

Standard Terms & Conditions:

1. Scope: All product deliveries and services from our suppliers shall be exclusively governed by the following purchasing terms and conditions -- except as otherwise explicitly agreed. The general terms and conditions of our suppliers or third parties shall not be applicable even if we do not separately object to their validity in the individual case.

2. Performance, Delivery:

2.1. The Items must conform to our specifications, failing which, the goods will be rejected and the rejected material will not be returned. Any cost related to releasing, receiving, handling and destruction etc. (including but not limited to clearing charges and customs fees etc.) of the rejected materials shall be on the account of the supplier and the amount shall be reimbursed by the supplier by issuing debit note against Novartis (Bangladesh) Limited.

2.2. The time of delivery indicated in the purchase order shall be binding. If there is any foreseeable delay in the delivery of a product or service, or non-conformance in quality, we must be informed immediately in writing. We reserve the right to deduct 5% and 10% from the total invoice value in case of un-notified late delivery of 1 (one) and 2 (two) weeks respectively.

2.3. We reserve the right to refuse to accept delivery if the supply is late by more than 2 (two) weeks from the delivery date mentioned on this Purchase Order. However, supply may be conditionally accepted with a deduction up to 50% on total invoice value.

2.4. If delay in delivery is anticipated by the supplier because of any unavoidable and/or unforeseen event (Force Majeure), the supplier must notify the likelihood or actual occurrence of that event to the requestor of this Purchase Order within 1 (one) week from the date of this Purchase Order and/or from the date of occurrence of the event, whichever is earlier. The supplier must also obtain a written confirmation from the requestor of this Purchase Order regarding the unforeseen event. A copy of written confirmation must be submitted with the invoice.

2.5. In the event supplier fails to supply goods/services or surrenders this Purchase Order during any time within mentioned delivery period, we reserve the right to deduct up to 25% from the total invoice value of the supplier's next order considering business loss.

2.6. The supplier does not have the right to use third parties to render the performance owed without the prior written consent of us.

3. Prices; Invoice Information; Terms of Payment:

3.1. The price specified in the purchase order shall be binding and, except as otherwise specifically provided in writing, shall include all the services and ancillary services of the supplier and all ancillary costs, such as, in particular suitable packaging and transportation to the place of delivery specified in the purchase order.

3.2. The supplier must submit the invoice for the supply within 7 (seven) Days from the date of delivery to the office of the Delivery Location. The supplier must get an acknowledgement on a copy of the invoice. This acknowledged copy of invoice must be used for payment follow up, if required.

3.3. The agreed price shall be due and payable as per the terms of payment mentioned above from the date of the delivery of the product or service (include acceptance, if acceptance has been agreed upon) and receipt of a proper invoice.

3.4. Original Delivery Challan, Copy of the Purchase Order and VAT payment challan, if paid by the supplier, must be attached with Invoice for Payment.

3.5. Statutory Deductions at source e.g. AIT & VAT etc. will be deducted from payment, where applicable. The supplier must submit Authorization Letter from concerned authority for any exception in this regard.

4. Term: Except under the above extraordinary situations, this purchase order will be automatically cancelled after 60 days from the delivery date mentioned in this Purchase Order.

5. Further Obligations of the Supplier: Novartis gives preference to Third Parties who share Novartis' societal and environmental values, as set forth in the Novartis Third Party Code of Conduct. During production, the supplier shall adhere to all applicable statutory provisions and sets of rules concerning health and safety at work and environmental protection. Notwithstanding any other obligations, the supplier shall comply with the provisions of the Novartis Third Party Code of Conduct, which may be accessed and downloaded from the following website, or can be mailed free of charge, upon request:

<http://www.novartis.com/corporate-responsibility/responsible-business-practices/third-party-management.shtml>

During performance of assembly or other work in our premises, the supplier shall observe our security instructions.

6. Jurisdiction: This purchasing terms and conditions and all legal relations between the supplier and us shall be governed by the laws of Bangladesh.

7. Title, Confidentiality, Warranty:

7.1. Title to the goods shall be transferred to us unconditionally and regardless of payment of the purchase price.

7.2. We retain title, intellectual property right, or copyright to all orders, all documents, samples or materials provided to the supplier.

7.3. The supplier agrees to keep confidential the terms and conditions of the purchase order and all documents, samples and other information (hereinafter jointly referred to as "Information") provided for that purpose even after the contract has been completed and to use such Information and documents only for the purpose of carrying out the purchase order. The aforementioned obligations shall not apply to Information which is publicly accessible or which was rightfully known to the supplier prior to the receipt of such Information without any confidentiality obligation. After completing the inquiries or handling the purchase orders, the supplier must promptly return such Information to us and destroy any copies thereof, upon our request.

7.4. The supplier warrants that the products are free from any defects and shall in particular meet all agreed specifications and standards. The supplier warrants that the import, storage, sale and conventional use of the products shall not infringe any third party's patent or other intellectual property rights. Insofar as the products ordered by us are medicinal, healthcare, cosmetic, nutrition or dietary supplement products or serve to manufacture such products, the supplier warrants that it shall adhere to the applicable statutory provisions and generally accepted rules (in particular the applicable good manufacturing practices, if any) in their then current version.

7.5. Any other Terms and conditions in connection to this Purchase Order, if any, mutually agreed and signed by us and the supplier, will be considered as a part of this Purchase Order.

8. 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 with the above, Third Party shall:

- Comply with the Third Party Code (and any published updates) which can be viewed and downloaded from <https://www.novartis.com/about-us/corporate-responsibility/resources-news/codes-policies-guidelines> (you may request a copy free of charge from Novartis);
- 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;
- 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;
- Ensure that where Third Party and/or subcontractors/agents of Third Party and its Affiliates have been pre-approved by Novartis (in accordance with this Agreement) to provide the goods/services/deliverables, that such third parties also comply with the above requirements relating to the Third Party Code.

Third Party acknowledges and agrees that the Third Party Code forms an integral part of this Agreement and understands that failure to adhere to these standards and/or obstructing/refusing Novartis' audit rights as stated in the Third Party Code shall constitute a material breach of this Agreement and entitle Novartis to immediately terminate the Agreement by written notice without compensation;

For Novartis (Bangladesh) Limited