

General Terms of Purchase

Novartis gives precedence to working with business partners, suppliers and contractors who meet our Third Party Code and who promote these values through their way of doing businesses.

In particular, we expect our Third Party Suppliers:

1. to live up to all national, and other applicable legislations and regulations that are in force with respect to the environment, health and safety and to the working and employment practices of any given field they are working in;
2. to establish management systems (policies, plans and standards of performance) that have been developed with a view to implement these requirements and to see to these systems being strictly complied with and constantly improved.

For any further information regarding this Third Party Code, please consult our website by surfing the Net:

<https://www.novartis.com/sites/www.novartis.com/files/Novartis-Supplier-Code-EN-2014.pdf>

1. Purchase Orders

1.1 The selling contract will only be valid either if a purchase order has been made up, bearing a Novartis Purchase Order number, or if the order has been carried out in the scope of a lawful contract with Novartis.

1.2 The delivery of the order implies, on behalf of the seller, the explicit and irrevocable acceptance of the present general terms of purchase and of any other terms which are expressly stated on the order form. By accepting these terms, the seller disclaims his own conditions which, under no circumstances, shall be adversative to the Novartis terms. Should this be the result, we will not accept the confirmation of the order.

2. Supply – Time of Delivery

2.1 The seller undertakes to deliver the goods and/or services free at the address which is stated on the purchase order, and during business hours.

2.2 The dates of delivery stated on the purchase order shall be observed at all times.

3. Terms of Payment

All Novartis invoices shall be paid on 60 days from invoice date, unless otherwise agreed upon in writing. The terms of payment stated on the tenders shall not be valid if they have not been explicitly agreed upon.

4. Receipt

Novartis reserves itself the right to return or to refuse, at the seller's expense, any goods or services which should fail to meet the properties or qualities stated on the purchase order, without prejudice to the right to claim compensation on the account of non-observance of the purchase order. The seller guarantees that the goods and/or services sold by him are clear of intellectual rights and that no other regulation is violated with respect hereto. The seller indemnifies Novartis against any liability which should arise from an infringement.

5. Cancellation

Without prejudice to its claim for compensation, Novartis has the right to partially or totally cancel the order, without proof of default, by registered mail to the seller's attention, in the event of the latter not complying with his obligations, in particular in case of non-observance of the term of delivery, in the occurrence of liquidation,

dissolution, legal settlement, bankruptcy, stoppage of activities on behalf of the seller. Just like in case of non-conformity of the goods and/or the services, and whether or not the seller has been asked to replace these goods.

6. Documents

6.1 Delivery note/ Shipment note – one copy shall be attached to the invoice accompanying the goods and one copy shall be attached to the original invoice which is sent to the accounting department.

6.2 Invoice: shall, in any case, bear a valid Novartis purchase order number and shall be addressed to the accounting department.

7. Industrial and Intellectual Property

7.1 Any models, plans, technical specifications or other documents which are handed over by Novartis with respect to an order or at the time of the execution thereof, shall remain the property of Novartis at all times and shall not be revealed to any third party. Neither shall these documents be altered or improved, without Novartis' prior written consent. They shall be returned at Novartis's first and simple request.

7.2 The seller irrevocably conveys, from the moment of acceptance of this Purchase Order and during the entire duration of the literary and artistic property right of the author, herewith included is any potential extension of the latter, all economic rights i.e. all rights of reproduction and public announcement of the creation to the principal. Furthermore, the seller irrevocably conveys to the principal all property rights to the physical carriers – electronic or others – who contain all the information and data of the design or realization of the creation, and which are useful or needed for reproduction, duplication or public announcement of the creation.

8. Secrecy

Both parties hereto shall refrain from disclosing any information, regardless of its nature, and which is obtained from the opposite party, either in the scope of the agreement or as a result of the entering into the agreement, without the other party's explicit approval.

Both parties undertake to inform their staff of the confidential nature of the information obtained and shall be liable

for the possible disclosure of the information by one or more of their staff members.

The parties commit themselves to take all necessary measures to prevent access to the confidential information by third parties and shall be held liable with respect hereto.

The above commitments, which will be made by the parties, shall be valid for an indefinite period of time.

9. Ban on recruiting each another's staff

The parties undertake to refrain from performing one of the following acts, nor taking part therein, in any capacity whatsoever (including as a proprietor, associate, employee, executive, manager, administrator, counsellor, consulting shareholder, silent partner, lender, investor, financier, mandatory, authorized agent or representative), either directly or indirectly (be it personal or through the agency or to the account or in co-operation with any legal or natural person, through an agent or not):

- a) to urge, to convince or to incite in any other way, an employee of the other party to resign;
- b) to urge, to convince or to incite in any other way, an employee or a supplier of the other party to partially or totally cease his professional obligations;
- c) to recruit an employee or supplier of the other party.

The duration of this recruiting ban shall be until 1 year following the date of the last invoice.

Should one of both parties, or its branches or partnership firms, violate the provisions of the present section without the prior written consent of the other, the party at fault shall undertake to settle a fixed compensation which shall equal 12 months of gross salary.

10. Subcontracting

Subject to Novartis' prior written consent, Novartis shall not be obliged to accept any performances, goods or services which would be entrusted to any subcontracting party.

11. Competent Court

Any disputes which may arise from the execution of the contract referred to in the present terms, shall be submitted to the exclusive decision by the tribunals and courts of Brussels.

The Belgian law applies.