca agrees in writing to accept delivery by instalments, the Contract will be construed as a single contract in respect of each instalment. Nevertheless failure by Seller to deliver any one instalment shall entitle AstraZeneca at its option to treat the whole Contract as repudiated.

8.11 If Goods are delivered to AstraZeneca in excess of the quantities ordered, AstraZeneca shall not be bound to pay for the excess which will be and will remain at Seller's risk and will be returnable at Seller's cost.

9. RISK/PROPERTY

The Goods shall remain at Seller’s risk until delivery to AstraZeneca is complete (including off-loading and stacking) when, without prejudice to any right of rejection which AstraZeneca may have under the Contract or by law, ownership of and risk in the Goods shall pass to AstraZeneca.
10. PRICE AND PAYMENT

10.1 The price of the Goods or Services shall be stated in the Purchase Order, and, unless AstraZeneca otherwise agrees in writing shall be exclusive of value-added tax ("VAT"), but inclusive of all charges for packaging, packing, carriage, insurance and delivery of the Goods to AstraZeneca and any duties, taxes, imports or levies incurred by Seller.

10.2 AstraZeneca shall pay the price of the Goods or price for performance of Services within sixty (60) days following receipt of the undisputed, relevant invoice (which shall include the Purchase Order number and such other information as AstraZeneca shall request), unless stated otherwise in the Purchase Order. AstraZeneca will be obligated to pay only the costs stated in the applicable Purchase Order and will in no way be considered liable for the costs of other goods or services unless agreed upon by the Parties in writing.

10.3 Electronic Transactions. To facilitate payment, Seller agrees to participate in an electronic transaction program using either Ariba Interactive Email or the Ariba Supplier Network ("ASN"). Participation includes the electronic transmission of Purchase Orders and contracts as well as submitting electronic invoices via the Ariba Interactive Email or Ariba Supplier Network. Seller acknowledges participation in this program by acceptance of the Ariba Interactive Email (for non-ASN suppliers) or voluntary registration for the Ariba Supplier Network and accountability for the payment of associated ASN fees. Seller agrees to provide data and to designate a representative to assist in the establishment of the program.

10.4 AstraZeneca reserves the right to set off any amount owing at any time from Seller to AstraZeneca against any amount payable by AstraZeneca to Seller under the Contract.

10.5 AstraZeneca shall pay any VAT subject to receipt of a valid VAT invoice.

10.6 If AstraZeneca fails to pay within fourteen (14) days after payment is due and Seller has issued a written reminder to AstraZeneca, then Seller shall be entitled to charge interest until actual payment at no more than two percent per annum above the base lending rate of LIBOR (London Interbank Offered Rate) prevailing from time to time until payment is made.

11. CONFIDENTIALITY

Seller shall, during the Contract term, and for five (5) years thereafter, keep in strict confidence all technical or commercial know-how, specifications, inventions, processes or initiatives which are of a confidential nature and have been disclosed to Seller by AstraZeneca or its agents and any other confidential information concerning AstraZeneca's business or its products which Seller may obtain. Seller shall restrict disclosure of such confidential material to such of its employees, agents or contractors as need to know the same for the purpose of performing Seller's obligations to AstraZeneca and shall ensure that such employees, agents or contractors are subject to like obligations of confidentiality as bind Seller.

12. INTELLECTUAL PROPERTY

12.1 Materials, equipment, tools, dies, moulds, copyright, design rights or any other forms of intellectual property rights in all drawings, specifications and data supplied by AstraZeneca to Seller shall at all times be and remain AstraZeneca's exclusive property but shall be held by Seller in safe custody at its own risk and maintained and kept in good condition until returned to AstraZeneca and shall not be disposed of other than in accordance with AstraZeneca's written instructions, nor shall such items be used otherwise than as authorised by AstraZeneca in writing.

12.2 AstraZeneca shall own (and Seller shall procure that AstraZeneca shall receive) all rights to any intellectual property relating to any results, designs, developments, ideas, discoveries or inventions designed, developed, made, produced or originated by Seller or any of its employees, agents or contractors whilst performing the obligations set out in the Contract.

12.3 Seller will observe all copyright in written material including computer software belonging to AstraZeneca or any third party and Seller will not make any unauthorised copies of such material or software.

13. TERMINATION

13.1 AstraZeneca may at any time and for any reason terminate the Contract, in whole or in part, by giving Seller written notice whereupon all work on the Contract shall be discontinued and AstraZeneca shall pay to Seller fair and reasonable compensation for work-in-progress at the time of termination but such compensation...
shall not include loss of profits or any consequential loss.

13.2 AstraZeneca may at any time by written notice to Seller terminate the Contract immediately if:

13.2.1 Seller commits a material breach of any of the terms and conditions of the Contract and fails to remedy the breach (if capable of remedy) within thirty (30) days of a notice from AstraZeneca specifying the breach. Seller agrees that any breach of Condition 5 (Expectations of Third Parties) is a material breach of the Contract; or

13.2.2 any distress, execution or other process is levied upon any of Seller’s assets or Seller enters into any compromise or arrangement with its creditors, commits any act of bankruptcy or insolvency or if an order is made or an effective resolution is passed for its winding up (except for the purposes of amalgamation or reconstruction as a solvent company) or if a petition is presented to court, or if a receiver and/or manager, receiver, administrative receiver or administrator is appointed (or steps taken to make such appointment) in respect of the whole or any part of Seller’s undertaking or assets; or

13.2.3 Seller ceases or threatens to cease to carry on its business; or

13.2.4 Seller’s financial position deteriorates to such an extent that in AstraZeneca’s opinion Seller is incapable of fulfilling its obligations under the Contract.

13.3 Termination of the Contract, however arising, will be without prejudice to the rights of AstraZeneca accrued prior to termination. Terms or conditions which expressly or impliedly have effect after termination will continue to be enforceable notwithstanding termination.

14. REMEDIES

14.1 Without prejudice to any other right or remedy which AstraZeneca may have, if any Goods or Services are not supplied in accordance with, or Seller fails to comply with, any of the terms of the Contract, AstraZeneca may exercise any one or more of the following remedies at its discretion, whether or not any part of the Goods or Services has been accepted by AstraZeneca:

14.1.1 to cancel the Contract and treat the Contract as having never been entered into; and/or

14.1.2 to reject the Goods or Services (in whole or in part) and in the case of Goods return them to the Seller at the Seller’s risk and cost on the basis that a full refund for such Goods shall be paid forthwith by the Seller; and/or

14.1.3 at AstraZeneca’s option to give Seller the opportunity at Seller’s cost either to remedy any defect in the Goods or Services or to supply replacement Goods or Services and carry out any other necessary work to ensure that the terms of the Contract are fulfilled; and/or

14.1.4 to refuse to accept any further deliveries of the Goods or Services but without any liability to Seller; and/or

14.1.5 to carry out at Seller’s cost any work necessary to make the Goods or Services comply with the Contract; and/or

14.1.6 to claim such damages as may have been sustained in consequence of Seller’s breaches of the Contract.

15. ASSIGNMENT, SUB-CONTRACTING AND THIRD PARTY RIGHTS

15.1 Seller shall not assign, delegate, sub-contract, transfer, charge or otherwise dispose of all or any of its rights and responsibilities under the Contract without AstraZeneca’s prior written consent.

15.2 AstraZeneca shall have the right, without such written consent, to assign, delegate, sub-contract, transfer, charge or otherwise dispose of all or any of its rights and responsibilities under the Contract to any AstraZeneca Group company or any third party.
15.3 Subject to this Condition 15, these Conditions will be binding upon, inure to the benefit of, and be enforceable by, the Parties and their respective successors and permitted assigns. Any attempted assignment in violation of this Condition 15 shall be void and of no effect.

16. **FORCE MAJEURE**

AstraZeneca reserves the right to defer the date of delivery or payment or to cancel the Contract or reduce the volume of the Goods or Services ordered if it is prevented from or delayed in the carrying on of its business due to circumstances beyond the reasonable control of AstraZeneca including, without limitation, acts of God, governmental actions, war or national emergency, riot, civil commotion, fire, explosion, flood, epidemic, lock-outs, strikes or other labour disputes (whether or not relating to either party’s workforce), or restraints or delays affecting carriers or inability or delay in obtaining supplies of adequate or suitable materials.

17. **COMPLIANCE TRAINING**

17.1 Seller shall ensure that all Seller’s employees, agents and sub-contractors, if applicable who are assigned by Seller to perform services for, or on behalf of AstraZeneca shall successfully complete any required compliance training as directed by AstraZeneca prior to commencing any Services for AstraZeneca.

17.2 Seller shall designate one individual from its senior management, or other responsible employee, acceptable to AstraZeneca, who shall be responsible for ensuring that Seller’s employees, agents and subcontractors, if applicable, shall have successfully completed this mandatory compliance training and who shall certify in a form acceptable to AstraZeneca, that all employees and any agents or subcontractors retained by Seller to perform Services for, or on behalf of, AstraZeneca, have successfully completed this mandatory compliance training prior to commencing any such Services.

18. **ADVERSE EVENTS**

In the event that Seller and its Employees, during the course of performing the Services, become aware of an Adverse Event ("AE") or other reportable safety information with or without an associated AE, involving any AstraZeneca Group product that is the subject of these Conditions, Seller and its Employees are required to collect and submit within one business day from becoming aware the appropriate information to the AstraZeneca Group in accordance with the AstraZeneca Group policies, procedures, and any training provided by the AstraZeneca Group. The AstraZeneca Group are responsible for reporting AEs and other safety information to regulatory and government Authorities.

19. **GENERAL**

19.1 Each AstraZeneca right or remedy under the Contract is without prejudice to any other AstraZeneca right or remedy whether under the Contract or not.

19.2 If any Contract provision is held to be illegal, invalid, or unenforceable, in any respect, it shall, to the extent of such illegality, invalidity, or unenforceability be deemed severable and the remaining Contract provisions shall continue in full force and effect.

19.3 Failure or delay by AstraZeneca in enforcing or partially enforcing any Contract provision will not be construed as a waiver of any of its Contract rights.

19.4 Any waiver by AstraZeneca of any breach of, or any default under, any Contract provision by Seller will not be deemed a waiver of any subsequent breach or default and will in no way affect the other Contract terms.

19.5 This Contract (and any issues, disputes or claims arising out of or in connection with it) shall be governed by and construed in accordance with the laws of England and Wales.

19.6 The Parties irrevocably and unconditionally consent to the exclusive jurisdiction of the courts of England and Wales.

AstraZeneca
01 September 2016