GENERAL PURCHASE TERMS

1. Definitions

"Contract" means the contract between Novartis Manufacturing N.V. ("Novartis") and the Supplier, which shall consist of the Order, these general purchase terms ("Purchase Terms") and such other terms referred to in the Order by Novartis. "Deliverables" means the goods and/or services described in the Order. "Order" means the order placed in Novartis' order form for the supply of the Deliverables. "Supplier" means the supplier described in the Order.

2. Precedence and validity

2.1. The Contract will only be valid if an Order has been made, bearing the Novartis purchase order number (PO Number).
2.2. If there is any conflict or inconsistency in or between any parts of the Purchase Terms and the Order, the Purchase Terms shall prevail. The Purchase Terms could only be derogated from by special conditions stipulated in the Order. No terms or conditions of the Supplier appearing on any order confirmation, invoice, delivery note or other documentation relating to the Deliverables shall form part of the Contract. The Supplier explicitly acknowledges that Novartis has not taken cognizance of any such terms and conditions and waives any rights that it might otherwise have to rely on such terms and conditions.

3. Warranties

3.1. Supplier warrants that it shall provide the Deliverables:
- in a timely and professional manner and comply with any deadlines communicated by Novartis;
- in conformance with Good Industry Practice being understood as the exercise of that degree of skill, care, diligence, prudence, timeliness, efficiency, foresight and judgement which would reasonably be expected from appropriately skilled, experience and competent suppliers in the provision of similar Deliverables under similar circumstances;
- in case of goods, free from all visible and hidden defects, of satisfactory quality, suitable for Novartis 's intended purposes to the extent that such purposes are known or ought to reasonably be known to the Supplier, in conformity with the stipulations of the Contract and free from liens, sureties and privileges;
- in compliance with all applicable laws, regulations and guidelines and;
- in compliance with the Novartis Third Party Code (and any published updates) available here: https://www.novartis.com/esg/reporting/codes-policies-and-guidelines and of which a copy is available on request.
- Supplier warrants that it is presently, and shall remain, for the term of this Contract and any extension thereof, free from any commitments that would create a conflict of interest impeding the completion of Supplier's obligations hereunder. Supplier shall require any subcontractors or sub-subcontractors retained to assist Supplier with the provision of the Deliverables to agree to maintain itself free from conflicts of interest pursuant to terms substantially similar to those set forth in this Section.
- When required by Novartis to complete a questionnaire to assess the Supplier under its "Third Party Risk Management" processes ("Questionnaire"), Supplier commits to fully co-operate (at its own expense) to the completion of such Questionnaire and warrants all information provided in it is accurate and complete
- Supplier warrants that it possesses all licenses and other required governmental or official approvals, permits or authorizations necessary for manufacturing, packing, storing and/or supplying the Deliverables in accordance with the Contract.

3.2. Supplier warrants to ensure full traceability of the Deliverables, as well as all materials and ingredients used in the Deliverables, and to at all times be able to present Novartis documentary evidence in relation thereto.
3.3. Supplier's breach of any obligation set forth in this section shall constitute a material breach of the Contract.

4. Delivery and receipt

4.1. The Supplier shall deliver the Deliverables at the delivery address ("Delivery Address") and on the date stated on the Order. The dates of delivery stated on the Order shall be observed at all times. Novartis reserves the right to cancel the Order, in whole or in part, if the date is not observed.
4.2. Novartis must be notified of any delay. Only Deliverables admitted in quality and quantity by Novartis can be invoiced for. If not otherwise specified on the Order, the penalty for late delivery will be 1% of the amount of the Order (ex VAT) per calendar day of delay.
4.3. Unless stated otherwise in the Order, the Deliverables shall be delivered at the risks and at the costs of the Supplier to the Delivery Address (including off-loading and stacking). Ownership of the Deliverables shall be transferred at the delivery.
4.4. The Deliverables shall be accompanied by a note identifying the Supplier's full name and address, the PO number, the description of the Deliverables, Novartis 's product code, the quantity delivered per box and per pallet, as well as all markings required by Belgian and European regulations.
4.5. The acceptance of the delivered Deliverables shall, at the sole discretion of Novartis, only take place after full inspection by Novartis . The simple taking of delivery by the reception service cannot be regarded as acceptance.

5. Remedies, limitation of liability and indemnification

5.1. In the event the Supplier does not comply with, all or a part of, its obligations under the Contract ("Breach"), without prejudice to any other right or remedy Novartis may have, Novartis shall be entitled to claim one or more of the following remedies:

- Total or partial refusal or return, at the Supplier's expense, of the Deliverables failing to meet the requirements stated in the Order ("Rejected Deliverables");
- Obtain the replacement of the Rejected Deliverables as soon as possible, at the Supplier's cost and risk;
- Obtain a refund, a compensation or damages for the Breach;
- Execute any extra works, at the Supplier's expense, necessary to remedy the Breach and;
- Terminate the Contract in accordance with Clause 9 (Duration and Termination).

5.2. Neither Party shall be liable under or in connection with the Contract for any indirect, special or consequential loss or damage.

5.3. Subject to Clause 5.2, and to the extent permitted by law, Novartis' liability in connection with the Contract will be limited to an amount equal to the total fees paid for the Order.

5.4. Supplier agrees to indemnify, defend and save Novartis (including officers, directors, employees and agents of Novartis) harmless from and against any and all claims, suits, and liabilities to the extent they arise out of or are attributable to the wrongful act or omission, or to the gross negligence of Supplier (including, but not limited to, Supplier's employees, subcontractors or agents) or to a Breach by the Supplier.

6. Force Majeure

If a Party is prevented from performing any of its obligations by the occurrence of an unforeseeable event beyond the control of such Party and which is an insurmountable obstacle for such Party to meet its contractual obligations (a "force majeure event"), that affected Party may, as soon as it becomes aware of the force majeure event, claim relief from liability in respect of any delay in performance or any non-performance of any such obligation to the extent that the delay or non-performance is due to a force majeure event, provided that the affected Party promptly notifies the other Party in writing, in any case no later than one (1) day, after becoming aware that such delay was likely to occur, of the cause of the delay or non-performance and the likely duration of the delay or non-performance.

7. Payment and invoices

7.1. Invoices shall be addressed to the company address identified on the Order or any other address notified by Novartis.

7.2. Novartis shall pay the invoice within sixty (60) calendar days of receipt by Novartis of a valid invoice containing at least the company name and address, VAT number, invoice number, date, PO number, currency and line items per the Order.

7.3. Novartis may withhold from payment or part of a payment on the due date due to a disputed invoice until the dispute is resolved.

7.4. Interests for late payment are calculated at the statutory rate and may only be charged after the Supplier has formally notified Novartis.

8. Notices

Any notice shall be deemed to have been properly served if delivered by hand, or sent by registered mail, to the party to be served at the address specified by such party for that purpose, or, if no such address is specified, at the address given at the head of this Contract. Notices sent by post shall be deemed to have been delivered within 7 (seven) days after the date of posting.

9. Duration and Termination

9.1. This Contract is concluded for a fixed duration, starting on the date of the Purchase Order and expiring automatically upon delivery of the Deliverables. Novartis may terminate this Contract (or any part of it) at any time on written notice on the date specified in such notice. In such event, Novartis will be liable to pay the fees to Supplier on a pro-rata basis so that Novartis is only obliged to pay Supplier for the Deliverables effectively provided to Novartis in accordance with this Contract or the relevant part of it at the date of termination.

9.2. Without prejudice of the rights under Clause 5.1, if either Party commits a material breach of the Contract, the other Party will have the right to terminate the Contract (or any part of it) immediately if:

- such a breach is an irremediable breach of the terms of the Contract;
- such breach is capable of remedy and the relevant Party has failed to remedy such breach within ten (10) business days after the issue of a written notice requiring it to do so or;
- the other Party is involved in fraud, dishonesty, serious misconduct, liquidation or bankruptcy.

9.3. Without prejudice of the rights under Clause 5.1, if Novartis may terminate the Contract (or any part of it) immediately, subject to a prior written notice, if:

- Supplier is in persistent breach of the Contract (or any part of it) which in aggregate constitute a material breach;
- Supplier is prevented from performing substantially all of its obligations by a force majeure event for a continuous period of more than fifteen (15) days or;
- Supplier's ownership or control is changed.

9.4. Upon termination of the Contract, the Supplier will return to Novartis all Novartis Data. "Novartis Data" means all information, data and writings provided to the Supplier by and/or on behalf of Novartis in connection with the Contract, in any form whatsoever, which were owned by or licensed to Novartis prior to being provided to the Supplier.

10. Confidentiality

10.1. Each Party agrees not to publish, disclose or use for any purpose other than the execution of this Contract any confidential information disclosed by the other Party. This obligation of confidentiality shall continue to apply until this information becomes public otherwise than through unauthorized disclosure.
10.2. The Supplier shall not, without Novartis' prior written agreement, announce or provide to any other party, information relating to the existence of the Contract or use Novartis' name in any format for any promotion, publicity, marketing or advertising purpose.

11. Intellectual Property

11.1. All Novartis Data shall remain the property of Novartis. Supplier shall acquire no right, title or interest in the Novartis Data in the Deliverables.
11.2. All Works as, defined hereafter, shall be the sole and exclusive property of Novartis. Novartis shall be the sole owner of all the rights to such Works in any form and in all fields of use known or hereafter existing. Novartis may transfer such Works or use the Works for any purpose without further payment to the Supplier. "Works" means information, data, writings, inventions and other work products, in any form whatsoever, both tangible and intangible, developed as a result of Supplier's provision of the Deliverables.
11.3. Each Party shall retain ownership of the IPR existing prior and/or developed independently from this Contract ("Background IPR"). IPR means any invention or discovery (whether patentable or not), copyright (rights of reproduction, publication, representation, adaptation, and modification), design and model right or confidential know-how or other intellectual property conceived, produced, or reduced to practice by the Parties. Novartis shall however have a non-exclusive, irrevocable, perpetual, worldwide, royalty-free and sub-licensable license to use Supplier IPR incorporated into, and/or necessary for the non-infringing use of any Work.
11.4. Supplier represents that it owns or has the right to use all IPR to the intellectual property which it shall use to provide the Deliverables under the Contract.

12. TOXIC, HAZARDOUS OR CARCINOGENIC SUBSTANCES; REACH; RoHS:

12.1. Supplier represents and warrants that (a) the goods supplied in accordance with the Order and any substances contained therein are not prohibited or restricted by, and are supplied in compliance with, any laws or regulations of any country or jurisdiction in the world, including but not limited to the United States, the European Union ("EU"), and nations adopting legislation similar to that of the EU; (b) nothing prevents the sale or transport of the goods or substances contained therein in any country or jurisdiction in the world; (c) all such goods and substances are appropriately labeled, if labeling is required, and have been pre-registered and/or registered and/or authorized under the EU Registration, Evaluation, Authorization and Restriction of Chemicals regulation ("REACH") if pre-registration, registration and/or authorization is required; and (d) in accordance with the restrictions set forth in the Recycling of Hazardous Substance ("RoHS") directives, the goods and any substances contained therein do not include hazardous substances banned under RoHS, such as lead, mercury, cadmium, and hexavalent chromium and flame retardants such as polybrominated biphenyls or polybrominated diphenyl ethers. In addition to complying with REACH and RoHS, Supplier shall timely provide Buyer with all relevant information on the goods necessary for the Novartis and/or any downstream user (as defined in Article 3(13) of REACH) to timely and accurately fulfill their obligations under REACH and RoHS, including a list of ingredients and quantities. Supplier shall take all other measures as are necessary to comply with REACH and RoHS and their respective implementing regulations, as they may be amended over time. Supplier shall bear all costs, charges and expenses related to REACH and RoHS, including the pre-registration, registration, evaluation and authorization under the REACH regulation of the chemical substances that are the subject of the Order.

13. General

13.1. The Supplier shall not assign or sub-contract any of its rights or obligations under the Contract without Novartis' prior written consent. The Supplier shall remain liable for the acts and omissions of its subcontractors as well as for any Breach by its subcontractors as if such acts, omissions and Breaches had been performed by the Supplier. The Supplier shall ensure that subcontractors comply with the Novartis Third Party Code. The Supplier warrants that it has a basic due diligence process in place to assess potential subcontractors and that it shall put in place and maintain for the duration of the engagement an ongoing monitoring program of any approved subcontractor and notify Novartis of any alert arising within 7 calendar days. All subcontracting costs are borne by the Supplier.
13.2. The invalidity or unenforceability of any term or provision of the Contract shall not affect the validity or enforceability of any other term or provision hereof.
13.3. Supplier shall execute the Contract as an independent contractor and, as such, neither the Supplier nor its employees shall be entitled to any benefits applicable to employees of Novartis. Neither Party is authorized or empowered to act as agent for the other for any purpose and shall not on behalf of the other enter into any contract, warranty or representation as to any matter. Neither Party shall be bound by the acts or conduct of the other
13.4. The failure of a party to enforce a provision of the Contract shall not constitute a waiver or affect its right to enforce such provision.

14. Competent court and applicable law

Belgian law governs the Contract and the applicability of the Convention on Contracts for the International Sale of Goods dated 11 April 1980 ("Vienna Sales Convention") is expressly excluded. All disputes relating to the Contract shall exclusively be within the competence of the tribunals and courts of Brussels.