

## **General Terms of Purchase**

### **1- Application**

1.1 The following provisions shall apply to all Purchase Orders between Novartis and a Contracting Party for the procurement of materials or service where Novartis acts in the capacity of purchaser.

### **2- Place of performance**

2.1 The place of performance for the provision of goods/ service shall be the location where the purchased goods/ service must be delivered.

2.2 The place of performance for payment of the purchase price shall be Novartis Pharma S.A.E. Building E/Building No (5) - Plot No. 5A - Touristis Area New Cairo - Cairo Governorate, Egypt

### **3- Maturity Date**

3.1 If the parties have agreed upon a specific date on which the purchased goods must be delivered, this specific date shall be deemed the maturity date.

3.2 If the good/service in kind cannot be rendered by the maturity date, No reminder by Novartis is required. 3.3 Insofar a delayed good/service is possible and realistic; Novartis will grant the Contracting Party an adequate extension of time.

3.4 Should this extension of time elapse without any result, Novartis will have several means of action.

○ Novartis can:

○ Insist on the fulfilment of the contract and demand

○ compensation for the damage caused by the delay.

○ Renounce the belated performance of the good/service and demand indemnity as if the contract would have

○ been fulfilled;

○ Resign from the contract and demand indemnity as if the contract had not been concluded.

3.5 As soon and as long as the Contracting Party is at default, the Contracting Party is liable for the accidental demise of the work.

### **4- Ownership, benefit and risk**

4.1 Upon delivery, Novartis shall become the owner of the purchased goods.

4.2 The transfer of benefit and risk shall be determined by the currently applicable version of the Incoterms rules.

4.3 If Novartis pays the purchase price or a substantial portion thereof before the purchased goods have been delivered to Novartis or its agent, ownership and benefit shall immediately pass to Novartis at the time of payment. The Contracting Party, however, shall continue to bear the risk of the purchased goods until the duty to deliver under the Incoterms provisions has been fulfilled.

### **5- Warranty**

5.1 The Contracting Party warrants that no third party will be able to subsequently deprive Novartis of the

Purchased goods based on its outstanding title [deprivation].

5.2 This provision shall also apply if Novartis was, or should have been, aware of the risk of deprivation at the time of conclusion of the contract.

5.3 In all cases of partial deprivation, Novartis shall have the right to demand rescission of the contract.

5.4 The Contracting Party warrants that the characteristics of the purchased goods are as agreed upon, that the purchased goods function in the required manner and are quite generally suited to the purpose for which goods of the same type are generally used.

5.5 The Contracting Party shall be liable for all defects, including, in particular, those that could have been detected by Novartis.

5.6 Novartis shall examine the purchased goods for possible defects. As a rule, the examination shall be performed within a reasonable time following delivery. If large quantities of the same goods are delivered, Novartis may limit its examination to randomly chosen samples.

5.7 If the purchased goods are intended for storage, installation or quite generally for use at a later time, the examination shall be performed after the goods have been put into use. It shall be Novartis' responsibility to provide evidence showing that a discovered defect must have existed at the time of delivery or come into existence through no fault of Novartis sometime between delivery and being put into use.

### **6- Quality**

- Vendor is obligated to the Novartis quality systems and complies with all the requirements related to Novartis product quality & change management policy.

- Vendor is responsible for the transportation of Goods to Novartis, and the product security during the transportation route, against any attempts that might encounter any theft, tampering or forging of Novartis original product, and the vendor is responsible to maintain the traceability of the Goods during the transportation route.

- Vendor is obligated to use raw materials that are accepted to be incorporated in the manufacturing of pharmaceutical products.

- Vendor is responsible to maintain the confidentiality of Novartis artworks information, and all Novartis products information complying with Novartis product security requirements.

- Vendor maintains a change management system that controls the process of changing any of information, Art work designs aligned with Novartis requirements, or any other internal changes in the processes at the Vendor side that might have an impact on Novartis product quality, and the vendor is obliged to submit the complete information to Novartis in a timely manner.

- Vendor is responsible for storage of the Goods prior to transportation to Novartis complying with the good transportation practice, and to maintain the Goods integrity until received in Novartis with intact pallets, and well identified goods information.

### **8- Legal**

- Both Parties agree that this *General Terms of Purchase* does not grant any exclusive rights to any party and the parties' relationship with each other is the relationship between independent entities.

### **9- Responsible procurement:**

Novartis expects Suppliers with whom we work 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

- <https://www.novartis.com/about-us/corporate-responsibility/resources-news/codes-policies-guidelines>

Suppliers will use best endeavors 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 compensation. Supplier confirms that it has read and understood the Novartis Supplier Code. Vendor is obligated to the Novartis Anti-Bribery policy and any other Novartis's policy (ies), notified to the vendor.

Suppliers shall familiarize themselves with these codes, policies and guidelines and provide information on request to Novartis 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 Novartis associates (or our nominated third party experts) adequate access for the purposes of auditing compliance with these standards.

### **10- HSE**

Novartis expect our third party suppliers to comply with Novartis Health, Safety and Environment Commitment and the HSE aspects in the Novartis Supplier Code. HSE Requirements for contactors commencing any work within the Site: The Contractor shall obtain work permits from HSE Department before commencing any work within the Site. And pro-actively monitor and report on his performance with respect to HSE compliance. Novartis Site Officer has the right to and the contractor will not be able to claim against Novartis: Refuse contractor appointments whom we believe are not able to meet HSE requirements. Remove or refuse admittance to persons who put others at risk of injury or cause disruption to normal day-to-day operations due to their behavior and / or actions. Set corrective/preventive measures & fines if HSE issue(s) occurred from contractor side. Stop works on site as a client with ultimate responsibility for safety. Partially suspend services or alter scopes and terminate contractual agreements where contractors or service providers materially fail to comply with the contractual and / or HSE requirements & responsibilities. If HSE issues are not rectified immediately from contractor side, Novartis reserves the right to engage 3rd party resources to correct the non-compliance and -contra-charge the contractor; For repeated non-compliance offences the contractor can be terminated for breach of HSE requirements. These contractual requirements are regarded as non-negotiable and the contractor will not be able to claim against Novartis.