

General Purchasing Terms and Conditions

SLOVENIA
Novartis d.o.o.

1. Unless otherwise approved by Novartis d.o.o. (hereinafter referred to as Novartis) in writing, the present purchasing conditions shall apply to any purchase of goods and services (hereinafter referred to as goods). These conditions shall apply regardless of whether the supplier submits his own general conditions after receiving an offer. The general conditions of the supplier or third parties shall not be binding to Novartis, even if not expressly objected. For any deviation from the stated conditions, written approval of Novartis shall be needed.

2. The purchase order, contract, order cancellation or any alteration thereof shall be in writing and may be submitted by fax or through electronic data transfer. The supplier shall confirm the order within seven (7) days of its receipt. Should the supplier fail to confirm the order within seven (7) days, the order shall no longer be binding to Novartis after the lapse of this 7-day period. The previous sentence shall not apply if the supplier and Novartis maintain a continuous business relationship, in which case the supplier shall be deemed to have confirmed the Novartis order if not having rejected it in writing within seven (7) days. If the supplier confirms the order, yet introduces alterations thereto, this shall be deemed a new offer by the supplier.

3. Unless otherwise provided in the purchase order, the date of delivery indicated on the purchase order shall be binding and not subject to any alteration. In case that the supplier becomes aware of a potential delay in delivery of goods, or failure to meet the quality requirements, the supplier shall immediately notify Novartis thereof in writing. Unconditional acceptance of a delayed delivery shall not constitute a waiver of any rights or claims of Novartis for compensation for such delay.

4. Unless otherwise provided in the purchase order, the supplier shall deliver the goods to the registered office of Novartis. The risk of damage to or destruction of the goods during the period of time before completion of delivery, i.e., completion of unloading and stocking of the goods in the warehouse of Novartis (unless otherwise provided in the purchase order), shall be borne by the supplier.

5. The price, quality and quantity of the supplied goods shall comply with the written purchase order and agreed specifications, unless otherwise agreed in writing. The price determined in the purchase order shall be binding and shall cover all the services and additional services by the supplier as well as all additional costs, such as the cost of suitable packaging and transport to the place of destination determined in the purchase order.

6. Unless otherwise agreed by the parties in writing, Novartis shall pay the agreed price within 60 days of receipt of the relevant invoice for service rendered / 90 days of the day of final receipt and acceptance of the goods, and of receipt of the relevant invoice.

7. The supplier guarantees that the goods have no legal or material defects. Moreover, the supplier guarantees that the import, storage, sales and use of the goods do not violate any third parties' rights, particularly their intellectual property rights. In case of medicinal or pharmaceutical products, cosmetics or other similar products or goods used for their manufacture, the supplier guarantees that such products or services were manufactured all the relevant in conformity with the specification, purchase order, QA contract and cGMP regulations, and that the supplier and his subcontractors have all the permissions and certificates needed for the manufacture and sale of goods, in accordance with the currently applicable GMP rules and other relevant regulations.

8. Novartis shall have the right to reject goods with apparent defects within 30 days of acceptance at Novartis warehouse or agreed location and goods with hidden defects within 30 days of their discovery. Equally, the supplier shall bear any and all costs resulting from poor quality of the goods delivered (including but not limited to return, disposal, transportation of new goods, repackaging, additional audits, etc).

9. In case of any delay on the part of the supplier, including the case of timely delivery but with defects (whereby the period of time from the due date until the remedy of the defect is deemed to be a delay), Novartis shall be entitled to a contractual penalty in the amount of 1 % of the total order value for each day of delay, up to an aggregated payment per purchase order of twenty percent (20%) of the order value.

10. In the event of non-fulfillment of the supplier's obligations, or fulfillment with defects that failed to be remedied within a suitable time limit, and on the basis of which Novartis withdraws from the contract, Novartis shall be entitled to a contractual penalty amounting to 20 % of the order value.

11. Any and all due amounts payable by the supplier to Novartis following the contract or purchase order or from any other mutually effected legal transaction may be unilaterally set off by Novartis against all and any amounts due to be paid by Novartis to supplier.

12. Supplier is not entitled to sublicense or subcontract any of its obligations under the contract or purchase order without the prior written consent of Novartis at its sole discretion. In the event that Novartis does grant any such approval: (a) supplier will nonetheless remain fully liable for the performance of its obligations hereunder; and (b) supplier will be exclusively responsible for all costs associated with any such sublicense or subcontract arrangement.

13. Supplier shall not assign its rights and/or obligations under the contract or purchase order without Novartis's prior written consent, such consent to be at Novartis sole discretion.

14. Supplier undertakes not to transfer to any third party any claim due, presently or in the future, from Novartis pursuant to the contract or purchase order or to any other mutually effected legal transaction. Should the supplier transfer the claim arising from the contract or purchase order or from any other mutually effected legal transaction to a third party (assignee) despite the prohibition agreed upon by Novartis shall, pursuant to the provision of Article 417, Paragraph IV of the Code of Obligations of Republic of Slovenia, also be released from the obligation related to the assigned claim if it is fulfilled by Novartis to supplier / assignor of the claim after Novartis has been informed about the transfer of the claim to the assignee.

15. Should the supplier wish to introduce specific modifications into the product manufacturing process regarding medicinal or pharmaceutical products, cosmetics or other similar products or goods used for their manufacture, or if such modifications are requested by a competent body, the supplier shall immediately inform Novartis thereof, and shall, in good faith, reach an agreement with Novartis on the introduction of such change and on the time schedule for its implementation.

16. Title to the goods shall unconditionally pass to Novartis upon their acceptance, regardless of the purchase price payment. Retention of title or any other form of extended retention of title is hereby expressly excluded.

17. Novartis expects the supplier to adhere to ethical business practices and to observe the Novartis Third Party Code and any other applicable Novartis codes, policies and guidelines.

By providing goods/services/deliverables pursuant to this Purchase Order, the supplier hereby agrees that it will:

- comply with the Third Party Code (and any published updates) which can be viewed and downloaded from <https://www.novartis.com/esg/reporting/codes-policies-and-guidelines> (the supplier 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;
- use best endeavours 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 supplier's affiliated companies and/or subcontractors/agents directly engaged in providing goods/services/deliverables in pursuance of this Purchase Order are also required to comply with all the above requirements; and
- where required by Novartis, fully co-operate (at supplier's own expense) with Novartis and Novartis affiliated companies and respective representatives in completing and returning, as reasonably instructed, any questionnaire relating to compliance topics including, without limitation, anti-bribery compliance, that supplier has received as part of Novartis Third Party Risk Management processes at any time and any updates of

same ("Questionnaire for Third Parties"). The supplier warrants and represents that the information provided in any Questionnaire for Third Parties (whether provided before or after the date of this Purchase Order, including updates to the same) is accurate and complete (and such information shall be treated as being part of the agreement between Novartis and the supplier pursuant to this Purchase Order). For the avoidance of doubt, this subparagraph applies to the supplier only, and not to any subcontractor engaged by the supplier in accordance with the terms of this Purchase Order (including in accordance with the provisions of the Third Party Code).

Seven business days after the receipt of a written request from Novartis, the supplier will allow Novartis associates (or any third party auditor nominated by Novartis) adequate access to supplier's premises and to any documents/records relating to this Purchase Order for the purposes of auditing compliance with the above obligations.

Failure to adhere to any of the above shall entitle Novartis to terminate the agreement between supplier and Novartis pursuant to this Purchase Order with immediate effect and without further compensation. The supplier confirms that it has read and understood the latest version of the Novartis Third Party Code.

18. In case the supplier has not fully or in part fulfilled his due obligations towards Novartis, Novartis is not obliged to fulfill any of its obligations towards supplier under the purchase order or the contract with supplier until the supplier fully fulfils all of its due obligations towards Novartis from any mutual business relationship.

19. If the Product contains substance which must be registered under Regulation (EC) No. 1907/2006 of the European Parliament and of the Council concerning the Registration, Evaluation, Authorization and Restriction of Chemicals ("REACH"), then Supplier shall ensure that such Substance will be registered in accordance with REACH, provided that Purchaser or its Affiliates do not qualify as an importer of such Substance under REACH. Supplier shall immediately provide Purchaser proof of registration upon request. Supplier must immediately inform Purchaser if it becomes aware that any Substance was not registered in due time for whatever reason or if the registration is cancelled. If Purchaser or any of its Affiliates qualify as an importer of the Substance under REACH, then Supplier shall immediately provide upon request all information that Purchaser or its Affiliates reasonably require for the assessment as to whether such Substance must be registered. Purchaser and its Affiliates shall be entitled to use such information to the extent required for registration of the Substance.

20. The supplier undertakes to keep confidential any information directly or indirectly related to the subject matter of the contract and to its implementation, and undertakes not to disclose them or communicate them in any other way to third parties without previous written approval of Novartis. This commitment shall remain binding on the supplier even after the termination / fulfillment of the contract, throughout the period of time such information constitutes a business secret of Novartis. Upon termination / fulfillment of the contract the supplier undertakes to immediately return the information to Novartis or upon Novartis discretion to securely destroy it. In case of information destruction the supplier shall provide written evidence proving such destruction.

21. The parties agree that by signing this contract or purchase order the supplier hereby assigns to Novartis an exclusive, fully paid-up right of exploitation, possession and use of all the results generated by the supplier in connection with the services under this contract or purchase order (the "Results"). In the event that the Results are suitable for patent protection and/or other Intellectual Property rightsprotection, Novartis shall become the sole owner of the patents and/or other Intellectual Property Rights.

Novartis has the right in its sole discretion to file applications for protection of Intellectual Property Rights and shall mention the supplier or its employees which have contributed to the Results as inventors.

The supplier as an employer undertakes to assert all the Intellectual Property Rights in the Results from its employees and/or third parties and to transfer them to Novartis. For these purposes the supplier shall without delay inform Novartis about the assertion of all Intellectual

Property Rights and provide a copy of the transfer documentation proving the unconditional transfer of these rights and their further exclusive right of exploitation, possession and use. The supplier undertakes to cooperate with Novartis and to provide him all documents that may be necessary and/or required for filing ,prosecution, maintenance and defense of Intellectual Property Rights in GX the proceedings at competent agencies and courts.

The supplier may publish the Results only after obtaining prior written consent from Novartis. Otherwise, the publication of the Results is not permitted.

22. If so required by the cGMP rules, the purchase order number, delivery address, description and item number, quantity and batch number shall be indicated on the invoice and in all other transport documentation. As long as the invoice lacks any of the essential elements, particularly the price, quantity and purchase order number and all other information required by supplier's local legislation, Novartis shall not be obligated to effect the payment, regardless of the provisions on the payment date, and without the supplier having any right to late payment interest. The supplier shall assume the obligation of paying any banking costs incurred by his bank.

23. Any disputes arising from the contractual relationship that cannot be settled amicably shall be resolved by a competent court in Ljubljana, the Republic of Slovenia, or by any court selected by the plaintiff and having competent jurisdiction in the territory of the defendant's registered office. The contractual relationship shall be subjected to the legislation of the Republic of Slovenia, with the exception of the UN Convention on the International Sale of Goods, which shall not apply to the relationships under the present general conditions.