

**Austrian General Terms of Purchase of Sandoz GmbH (in English)**  
**(Status: July 2013)**

**TERMS OF PURCHASE**

**1. GENERAL PROVISIONS**

- 1.1 These Terms of Purchase form the legal basis of any transactions with Sandoz GmbH (SANDOZ).** Any alterations or amendments to these Terms of Purchase apply only if they have been explicitly accepted by SANDOZ in writing.
- 1.2 General Terms of Sale of the Seller (SELLER) attached to its offer or its offer confirmation or to which otherwise reference is made** are in no event accepted by SANDOZ and are therefore not valid.
- 1.3 In case any of the following provisions are in conflict with any agreed Incoterms,** the relevant respective agreed provision of the Incoterms shall prevail.
- 1.4 With respect to any orders of the Indirect Purchasing department and orders for maintenance goods by other departments** the respective general terms of purchase shall apply, as accessible under <http://www.sandoz.at> or as otherwise communicated to SELLER, in addition to these Terms of Purchase.
- 1.5 Seller undertakes with respect to its recruiting activities in connection with its delivery service obligation which make reference to SANDOZ** to publish job advertisings only upon prior consultation with SANDOZ and to process the applications itself in its own name and on its own account. Seller further undertakes to make clear statements of fact about the true employer (contractor, third-party company). It is agreed that the company name / logo of SANDOZ shall be applied only in such way that misleading statements about the employment relationship are excluded. It is further agreed that any use of the company name / logo of SANDOZ shall require prior written approval. It may not be stated that the place of service is SANDOZ Kundl.
- 1.6 The entire business transaction shall be subject to Austrian law to the exclusion of its conflict of laws rules of the International Private Law.** The United Nations Convention on Contracts for the International Sale of Goods shall not be applicable.

**2. OFFERS**

- 2.1 The SELLER may not claim compensation for its cost for making offers.**
- 2.2 SANDOZ is only bound by written orders (including orders transmitted via email or telefax).**  
Oral agreements (including agreements made in the course of telephone calls) require a written confirmation (including such written confirmations transmitted via email or telefax).
- 2.3 SANDOZ is only legally bound by written orders (including orders transmitted via email or telefax) if SELLER confirms such order in writing** (including such written confirmations transmitted via email or telefax) within 10 working days.
- 2.4 All documents and information submitted by SANDOZ to the SELLER shall be used exclusively for the purpose of the respective transaction,** shall in any event be treated by SELLER as confidential information and shall be returned after completion of the transaction immediately upon demand of SANDOZ. Copies, if any, shall be deleted immediately and irretrievably.

**3. PRICES, RETENTION RIGHTS**

- 3.1 The price specified in the order is binding and includes, unless agreed otherwise, all performances and incidental performances of the SELLER** (such as assembly, installation and maintenance) as well as all accessory costs such as, in particular the due packaging and the transport to the place of delivery as specified in the order.
- 3.2 Unless agreed otherwise, the purchase price for the merchandize shall be due and payable 60 days from receipt of the merchandize.** In instances where this is justified (i.e., in case of notified defects) SANDOZ may hold back a respective portion of payments or rescind from the transaction upon the lapse of a 10-working-day remedy period following notification thereof.
- 3.3 Any assignment or set-off with respect to the purchase price claim requires SANDOZ' prior written approval.**
- 3.4 Any prepayment made by SANDOZ shall be kept separately from the SELLER'S other assets and may not be intermingled with SELLER's assets.** SANDOZ retains the ownership over any such prepayment (or shall receive, in case that applicable law should prohibit this, a lien (*Pfandrecht*) on such payments) until SANDOZ has received the complete delivery of non-deficient merchandize.
- 3.5 SANDOZ may balance without any further agreement or unilaterally set off any claims of SELLER** with claims of SANDOZ or of its affiliates against the SELLER.

**4. CONDITIONS OF DELIVERY**

- 4.1 Unless expressly agreed otherwise, SANDOZ retains the right to determine the mode of transportation for all shipments.** All delivery times and periods are binding and are calculated from the date of the order.
- 4.2 Deliveries are deemed fulfilled if the respective merchandize lawfully transfers into SANDOZ' possession at the agreed place and time of delivery** together with any and all agreed documentation (including invoices, certificates of origin, shipment documents, certificates of analysis and any other documents which must be supplied under applicable rules regarding Good Manufacturing Practice (GMP) and Good Distribution Practice (GDP). Any partial delivery requires SANDOZ' prior written consent.
- 4.3 In addition to any other rights SANDOZ may be entitled to in case of late delivery, SANDOZ may refuse the acceptance of merchandize delivered late.**
- 4.4 During any assembly works on the premises of SANDOZ SELLER shall at all times comply with SANDOZ' safety rules** and all applicable legal provisions.
- 4.5 If a certain part of the order or the order in its entirety is supplied by a third party, SELLER shall be liable for defects or default** on the part of its suppliers or other contractual partners as it would for its own defects or default. SANDOZ must grant its consent prior to the appointment of such third party.
- 4.6 Ownership title over the merchandize shall transfer to SANDOZ unconditionally and regardless of the payment of the price.** In particular, this excludes all forms of simple, extended or prolonged retention of title. Any title which may be lawfully retained by SELLER expires upon payment for the merchandize delivered to SANDOZ and applies only to such merchandize.
- 4.7 Each individual shipment shall be marked in accordance with applicable law and shall contain:**
  1. Order number (the order number shall also appear on all invoices and delivery slips)
  2. Detailed description of the contents
  3. Qualification specifics
  4. Batch number and/or manufacturing details
  5. Net weight
  6. Name of the manufacturer / supplier
- 4.8 In providing its performance, SELLER shall comply with all applicable laws and regulations regarding its products and services,** particularly with respect to product liability, accident prevention as well as employee and environmental protection. Notwithstanding any other obligations, it will adhere to the provisions under the Novartis Supplier Code as well as the Novartis Global Anti-Bribery Policy which are accessible under the following URL and which will be mailed by SANDOZ free of charge upon request:  
<https://www.novartis.com/about-us/corporate-responsibility/our-actions/responsible-procurement/setting-our-standards>

Sandoz GmbH  
Biochemiestrasse 10  
6250 Kundl  
Austria

DVR No 0041891

**5. REPRESENTATIONS AND LIABILITY**

- 5.1 SELLER represents and warrants (by way of an abstract guarantee pursuant to Section § 880a half sentence 2 of the Austrian Civil Code (ABGB))** that all delivered merchandize has been manufactured in accordance with all applicable provisions (including GMP and/or GDP, if applicable), that the merchandize is free from defects and in conformity with all specifications and all standards, as far as they have been explicitly laid down in offers, invoices or individual agreement with SANDOZ or that they – if not agreed – conform with the typical standards.
- 5.2 In justified warranty cases SELLER shall, at the sole option of SANDOZ, replace the defective merchandize, repair it as soon as technically feasible and, at the latest within 10 working days, restore the agreed state free from defects or refund all payments made with respect to the delivery of such merchandize immediately and without deduction.** In cases of urgency SANDOZ retains the right to have such merchandize revised by itself or by third parties or to have replacements shipped by third parties at the expense of SELLER (*Ersatzvornahme*).
- 5.3 Visual defects shall be notified by SANDOZ within 60 calendar days of receipt of the merchandize,** all other defects within 60 calendar days of their discovery.
- 5.4 SELLER shall indemnify and hold SANDOZ fully harmless for all damages (including all consequential damages as well as lost profits)** which are connected to defect merchandize or late delivery (including the accompanying documentation) and shall be fully liable in this respect.
- 5.5 SELLER represents and warrants (by way of an abstract guarantee pursuant to Section § 880a half sentence 2 of the Austrian Civil Code (ABGB))** that the import, storage, sale or use of the delivered merchandize does not infringe any third-party rights, particularly patent rights and other intellectual property rights and shall indemnify and hold SANDOZ fully harmless in case of any infringement.
- 5.6 SANDOZ' liability vis-à-vis SELLER shall, as far as legally permissible, be excluded.**
- 6. PLACE OF PERFORMANCE AND VENUE**
- 6.1 Place of performance for all parties shall be Kundl/Austria.**
- 6.2 Place of jurisdiction for the whole business transaction shall be the competent court in Innsbruck/Austria.** However, each party may sue the other party at the legal domicile of said other party.

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DVR Nr: 00 41 891  
VAT reg. No.: ATU32425809

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