

STANDARD TERMS AND CONDITIONS FOR THE PURCHASE OF GOODS AND SERVICES

1. DEFINITIONS AND INTERPRETATION

In these Conditions:

1.1 **"Force Majeure"** means circumstances beyond a party's control, including acts of God, terrorism, war, civil unrest, strike, lock-out or other industrial action (other than strikes, lock-outs and labour disputes caused by the delaying party, its employees or sub-contractors for which the delaying party shall be responsible).

1.2 **"we"** or **"us"** or **"our"** or **"Novartis"** means Novartis Pharmaceuticals UK Limited; and **"you"** or **"your"** means the person named as the supplier in the Order.

1.3 headings are for reference only; and

1.4 references to a person include any individual, body corporate, association, partnership, firm, trust, organisation, joint venture, or any other entity.

1.5 **"INCOTERMS®"** means the international rules for the interpretation of trade terms prepared by the International Chamber of Commerce. Incoterms shall apply, but where they conflict with the Contract, the Contract shall prevail.

1.6 **"Novartis Policies"** means the Novartis Third Party Code, Global Novartis Professional Practices Policy, Minimum Information Security Controls, Novartis Animal Welfare Policy, Novartis Code of Conduct and any other supplier related codes, policies and guidelines available at

<https://www.novartis.com/our-company/corporate-responsibility/reporting-disclosure/codes-policies-guidelines>.

1.7 Any reference in these Conditions to a law, statute or a provision of a statute shall be construed as a reference to that law, statute or provision as amended, re-enacted or extended at the relevant time and any reference to EU law, statute or a provision of a statute shall be construed as a reference to any UK domestic law which implements or succeeds that EU law, statute or provision at the relevant time.

2. CONTRACT

2.1 A contract on these Conditions (**"Contract"**) will be formed when we accept in writing (**"Order"**) your quotation describing the goods (**"Goods"**) and services (**"Services"**) you will provide to us.

2.2 These Conditions are the only terms and conditions on which we will purchase goods and services from you and will apply to the exclusion of all other terms and conditions that you seek to impose or incorporate, or which are implied by trade, custom, practice or course of dealing. The acceptance of an Order for the Goods and/or Services shall indicate unqualified acceptance of these Conditions.

3. DELIVERY

3.1 You will deliver the Goods (Carriage and Insurance Paid To (**CIP**) INCOTERMS® 2010) to the address specified in the Order at a time and date specified in the Order.

Delivery of the Goods (**"Delivery"**) will occur when they have been off-loaded at the Delivery address. Risk and title in the goods will pass to us on delivery.

3.2 You will ensure that the Goods are: marked in accordance with our instructions and any applicable laws; properly packed so as to reach their destination undamaged; accompanied by a prominently displayed delivery note; and accompanied by all operating and safety instructions, warning notices and such other information necessary for the proper use, maintenance and repair of the Goods.

3.3 You may not deliver the Goods by separate instalments without our prior written consent. If we give such consent, you will invoice the Price for each instalment separately in accordance with clause 10.3 and we may exercise our rights and remedies in respect of the relevant instalment or the whole Contract.

4. CANCELLATION

4.1 We may cancel the Contract (in whole or in part) at any time before Delivery of the Goods or commencement of the Services and our sole liability will be to pay to you fair and reasonable compensation for work performed up until the time of cancellation.

4.2 If in Novartis' reasonable opinion, you are unable to provide the Services during the

Services, then Novartis may, at its discretion, either suspend performance of the Services and/or terminate the Contract and our sole liability will be to pay you fair and reasonable compensation for work performed up until the date of termination.

5. DEFECTIVE GOODS

5.1 You will ensure that the Goods will:

- (i) conform to the written technical specification set out or referred to the Order;
- (ii) be free from defects in design, materials and workmanship;
- (iii) be of satisfactory quality (within the meaning of the Sales of Goods Act 1979 or any other applicable laws concerning the quality of the Goods) and for their usual purpose or (if applicable) any purpose held out by the supplier or already made known to the supplier in writing at the time the Order is placed; and
- (iv) comply with all relevant applicable laws.

5.2 If any Goods do not conform with any of the terms of clause 3.2 and/or 5.1 we may (whether or not the Goods have been accepted):

- (i) terminate the Contract immediately; or
- (ii) reject those Goods and require you, at our option, to promptly re-deliver, repair or replace (as applicable) the relevant Goods free of charge or to refund the Price for those Goods.

5.3 Clauses 3.2 and/or 5.1 will apply to any repaired or replacement Goods supplied under clause 3.

6. INTELLECTUAL PROPERTY

6.1 You hereby assign to us absolutely all intellectual property rights in and to the outputs of the Services (including any deliverables) and grant us an irrevocable, non-exclusive licence of any of your intellectual property rights in materials created prior to the date of the Contract or outside the scope of the Services and which are incorporated into the outputs of the Services (including any deliverables).

7. INDEMNITY

7.1 You shall keep us indemnified against all liabilities, costs, expenses, damages and losses (including but not limited to any direct, indirect or consequential losses, loss of profit, loss of reputation and all interest, penalties and legal costs (calculated on a full indemnity basis) and all other reasonable professional costs and expenses, suffered or incurred by us as a result of, or in connection with:

- (i) any claim made against us for actual or alleged infringement of a third party's intellectual property rights arising out of or in connection with the manufacture, supply or use of the Goods or Services, to the extent that the claim is attributable to the acts or omissions of you, your employee, agents or subcontractors;
- (ii) any claim made against Novartis by a third party for death, personal injury or damage to property arising out of or in connection with defects in the Goods or Services, to the extent that the defects in the Goods or Services are attributable to the acts or omissions of you, your employees, agents or subcontractors;
- (iii) any claim made against Novartis by a third party arising out of or in connection with the supply of the Goods or Services, to the extent that such claim arises out of the breach, negligent performance or failure or delay in performance of the Contract by you, your employees, agents or subcontractors; and
- (iv) where you are acting as a data processor, a breach of clause 17 to the extent that the breach did not result from a failure in Novartis' instructions.

7.2 This clause 7 shall survive termination of the Contract.

8. INSURANCE

8.1 During the term of the Contract and for a period of six (6) years thereafter, you shall maintain in force, with a reputable insurance company, professional indemnity insurance, product liability insurance and public liability insurance to cover the liabilities that may arise under or in connection with the Contract, and shall, on Novartis' request, produce both the insurance certificate giving details of the cover and the receipt for the current year's premium in respect of each insurance.

8.2 You warrant that nothing has or will be done or be omitted to be done which may entitle any insurer to refuse to pay any claim. Under any of the insurance policies, result in any of

the insurances being or becoming void, voidable or unenforceable or which might otherwise prejudice any of the insurance policies.

9. SERVICES

9.1 You will, in performing the Services:

- (i) use the degree of skill, care, prudence, supervision, diligence, foresight, quality control of the Services;
- (ii) fulfil all requirements set out in the Order;
- (iii) fully co-operate with our agents, representatives and contractors; and
- (iv) comply with all relevant applicable laws, requirements of any relevant statutory and regulatory bodies and health and safety and security policies and obey all of our lawful and reasonable directions.

9.2 You will perform the Services on the dates set out in the Order and if you are more than 2 weeks late in completing the Services we may terminate the Contract.

10. PRICE AND PAYMENT

10.1 The price for the goods ("**Price**") and charges for the Services ("**Charges**") each as set out in the Order will be inclusive of all costs and expenses you incur including packaging, insurance, carriage and delivery costs.

10.2 Subject to you performing your obligations in accordance with the terms of the Contract, we will pay the Prices and Charges to you in accordance with this clause 10.

10.3 You will invoice us for the Price following Delivery and the Charges following completion of performance of the Services. Your invoices must reference our relevant purchase order number. Subject to the foregoing, we will pay your invoices within ninety (90) days of receipt.

10.4 Any sum payable under the Contract is exclusive of value added tax which will be payable in addition in the manner and at the rate prescribed by law, subject to receipt of a valid value added tax invoice

10.5 If we, in good faith, dispute any part of an amount invoiced by you, we may withhold payment of the disputed sum until the dispute is settled. We will be entitled to set-off any liability which you have to us against any liability which we have to you.

11. OUR PROPERTY

All materials and equipment we supply to you will remain our property and be returned to us on demand.

12. COMPLIANCE WITH LAWS, THIRD PARTY RISK MANAGEMENT AND NOVARTIS POLICIES

12.1 In exercising your rights and performing your obligations under the Contract, you will:

- (i) not promise, offer, pay, cause to pay, accept payment or induce payment or take any action that could be considered a bribe (as defined within the Novartis Policies);
- (ii) comply with all applicable laws and regulations, including those related to bribery and corruption (such as, but not limited to, the US Foreign Corrupt Practices Act, UK Bribery Act);
- (iii) ensure that at all times, you have and maintain all the licences, permissions, authorisations, consents and permits that you require to carry out your obligations under the Contract, and you shall indemnify Novartis for your failure to comply with this clause;
- (iv) comply with industry standards and applicable pharmaceutical/medical device/generic industry standards;
- (v) comply with all policies and guidelines provided to you by Novartis in relation to your activities under the Contract, including the Novartis Policies which form an integral part of the Contract, as amended from time to time. In the event that Novartis issues additional guidelines or policies in relation to your activities under the Contract, Novartis will provide you with a copy and you will duly comply with such guidelines and policies thereafter. You hereby confirm that you have read and understood the above mentioned Novartis' policies and guidelines; and
- (vi) perform your obligations under the Contract with high ethical and moral business and personal integrity standards.

12.2 Without prejudice to the generality of the Novartis Policies, you shall also comply with

the requirements of the UK Modern Slavery Act 2015(the "Act") and the Labour Standards Assurance System("LSAS") You shall not commit any act or omission that causes Novartis to be in breach of Novartis' obligations under the Act or LSAS.You shall provide your full cooperation to Novartis in order to ensure compliance with the relevant requirements.

12.3 "**Third Party Risk Management**" Novartis has put in place a Third Party Risk Management framework which is aimed at promoting the societal and environmental values of the United Nations Global Compact with specific third parties that Novartis deals with. In connection withthe above, you shall:

(i) comply with the Third Party Code (and any published updates) which can be viewed and downloaded from

<https://www.novartis.com/about-us/corporateresponsibility/resources-news/codes-policies-guidelines> (you may request a copy free of charge from Novartis);

(ii) having regard to Section 12.6 of the Third Party Code, provide information/documentation on reasonable request to Novartis, its affiliated companies and respective representatives to allow Novartis to verify compliance with the Third Party Code in the form requested; and

(iii) to rectify identified non-compliances with the Third Party Code (where capable of remedy) and report remediation progress to Novartis, its affiliated companies and respective representatives on request.

12.4 "**Novartis Policies**". Novartis expects suppliers with whom we work to comply with the law, to adhere to ethical bussiness practices and to observe the Novartis Third Party Code. The Novartis Third party and other codes, policies and guidelines can be downloaded at the link contained in clause 12.3(i).

12.5 Suppliers shall familiarise themselves with these codes, policies and guidelines and provide information on request to Novartis employees concerning labour, health and safety, animal welfare, anti-bribery and fair competition, and data protection and privacy practices, in the formrequested and allow Novartis employees (or third party experts acting on our behalf) adequate access for the purposes of auditing compliance with these standards.

12.6 Suppliers will use best endeavours to rectify identified non-compliances and report remediation progress to Novartis on request. At Novartis' discretion, failure to adhere to these standards shall entitle Novartis to terminate without confirmation. You confirm that you have read and understood the Novartis Third Party Code.

12.7 You shall provide all reasonable assistance to us in order to enable us to maintain our Authorised Economic Operator ("AEO") certification including allowing us to audit you in connection with our AEO certification. To the extent that any audit reveals issues that affect our AEO certification, you agree to take remedial steps to address any such issues.

12.8 Failure to comply with this clause 12 shall be considered a material breach of the Contract.

13. ANTI-CORRUPTION

13.1 You will (and will procure that your officers, employees, agents and any other persons who perform services for you in connection with the Contract will):

(i) not breach, or commit an offence under, any laws relating to anti-bribery;

(ii) comply with our anti-corruption policy as updated from time to time;

(iii) promptly notify us of and keep accurate records showing, all payments made and received and all other advantages given and received in connection with the Contract and the steps taken to comply with this clause 13.1, and permit us to inspect those records as reasonably required;

(iv) promptly notify us of any breach of this clause 13.1.

13.2 We may terminate the Contract immediately without compensation if you are in breach of clause 13.1.

14. ANTI FACILITATION OF TAX EVASION

14.1 You shall, and shall procure that any personnel who provide the Services and/or Goods for or on your behalf in connection with the Contract will:

(i) not engage in any activity, practice or conduct which would constitute either:

a. a UK tax evasion facilitation offence under section 45(1) of the Criminal Finances Act

2017; or

b. a foreign tax evasion facilitation offence under section 46(1) of the Criminal Finances Act 2017.

(ii) comply with Novartis' and any relevant industry code concerning anti-facilitation of tax evasion, as may be updated from time to time;

(iii) have and shall maintain in place throughout the Contract such policies and procedures as are both reasonable to prevent the facilitation of tax evasion by another person (including without limitation, your employees) and to ensure compliance with clause 14.1; and

(iv) promptly report to Novartis any request or demand from a third party to facilitate the evasion of tax within the meaning of Part 3 of the Criminal Finances Act 2017,

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in connection with the performance of the Contract.

14.2 You shall ensure that any person associated with you who is performing the Services and/or providing Goods in connection with this Contract does so only on the basis of a written contract which imposes on and secures from such person terms equivalent to those in this clause 14. You shall be responsible for the observance and performance by such persons of the provisions of this clause 14, and shall be directly liable to Novartis for any breach by such persons of any provisions of this clause 14.

14.3 For the purposes of clause 14, the meaning of reasonable prevention procedure shall be determined in accordance with any guidance issued under section 47 of the Criminal Finances Act 2017 and a person associated with you includes but is not limited to any subcontractor (if applicable).

14.4 Novartis may immediately terminate the Contract by written notice to you if you, in the opinion of Novartis or its duly appointed agents is in breach of clause 14.1 or 14.2.

15. BUSINESS CONTINUITY

15.1 You shall have and maintain business continuity procedures (and copies of any materials documenting these procedures ("BCP")) shall be provided to Novartis promptly on request) to ensure that in the event of a failure of, or disruption to your infrastructure, you continue to provide the Services and/or Goods and otherwise perform your obligations under this Contract to normal performance levels within the shortest practicable time. You shall regularly (and at least once in any twelve (12) month period) test your BCP and provide Novartis with the results of such testing, if requested.

16. FORCE MAJEURE

16.1 Subject to clause 16.3, neither party shall be liable for any delay or failure in the performance of its obligations under the Contract if such delay or failure is due to an event of Force Majeure.

16.2 If an event of Force Majeure occurs, the delaying party shall be entitled to an extension of time for as long as the Force Majeure persists on the condition that:

(i) it promptly notifies the other party ("Unaffected Party") of the occurrence of the Force Majeure event;

(ii) it discusses with the Unaffected Party possible action to be taken to overcome the effect of the Force Majeure; and

(iii) It uses all reasonable endeavours to overcome the Force Majeure event, including but not limited to, instigating its BCP.

16.3 If the Force Majeure event persists for a period of thirty (30) days or more, the Unaffected Party may give notice to the other party to terminate the Contract with effect from a date specified in the notice without penalty or other liability.

17. DATA PROTECTION

17.1 The parties acknowledge and agree that the factual circumstances between them dictate their roles with respect to Data Protection Laws. In the event that any party collects or processes personal data as a result of the Contract, that party shall comply with its respective duties and responsibilities imposed on them as either a (i) data controller; or (ii) data processor in accordance with Data Protection Laws.

17.2 For the purposes of this clause 17:

"Data Protection Law" means all world wide data protection and privacy laws and regulations applicable to the Personal Data in question, including where applicable, EU Data Protection Law, the UK Data Protection Act 2018 and the UK GDPR, as may be amended or superseded from time to time.

"EU Data Protection Law" means as applicable: (i) the EU GDPR; (ii) the EU e-Privacy Directive (Directive 2002/58/EC); and/or (iii) the Swiss Federal Data Protection Act of 19 June 1992 (Switzerland).

"EU GDPR" means Regulation (EU) 2016/679 of the European Parliament and of the Council on the protection of natural persons with regard to the processing of personal data and on the free movement of such data.

"UK GDPR" means the EU GDPR as amended and incorporated into UK law under the UK European Union (Withdrawal) Act 2018, if in force.

"Personal Data" means any information that relates to an identified or identifiable individual.

"process" "data controller" and "data processor" shall have the meanings given to them in Data Protection Laws.

18. TERMINATION

18.1 Novartis may terminate the Contract in whole or in part at any time before delivery of the Services and/or Goods in accordance with clause 4.1, as well as during the Services in accordance with clause 4.2 by giving you written notice, whereupon you shall discontinue all work on the Contract. Novartis shall pay you fair and reasonable compensation for any work in progress on the Services and/or Goods up until the date of termination, but such compensation shall not include loss of anticipated profits or any consequential loss.

18.2 Without limiting our other rights or remedies, if you commit a material breach of the Contract we may terminate the Contract either:

- (i) immediately, in the event that the breach cannot be remedied; or
- (ii) on fourteen (14) days' written notice, in the event that the supplier fails to remedy the breach within fourteen (14) days after being notified of the breach.

Any termination by Novartis under this clause shall be without compensation save for the any services provided in accordance with this Contract up to the date of termination.

18.3 We may terminate the Contract immediately if you:

- (i) have a receiver, administrator or provisional liquidator appointed;
- (ii) are subject to a notice of intention to appoint an administrator;
- (iii) pass a resolution for your winding-up (save for the purpose of a solvent restructuring);
- (iv) have a winding up order made by a court in respect of you;
- (v) enter into any composition or arrangement with creditors (other than relating to a solvent restructuring);
- (vi) cease to carry on business; or
- (vii) are the subject of anything analogous to the foregoing under the laws of any applicable jurisdiction;

and you will notify us immediately upon the occurrence of any such event or circumstance.

18.4 Following expiry or termination of the Contract:

- (i) any clauses which expressly or impliedly continue to have effect after expiry or termination of the Contract will continue in force; and
- (ii) all other rights and obligations will immediately cease without prejudice to any rights and liabilities which have accrued prior to the date of expiry or termination.

18.5 Within ten (10) days after the date of expiry or termination of the Contract each party will return to the other party all of the other party's Confidential Information (including all copies and extracts) in its possession or control and cease to use the other party's Confidential Information.

18.6 Each party may retain any of the other party's Confidential Information which it has to keep to comply with any applicable law or which it is required to retain for insurance, accounting or taxation purposes. The provisions of clause 19 will continue to apply to retained Confidential Information.

19. CONFIDENTIALITY

19.1 Each party will, subject to clause 19.2:

- (i) only use the other party's Confidential Information for the purpose of performing its obligations under the Contract;
- (ii) keep the other party's Confidential Information secret and secure; and
- (iii) not disclose the other party's Confidential Information to any other person.

19.2 Each party may disclose the other party's Confidential Information:

- (i) to the extent required by law; and
- (ii) to those of its directors, employees and professional advisers who need access to that Confidential Information so that it can perform its obligations under the Contract provided such persons are under obligations of confidentiality equivalent to those set out in this clause 19.

19.3 For the purposes of this clause 19, ("**Confidential Information**") means the terms of the Contract and any information that relates to a party (or any of its group companies or businesses) and which is disclosed to the other party in connection with the Contract, but excluding information that:

- (i) is at the relevant time in the public domain (other than by virtue of a breach of this clause 19); or
 - (ii) was received by the other party from a third party who did not acquire it in confidence.
- (ii) was received by the other party from a third party who did not acquire it in confidence.

20. NOTICE

Any notice given under or in connection with the Contract shall be in writing (but not email) and (a) delivered by hand or (b) delivered by first class post (if within the UK) or airmail if overseas, to the address detailed in this Agreement and marked for the attention of the Finance Director. Any notice given in accordance with this paragraph shall be deemed to have been served (a) if delivered by hand, at the time of delivery; and (b) if sent by post or airmail, three UK business days after the date of posting. This clause shall not apply to the service of any proceedings or other documents in a legal action.

21. GENERAL

21.1 The Contract constitutes the entire agreement between the parties and supersedes any prior agreement or arrangement in respect of its subject matter and neither party has entered into the Contract in reliance upon any misrepresentation, representation or statement not set out in the Contract. Nothing in this clause 21.1 limits or excludes any liability for fraud.

21.2 A delay in exercising or failure to exercise a right or remedy under or in connection with the Contract will not constitute a waiver of, or prevent or restrict future exercise of, that or any other right or remedy.

21.3 If any term of the Contract is found by any court to be unenforceable, such term will be deemed to be severed from the Contract and this will not affect the remainder.

21.4 No variation to the Contract will be effective unless it is in writing and signed by a duly authorised representative on behalf of each of the parties.

21.5 Nothing in the Contract and no action taken by the parties in connection with it or them will create a partnership or joint venture or relationship of employer and employee between the parties or give either party authority to act as the agent of or in the name of or on behalf of the other party or to bind the other party or to hold itself out as being entitled to do so.

21.6 The parties do not intend that any term of the Contract will be enforceable under the Contracts (Rights of Third Parties) Act 1999 by any person except for the clauses which confer a benefit on any company in our group of companies.

21.7 Our rights and remedies set out in these Conditions are in addition to any rights and remedies provided by law.

21.8 You will not be entitled to assign, transfer, charge, hold on trust for any person or deal in any other manner with any of your rights under the Contract or to sub-contract any of your obligations under the Contract.

21.9 Where required by us, you shall procure that your personnel comply with any vetting/security checks required by us prior to such personnel providing services using our nominated screening agency or with our prior written agreement, your screening agency.

21.10 Where you provide personnel in the provision of Services, such personnel shall either be on your payroll or be engaged by you under an umbrella company, where such umbrella

company withholds such personnel's Income Tax and National Insurance (also known as PAYEE) (collectively, "**Payroll**"). If such personnel is not on Payroll, you shall notify us and shall not engage such personnel until you have received our written consent.

22. TRAINING RIGHTS

22.1 Subject to Novartis requesting otherwise, you shall be responsible for training all of your personnel (including approved subcontractors) engaged in performing activities set out in the Contract on anti-bribery ("**AB Training**") at your own expense. Such training shall include at a minimum the provisions of the applicable bribery and corruption laws and shall take place prior to the performance of Services for Novartis. You shall ensure that the AB Training is performed for any new personnel (including approved contractors) that you later wish to engage to provide the Services to Novartis. Novartis shall be entitled, upon request, to perform (directly or via its affiliated companies or contractors) the AB Training (or any part thereof). If you receive any such request, you hereby agree to fully cooperate with Novartis to enable such training to be carried out, including providing all reasonable and necessary access for such purpose to your premises and relevant sales force/employees engaged to provide Services to Novartis.

23. AUDIT RIGHTS

23.1 Without prejudice to any other audit rights contained in these Conditions, Novartis may (itself or through a third party) audit your compliance with and performance of the Contract at any time, including compliance with clause 12 (Compliance with Laws, Third Party Risk Management and Novartis Policies), and to confirm all payments received from Novartis, but shall not do so more than once in each calendar year unless: (i) required to conduct any additional audit for legal or regulatory reasons; or (ii) Novartis reasonably considers that one or more additional audits are necessary in any given year. Upon written notice by Novartis that it wishes to conduct an audit, you will promptly provide full cooperation and grant access to all relevant documents and materials as reasonably required. Novartis shall pay the fees of any third party auditor unless the audit: (a) reveals a discrepancy of 5% or more in Novartis' favour where a numerical measure is being audited; or (b) reveals a discrepancy of a material degree from the terms of the Contract, in which case you shall reimburse Novartis in respect of such fees (and Novartis' own costs) and promptly credit Novartis with any monies due (plus interest at a rate of 2% per annum above HSBC Bank plc's base rate) to Novartis as a result of the discrepancy. Each party shall bear their own costs in carrying out and cooperating with such auditing.

23.2 You shall, and shall procure that your sub-contractors shall, maintain a complete and correct set of records pertaining to all activities relating to the performance of the Contract ("**Records**"), and retain all Records during performance of the Services and/or provision of Goods for a period of not less than six (6) years (or such longer period as may be required by law) following termination or expiry of the Contract.

23.3 Your refusal or obstruction to audit your records shall constitute a material breach of the Contract, and Novartis shall have the right to terminate the Contract under clause 18.2. You shall procure equivalent rights for Novartis to audit any sub-contractors.

24. LAW AND JURISDICTION

The Contract will be governed by the law of England. Each party agrees that the courts of England have exclusive jurisdiction to determine any dispute arising out of or in connection with the Contract.