

ORDERS ARE PLACED EXCLUSIVELY SUBJECT TO THE TERMS & CONDITIONS OF PURCHASE OF THE BUYER PRINTED BELOW ("T&Cs") TO THE EXCLUSION OF ANY TERMS & CONDITIONS OF TRADING WHICH THE SUPPLIER MAY PURPORT TO IMPOSE

1. DEFINITIONS

In the T&Cs, the following words shall have the following meanings:

"Buyer" the Novartis Company named under "invoicing address" on the relevant Order;

"Contract" the Offer to Purchase in form of Order along with the T&Cs and the Supplier's acceptance of the same, together with any other terms and conditions agreed in writing between the parties;

"Control" the ability to direct the affairs of another person, whether by virtue of the ownership of shares, contract or otherwise;

"Goods" any goods, or parts of them, agreed in the Contract to be purchased by the Buyer from the Supplier, including any materials to be supplied or affixed in connection with the Services;

"Guarantee Period" the standard guarantee period provided by the Supplier in respect of the Goods and/or Services unless a lengthier period is specified in the Order;

"Intellectual Property Right" all patents, rights to inventions, utility models, copyright and related rights, trademarks, service marks, trade, business and domain names, rights in trade dress or get-up, rights in goodwill or to sue for passing off, unfair competition rights, rights in designs, rights in computer software, database right, topography rights, rights in confidential information (including know-how and trade secrets) and any other intellectual property rights, in each case whether registered or unregistered and including all applications for and renewals or extensions of such rights, and all similar or equivalent rights or forms of protection in any part of the world;

"Novartis Affiliate" any entity over which the Buyer directly or indirectly has Control or which directly or indirectly has Control over the Buyer or which is under the joint Control of the Buyer;

"Order" the Buyer's written instructions to supply the Goods and/or perform the Services, incorporating these T&Cs;

"Services" any services agreed in the Contract to be purchased by the Buyer from the Supplier;

"Supplier" the natural person, corporate or unincorporated body (whether or not having separate legal personality) who accepts the Order named under the Supplier Address on the relevant Order.

respect of the Goods or Services which have yet to be delivered or performed and in respect of any other Goods or Services delivered or performed under the Contract which cannot be effectively and commercially used by reason of the non-delivery or non-performance by the Supplier. The Buyer shall be entitled to recover from the Supplier any moneys paid by the Buyer and any additional expenditure reasonably incurred by the Buyer in obtaining other goods or services in replacement of those in respect of which the Contract has been terminated.

8. REJECTION

8.1. The Buyer reserves the right to reject any Goods or Services or any portion thereof (as the case may be) even after delivery within the Guarantee Period, where any such Goods or Services do not comply with the Contract including the Goods which got defected or lost in the transit. Buyer may require, at its sole discretion, replacement Goods or the re-performance of the Services by the Supplier so as to ensure compliance with the T & Cs.

8.2. In case of Rejection, the Buyer shall return the rejected Goods to the Supplier at the Supplier's risk and expense and recover any moneys paid by the Buyer to the Supplier in respect of any rejected Goods or Services that are not replaced or re-performed by the Supplier, together with any additional expenditure or loss incurred by the Buyer in obtaining replacement goods or services.

9. PAYMENT

9.1. Unless otherwise agreed in writing and subject to clause 18.2, the Buyer shall pay the price of the Goods and Services as mentioned in the Order within the time specified on the Order. The Buyer shall be entitled to set off against the price for the Goods and Services any sums owed to the Buyer by the Supplier.

9.2. If case of Building and Repair Works, the Supplier shall be entitled to payment only after the production of the certificate signed by the Buyer's architect, surveyor or engineer that the works are satisfactory.

10. SET OFF

The Supplier shall not be entitled to exercise in relation to any Contract any right of set-off or counter-claim.

11. CARE OF BUYER'S PROPERTY

All materials, equipment, tools, dies, moulds drawings, specifications and data (and the Intellectual Property Rights therein) supplied by the Buyer to the Supplier or not so supplied but used by the Supplier specifically in the manufacture of the Goods or the provision of the Services shall at all times be and remain the exclusive property of the Buyer. Such items shall be held by the Supplier in safe custody at its own risk, not be used other than in connection with the supply of the Goods and/or Services unless such use is expressly authorized by the Buyer in writing and kept in good condition by the Supplier until returned to the Buyer and shall not be disposed of other than in accordance with the Buyer's written instructions.

12. INTELLECTUAL PROPERTY RIGHTS

12.1. The Supplier assigns to the Buyer, with full title guarantee and free from all third party rights, all Intellectual Property Rights resulting from the provision of the Services.

12.2. The Supplier shall obtain waivers of all moral rights in the products of the Services to which any individual is now or may be at any future time entitled any provisions of law in any jurisdiction.

12.3. The Supplier shall, promptly at the Buyer's request, do (or procure to be done) all such further acts and things and the execution of all such other documents as the Buyer may from time to time require for the purpose of securing for the Buyer the full benefit of the Contract, including all right, title and interest in and to the Intellectual Property Rights assigned to the Buyer in accordance with 12.1.

12.4. Any unpatented knowledge or information concerning the Supplier's products, methods or manufacturing processes which the Supplier may disclose to the Buyer incidental to the manufacture or performance of the Goods or Services covered by an Order shall, unless otherwise specifically agreed to in writing, be deemed to have been disclosed as a part of the consideration under the Contract, and the Supplier agrees not to assert any claim against the Buyer by reason of the Buyer's use or alleged use thereof.

13. ASSIGNMENT AND SUB-CONTRACTING

The Supplier shall not assign, sub-license, transfer or otherwise dispose of any of its rights or sub-contract, transfer or otherwise dispose of any of its obligations under the Contract without the prior written consent of the Buyer. If the Supplier sub-contracts any of its obligations under the Contract the Supplier shall remain liable for the acts and omissions of its sub-contractors as if they were its own acts and omissions.

14. INDEMNITY

14.1. The Supplier shall keep the Buyer indemnified in full against all direct, indirect or consequential liability or loss, damages, injury, costs and expenses (including legal and other professional fees and expenses) awarded against, incurred or paid by the Buyer as a result of or in connection with:

14.1.1. the Goods or Services provided by the Supplier.

14.1.2. an infringement or alleged infringement of any Intellectual Property Rights arising from the use, manufacture or supply of the Goods or the provision of the Services by the Supplier provided always that this indemnity shall not apply to any infringement which is caused directly by the Supplier having followed a design furnished or specified by the Buyer for which the Supplier has in writing disclaimed responsibility prior to the making of the Contract; and/or

15. TERMINATION

15.1. The Buyer shall be entitled to immediately terminate the Contract by written notice to the Supplier;

15.1.1. If the Supplier commits any material breach of any of these Conditions or of any other provision of the Contract;

15.1.2. In case of bankruptcy, insolvency, liquidation or change of Control of the Buyer

16. CONFIDENTIALITY

16.1. The Supplier shall not announce or disclose the existence of any contractual arrangement or any dispute between the Supplier and the Buyer or its terms unless specifically agreed in writing by the Buyer or as required by law or any regulatory authority or where a disclosure is to the Supplier's professional advisers. Any such announcement or disclosure by the Supplier shall in any event be made only after prior consultation with the Buyer.

16.2. The Supplier shall 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, or otherwise obtained by, the Supplier, its employees, agents or subcontractors, and any other confidential information concerning the Buyer's business or its products or its services which the Supplier may obtain. The Supplier shall restrict disclosure of such confidential information to such of its employees, agents or subcontractors as need to know it for the purpose of discharging the Supplier's obligations under the Contract, and shall ensure that such employees, agents or subcontractors are subject to obligations of confidentiality corresponding to those which bind the Supplier. This clause 16 shall survive termination of the Contract.

17. FORCE MAJEURE

Neither party shall be liable to the other party for any delay or non-performance of its obligations under a Contract arising from any cause or causes beyond its reasonable control including, without limitation, any of the following: act of God, governmental act, war, fire, flood, explosion, civil commotion. Subject to the affected party promptly notifying the other party in writing of the cause and the likely duration of the delay or non-performance, and provided the affected party uses its reasonable endeavors to limit the effect of that delay or non-performance on the other party, the performance of the affected party's obligations, to the extent affected by the cause, shall be suspended during the period that the cause persists. If performance is not resumed within 30 days of that notice, the other party may terminate the Contract immediately by written notice to the affected party.

18. GOVERNING LAW AND JURISDICTION

18.1. This Contract shall be governed, construed and determined in all respects, in accordance with the laws of Pakistan.

18.2. In the event of any claim or dispute arising under any Contract exceeding PKR 100,000 in value (including VAT), the parties shall seek to amicably resolve the dispute in good faith. If the claim or dispute remains unresolved within 30 days, the same shall be referred to arbitration by two arbitrators, one appointed by each Party, in accordance with the provisions of the Pakistan Arbitration Act, 1940 and the rules made thereunder. In case of disagreement between the two arbitrators, the dispute shall be referred to an umpire to be appointed by the said arbitrators in writing before proceeding with the reference. The award of the two arbitrators or of the umpire so appointed by them, as the case may be, shall be final and binding on the parties. The venue of arbitration shall be Karachi and the language of arbitration shall be English.

19. SEVERANCE

If any provision of this Contract is found by any court or other competent authority to be invalid,

2. OFFER AND ACCEPTANCE

2.1. The Buyer's Order to provide the Goods and/or Services shall constitute an offer to purchase and shall be deemed to be accepted by the Supplier through the commencement of performance called for in the Order, or shipment of goods pursuant to the Order or by written acceptance or confirmation of the Order, or by any other act or communication constituting legal acceptance.

2.2. No terms or conditions to the extent that those terms and conditions contradict with the T&Cs, either endorsed upon, delivered with or contained in the Supplier's quotation, acknowledgement or acceptance of Order, specification or similar document will form part of the Contract and the Supplier waives any right which it otherwise might have to rely on any such terms and conditions.

2.3. The price of the Goods and/or Services shall be stated on the Order receipt. In case of revision of prices, revised Order must be issued for the revised price to be binding.

3. VARIATIONS

3.1. Neither the Buyer nor the Supplier shall be bound by any variation, waiver of or addition to the T&Cs except as agreed by both parties in writing.

3.2. No change to the Contract shall be binding without the issuance of a revised Order. For any change in the Order, adjustment on equitable basis shall be made concerning price and performance timelines of the Order. In no event shall the Buyer have any liability for loss of anticipatory profits of the Supplier.

4. QUALITY, DESCRIPTION AND FITNESS

4.1. Subject to clause 8 (Rejection) the Goods and/or Services shall:

- Conform as to quantity, quality and description to the particulars stated in the Order and be of the highest applicable Industry standards unless otherwise specified;
- Comply in all respects with all relevant requirements of applicable laws, rules, regulations, statutory instruments, formal guidance, order or other instrument having the force of law (the "Legal Requirements")
- Be of sound materials and workmanship;
- Conform in all respects to the samples, patterns, specifications, manufacturing instructions or other descriptions agreed between the parties;
- Be capable of any standard of performance, reasonably expected of such Goods and/or Services unless a higher or specific nature of performance is agreed in writing;
- Be fit for the required purpose, either indicated expressly in the Order or by implication, regardless of whether or not they have been purchased under a patent or trade name; and
- In the case of Services, be performed by appropriately qualified and trained personnel, with the due care and diligence, prudence and foresight which would reasonably be expected from a leading service provider of services similar to the Services.

5. DELIVERY

5.1. The Goods and Services shall (as appropriate) be properly packed and secured keeping in consideration their fragility, temperature sensitivity, and other material specifications, in such a manner as to reach their destination in good condition under suitable conditions of transport and shall be delivered or performed by the Supplier at, or dispatched for delivery to, the place and in the manner specified in the Order or as otherwise reasonably requested by the Buyer.

5.2. Delivery expense including premium cost shipment in case of late deliveries shall be borne by the Supplier,

5.3. Packing cases, skids, drums and other re-usable articles used for packing the Goods will be the property of the Buyer unless stated otherwise in the Order. Any arrangements for the return of such articles belonging to the Supplier shall be specified in the Order and be done at the Suppliers risk and expense.

5.4. The Buyer shall not be liable to accept or reimburse to the Supplier Goods delivered in excess of the Order, any unsorted material, raw or processed or the Goods in unfinished form or in any form, other than the one specified/ordered by the Buyer.

6. PASSING OF PROPERTY AND RISK

6.1. The risk in the Goods shall pass to the Buyer upon delivery (including off-loading and stacking) and acceptance by the Buyer.

6.2. The property in the Goods shall pass to the Buyer upon payment in full by the Buyer to the Supplier. Transfer of risk and title under this clause shall be without prejudice to any right of rejection which may accrue to the Buyer under the Contract.

6.3. If the Supplier postpones delivery at the request of the Buyer pursuant to clause 5 (delivery), the property in the Goods shall pass to the Buyer seven working days after the date of receipt of notification from the Supplier that the Goods are due and ready for delivery or on such other date as may be agreed in writing but the Goods shall nevertheless remain at the Supplier's risk until delivered (including off-loading and stacking) and accepted by the Buyer.

7. TIME

7.1. The Supplier shall deliver the Goods and perform the Services at the time specified in the Order, and time shall be of the essence of the Contract. Time shall begin to run from the receipt of the Order and its acceptance by the Supplier or the date on which the Supplier is placed in possession of such information and drawings as may be necessary to enable it to start work (whichever may be the later).

7.2. All building and repair works shall be completed by the time stated strictly in accordance with the relevant bill of quantities and/or the plans agreed without deviation.

7.3. If the Goods or Services or any portion thereof are not delivered or performed within the time specified in the Contract (or any extension of such time agreed by the parties in writing), it would amount to a material breach of the Contract on part of the Supplier and the Buyer shall be entitled to immediately terminate the Contract by written notice to the Supplier and be entitled to seek an alternative source in

unlawful or unenforceable then such provision shall be severed from the remainder of this Contract which shall continue to be valid and enforceable to the fullest extent permitted by law.

20. **THIRD PARTY RIGHTS**

20.1. The Contract is made for the benefit of, and the Buyer's rights may be enforced by all Novartis Affiliates but the Buyer and the Supplier may vary or rescind the Contract without notifying or obtaining the consent of any Novartis Affiliate (other than the Buyer).

20.2. Subject to clause 20.1 and unless otherwise stated in the Order, a person who is not a party to the Contract shall not have any rights to enforce any term of the Contract.

21. **NOVARTIS CORPORATE CITIZENSHIP POLICY**

The Supplier warrants that to the extent that this is applicable to the Goods or Services provided by them it is fully compliant with the Novartis Corporate Citizenship Policy which is set out at the following internet address:

http://www.corporatecitizenship.novartis.com/downloads/managing-cc/02_2003_policy_on_corporate_citizenship.pdf

22. **RESPONSIBLE PROCUREMENT**

Responsible Procurement: Buyer expects its Suppliers to comply with the law, to adhere to ethical business practices and to observe the Novartis Supplier Code. The Novartis Supplier Code and other codes, policies and guidelines can be found at <http://www.novartis.com/corporate-responsibility/resources/index.shtml>. Suppliers shall familiarize themselves with these codes, policies and guidelines and provide information on request to Buyer's associates concerning labor, health and safety, animal welfare, anti-bribery and fair competition, and data protection and privacy practices, in the form requested and allow Buyer's associates (or our nominated third party experts) adequate access for the purposes of auditing compliance with these standards. Suppliers shall use best endeavors to rectify identified non-compliances and report remediation progress to the Buyer on request. At Buyer's discretion, failure to adhere to these standards shall entitle the Buyer to terminate without compensation. Supplier confirms that it has read and understood the Buyer's Supplier Code.