

Novartis Korea Ltd. & Sandoz Korea Ltd.
TERMS AND CONDITIONS OF PURCHASE

1. ENTIRE AGREEMENT: Buyer and Seller agree that the Electronic or Other Order to which these Terms and Conditions are attached (The "Order") is the equivalent of a signed purchase order. If the Order shall constitute an offer by Buyer, Seller's acceptance shall be limited to the terms and conditions hereof, and any terms and conditions subsequently proposed by Seller which are inconsistent with or in addition to the terms and conditions of this Order, shall be void and of no effect unless expressly agreed to in writing by Buyer. If Seller has, instead, made an offer and if this Order contains terms or conditions additional to or different from the terms or conditions of Seller's offer, any acceptance of Seller's offer by Buyer is expressly made conditional on assent by Seller to the additional or different terms or conditions hereof. Seller shall be bound by this Order and these terms and conditions when it communicates its acceptance of the order to Buyer, or when it delivers to Buyer any of the items ordered herein, or renders for Buyer any of the services ordered herein.

This Order, including these Terms and Conditions, shall constitute the entire agreement between the parties unless modified in writing by both parties; provided, however, that where express provisions of this Order (excluding these Terms and Conditions), or in any other written agreement between Buyer and Seller expressly referenced in this Order, are inconsistent with any terms of paragraphs 1 through 20 hereof, then said express provisions shall prevail. This Order may not be assigned without Buyer's prior written consent. In accepting this Order, Seller agrees that this contract is made in the state from which this Order is sent to Seller and that the laws of that state apply hereto. Seller also agrees that title to all goods and materials passes when Buyer accepts delivery from carrier.

2. DELIVERIES AND INSPECTION: Goods delivered under this Order shall be subject to inspection and test at Buyer's facility (or, if purchased for export at ultimate destination abroad. All or any part may be returned at Seller's expense for transportation and insurance both ways if found within a reasonable time from date of their opening to be defective or not in accordance with the Order. Acceptance of all or part of the goods, or payment thereof, or failure to notify Seller promptly, shall not waive or affect Buyer's right to cancel or return all or part of the goods or recover damages, or recover upon Seller's warranties or agreements of indemnity. Buyer also reserves the right at its option to have material replaced by Seller at the purchase price stipulated in this Order. Seller shall pay the cost of inspecting and testing of materials which are rejected. If there are excessive rejections on any shipment made against this Order, and the Buyer, in order to maintain production schedules, finds it necessary to retain the shipment and inspect it 100% or to do any repair work on the goods included in the shipment, the actual cost of such inspection or repair work will be charged to the Seller.

3. CANCELLATION: Buyer may cancel all or any part of this Order or may refuse to accept, or may return at Seller's expense, any goods if Seller fails to deliver the goods within the time specified in this Order (time being of the essence hereof), or fails to deliver all or any part of the goods in accordance with its terms. Acceptance of part of the Order shall not oblige Buyer to accept later shipments, nor affect its right to return goods already accepted.

4. ACCEPTANCE: Payment for the goods covered by this Order shall not constitute acceptance thereof, nor an acceptance of any terms or conditions of Supplier which are additional to or different from the terms or conditions hereof. Shipment of any part of this Order without a written acceptance constitutes Seller's acceptance of this Order and its conditions.

5. ALLOCATION: During any period of shortage, Seller shall provide to Buyer the same proportionate quantity of available products as the quantity of products purchased by Buyer from Seller in the twelve (12) months preceding the shortage bears to all orders for such products received by Seller from other customers, during such period.

6. INVOICES: If no price is specified in this Order, the goods or services shall be billed at the price last quoted to Buyer, or at the prevailing market price, whichever is lower. Payment will be due net sixty (60) days after the receipt of the invoice and the acceptance of the goods or services, unless such payment is in dispute. Any cash discount period shall be computed as commencing with Buyer's receipt of invoice or goods, whichever is received later. Unless otherwise stated in the Order, no charge will be allowed for packing, boxing, cartage or insurance, and Seller shall prepay all shipping charges.

7. TAXES: Seller agrees to pay any taxes imposed by law upon or on account of the within material unless otherwise agreed, except taxes required by law to be paid or borne by the Buyer.

8. WARRANTIES: In addition to all warranties, established by statute or common law, or set forth elsewhere in this Order, Seller expressly warrants that all products, materials or services covered herein (a) shall conform to all specifications, drawings, samples and descriptions furnished to or by Buyer, or otherwise adopted by Buyer; (b) shall be of the best quality and fit and sufficient for the purpose for which it was purchased (if the products, materials or services are known by Seller to be used in the manufacture of drugs or dietary supplements, or in the processing of foods, Seller warrants that they will be fit for such purpose); and (c) shall be merchantable, of good material and workmanship, and free from all latent and patent defects. Buyer's failure to give notice to Seller of any breach of warranty shall not discharge Seller's liability therefor. Without limiting the generality of the foregoing, Seller agrees to be responsible for all defects in

design, workmanship and materials which may become apparent within twelve months of receipt by Buyer. These warranties shall run to the Buyer, its successor assigns, customers and users of its products.

9. COMPLIANCE WITH LAW: Buyer expects Seller to comply with all applicable laws and regulations in the course of its manufacture of any products or materials ordered hereunder, its provision of any services hereunder, or any other compliance with this Order, 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>. Seller shall familiarize itself 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. Seller 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. Seller confirms that it has read and understood the Novartis Supplier Code.

10. INDEMNITIES: Seller will indemnify and hold Buyer harmless from all liability and loss, consequential or incidental damages, including court costs and attorney's fees, whether resulting from civil or criminal suits, fines, penalties or otherwise and expenses of a recall or market withdrawal, whether ordered by the government or undertaken voluntarily, resulting from a breach of the warranties contained in this Order. Seller will indemnify and hold Buyer harmless from all liability and loss including court costs and attorney's fees arising out of or resulting from bodily injury, sickness, disease or death, or injury to or destruction of property which is caused in whole or in part by any negligent act or omission of the Seller or his agents. Seller affirms that Seller is covered by private insurance coverage to which it would look exclusively in the event of any liability claims.

11. PATENTS AND TRADEMARKS: Seller shall protect and indemnify Buyer against all claims, judgments and expenses arising from infringement or alleged infringement of any patent, trademark, copyright or other intellectual property rights, by any of the goods or services delivered hereunder. Seller shall defend or settle at its own expense any proceeding brought against Buyer for such infringement.

12. GUARANTEE: Seller guarantees that, no article herein is, as of the date of shipment, adulterated or misbranded within the meaning of the Cosmetic Act, Food Sanitation Act, or Pharmaceutical Act. Seller further represents that such goods are in compliance with all other applicable laws, rules and regulations.

13. DRAWINGS AND MATERIAL: All information and materials, including without limitation drawings, art work, data or the like, furnished to Seller by Buyer (the "Information") shall be and shall remain the property of the Buyer, and shall be used by Seller only for, and with respect to, work being done pursuant to this Order. Seller shall return all Information to Buyer and the conclusion of the work in good condition or otherwise dispose thereof on Buyer's instructions at Seller's expense.

14. CONFIDENTIALITY: This Order, any resulting contract and all of its terms, and any Information, shall be held in strict confidence by Seller. **DISCLAIMER: NOTHING SHALL PREVENT BUYER FROM PUBLICLY DISCLOSING ANY INFORMATION RECEIVED BY BUYER FROM SELLER AS A RESULT OF THE TRANSACTION WHICH IS THE SUBJECT OF THIS ORDER. FURTHER, SELLER IS HEREBY PLACED ON NOTICE THAT THIRD PARTIES WHOM BUYER HAS ENGAGED TO PROCESS AND TRANSMIT THIS ORDER, AND THEIR SUBCONTRACTORS (COLLECTIVELY, THE "THIRD PARTIES"), EACH OF WHOM ARE SUBJECT TO CERTAIN CONFIDENTIALITY RESTRICTIONS, MAY BECOME AWARE OF THE CONTENTS OF THIS ORDER. THE THIRD PARTIES MAY BE PERMITTED TO PUBLICLY DISCLOSE, SELL, DISTRIBUTE OR OTHERWISE DISSEMINATE TO OTHER PARTIES, FOR ANY PURPOSE WHATSOEVER, INFORMATION OBTAINED AS A RESULT OF THE THIRD PARTIES' PROCESSING OR TRANSMISSION OF THIS ORDER, SO LONG AS THE THIRD PARTY DOES SO IN AN AGGREGATED MANNER SO AS NOT TO IDENTIFY BUYER OR SELLER.**

15. DISCLOSURE: Notwithstanding the foregoing, Buyer will have the right in its discretion (a) to display and disclose, as may be required under applicable law or as is otherwise desired by Buyer, information relating to the nature of Services performed pursuant to this Agreement, any and all payments, reimbursement for expense, or other transfer of value made in other than dollar form relating to this Agreement, identifying information concerning or any other information relating to this Agreement and (b) to display such information, including but not limited to, on Novartis websites.

16. FINANCIAL RECORDS AND REPORTING: Seller agrees to keep Buyers records regarding all payments made, and costs, expenditures and expenses incurred, in connection with the Services performed pursuant to this Agreement, and shall provide Buyer with information regarding these payments, costs, expenditures and expenses that Buyer determines it may be required to disclose under applicable law or otherwise desires to disclose. Such information shall be provided to Buyer no less than thirty (30) days after receipt of such request.

17. BUYER'S PROPERTY: All property and any improvements thereto, whether tangible or intangible, made or created by Seller or its agents in connection with the Order which is owned, furnished, charged to or paid for by Buyer including, but not limited to, materials, tools, dies, jigs, molds, patterns, fixtures, equipment, intellectual property, drawings

and other technical information, specifications, and any replacement thereof, shall be and remain the property of Buyer, shall be subject to inspection and immediate removal thereupon by Buyer, without cost or expense to Buyer, and Buyer shall have reasonable access during normal business hours and upon reasonable notice to Seller's premises for the foregoing purposes.

18. DEVELOPMENT: If Buyer has paid any development fees or charges for Goods or Services by Seller, any and all designs, discoveries, inventions, product, computer programs (including source code), procedures, improvements, developments, drawings, specifications, data, memoranda, notes, documents, manuals, information, and other materials, made, authored, conceived or developed by Seller, alone or with others, which result directly from or relate to the Order and is attributable to the non-recurring engineering charges paid (hereinafter "**Work Product**") and any information Seller may receive from Buyer, shall be the sole property of Buyer. The right of reproduction of all Work Product is expressly assigned and transferred to Buyer. All such Work Product shall belong exclusively to Buyer, whether considered works made for hire or otherwise. Buyer shall have the sole right to obtain and to hold in its own name copyrights, patents, maskwork rights, trademark registration, or other legal protection as may be appropriate to such Work Product and any derivatives thereof. Seller agrees to attach such notices or legends to the Work Product as Buyer may instruct. Buyer shall have the sole right to determine the method of protection for any such Work Product, including the right to keep the same as trade secrets, to use and disclose the same without prior patent application or to file registration for copyright, patent, maskwork rights, or trademark in its own name, as Buyer deems appropriate. Seller shall disclose promptly in writing to Buyer all such Work Product, assign, and Seller does hereby assign, to Buyer all right to such Work Product, and cooperate with and assist Buyer or Buyer's designate to apply for and to execute any applications and/or assignments reasonably necessary to obtain any patent, maskwork rights, copyright, trademark, or other statutory protection for such Work Product in Buyer's name, as Buyer deems appropriate. Seller agrees that any intellectual property rights it owns in Goods or Services shall be exhausted upon sale of said Goods or Services to Buyer.

19. WAIVER: The Buyer's exercise of any option or his failure to exercise any right hereunder shall not constitute a waiver of its rights to damages for breach of contract and shall constitute a waiver of any subsequent failure, delay, or breach by the Seller.

20. SHIPPING TERMS: Unless set forth elsewhere in this Order, or otherwise mutually agreed in writing, shipping terms shall be F.O.B. Buyer's location. Excess transportation charges resulting from failure on the part of the Seller (a) to follow routing instructions; (b) to ship via the cheapest way when no routing is specified; (c) to classify commodities properly or to pack according to requirements; or (d) to take any action necessary to assure lowest the transportation charges, will be paid by Seller.

21. INSTALLATION: If this Order requires the services of Seller experts or employees on Buyer's premises, Seller agrees, whether or not separate charge is made therefore, that such experts or employees shall not thereby be deemed to be the agents or employees of Buyer. Such parties shall furnish certificates of insurance satisfactory in form to Buyer as to worker's compensation, manufacturer's public liability and from any claims arising therefrom and to accept exclusive liability for the negligence or willful misconduct of Seller's employees, and for any payroll or other taxes imposed upon the employer by law. Seller will undertake to keep the materials and premises involved free from any lien whatever for materials and labor incident to the performance of Seller's obligations hereunder. Travel, lodging or any incremental expenses required by Seller for the required installation on behalf of Buyer must be agreed to in advance by Buyer, and must be reasonable (not luxury or first-class). All such expenses shall be billed to Buyer at actual cost, and, for expenses in excess of \$25.00, must be supported by receipts or other appropriate documentation.

22. CONTRACTOR LIENS: As a condition precedent to any payments, upon Buyer's request, Seller will furnish waivers or releases of subcontractors' rights to file mechanic's liens against the work, materials, articles or equipment. The Seller promises to keep said property free and clear of all such liens. Seller also waives his right to assert any lien on his own behalf and shall insert in all contracts with subcontractors, laborers and materialmen a clause containing like provisions. In the event any liens or rights in rem attach after final payment under this Order, the Seller shall refund to the Buyer all expenses incurred by the Buyer in discharging such liens or rights in rem. The Buyer shall have the right, at Buyer's option, to remove any liens, notices of liens, notices of intention or rights in rem by payment to the claiming party without inquiry as to the validity thereof. All such payments shall be charged to the Seller or used as setoff against any claim for payment by the Seller.

23. PRICE CLAUSE: Buyer reserves the right to make changes in this Order. If any such change causes a substantial variation in the cost of furnishing the goods or the time required for the performance of any part of the work under this Order, the Seller must assert in writing such claim within 15 days of date of receipt by Seller of notification of change.

Seller warrants that the prices herein provided are not higher than the lowest net prices at which Seller is selling or offering to sell like materials. If, on or before the date of delivery of any materials ordered hereunder, Seller shall sell or offer to sell like materials to a third party for a net price lower than the prices set forth in this Order, then this Order shall be deemed to be modified so that the price set forth herein shall be the same as the third party's.

The price that Buyer is to pay to the Seller can be determined in a variety of ways. The parties shall stipulate in the contractual document or in the written purchase order which of the following methods is to be used. Calculation of a price shall generally be based on unit prices for individual performance elements. The price shall also depend on quantity. Unless otherwise agreed, the price stipulated under each of the methods of price determination shall already include any items for fees, risk compensation or other surcharges. All prices shall be net prices. Any taxes or other fiscal charges shall be shown separately.

•Lump-sum price: The lump-sum price shall be a fixed payment for all contractually provided goods and services which does not include any additional costs resulting from price increases. The lump-sum price shall remain unchanged as long as the originally stipulated deadlines are maintained. Any change to the deadlines, for any reason whatsoever, shall result in a reexamination of and, where necessary, an adjustment to the lump sum.

•Fixed price : The fixed price is a fixed payment for all contractually provided goods and services which includes any additional costs resulting from price increases. The fixed price shall remain unchanged so long as the originally stipulated deadlines are maintained. Any change to the deadlines, for any reason whatsoever, shall result in a reexamination of and, where necessary, an adjustment to the fixed price.

•Actual-cost accounting : If a contract stipulates actual-cost accounting (time and material based), the price shall be determined based on the Seller's final statement of account. In this event, any price indicated in the contract shall be considered as a cost estimate. The Seller shall notify Buyer of deviations from the scope of the contract as provided, and shall do so in a forward-looking and ongoing manner. Any adjustment to the contract must be made by means of a written order from Buyer.

• Cost ceiling : If a cost ceiling is stipulated in contracts with actual-cost accounting, this shall apply as a guaranteed maximum price for the goods and services provided for in the contract. The cost ceiling shall be adjusted if Buyer requests changes, if such changes become necessary not due to any action on the part of the Seller, or, likewise, if the stipulated time schedule becomes impossible to maintain due to no fault of the Seller. No adjustment shall be made to cost ceilings for additional costs for which the Seller is responsible. If the total amount of the final statement of account exceeds the (adjusted) cost ceiling, the cost difference shall be borne in full by the Seller. This provision does not apply if the additional costs can be attributed solely to a permitted overrun of a budget item. If the total amount of the final statement of account falls below the cost ceiling, the Seller shall have right to claim payment of the difference or a portion thereof only if such payment is stipulated in the contractual document (bonus provision).

•Budget price : The parties may agree upon a budget price for goods and services provided for in the contract but not yet specified in detail. Within the price frame, budget items are accounted separately and openly. Overruns of budget items shall be agreed upon in advance and confirmed by means of a written order. Any differences between the total amount on the statement of account and the budget prices accounted for shall result in a corresponding increase or reduction of the contract price.

•Hourly and expense rates : Hourly rates shall be listed individually in the contract according to service provided. The listing shall expressly indicate all additional services included in the rates. Expense rates and types shall be shown separately in the contract. The rates used shall not be subject to modifications for the term of the contract.

24. LIABILITY: The Seller shall be liable to Buyer for the proper performance of the contract. The Seller shall take all steps in order to render the performance due under the contract and shall refrain from doing anything that could impair this performance. The Seller shall provide compensation for all damages resulting directly or indirectly from the non-performance or improper performance of the contract. The Seller shall be liable for every kind of negligence. If the Seller engages third parties for the performance of the contract or parts thereof, the Seller shall also be liable for damages caused by these parties. The Seller shall also be liable for damages that it or third parties that it engages cause on the occasion of contract performance.

24. PERSONNEL OF SELLER : Seller shall ensure that the employees and third parties engaged that are assigned to Seller in Korea in the framework of fulfilling the contract are in possession of a valid Korean work permit.

25. DISPUTES, JURISDICTION, GOVERNING LAW : • The parties shall endeavor to solve any disputes concerning the origination, interpretation and performance of the contract in a mutually agreeable manner. The initiation of legal proceedings shall be taken as the final recourse. Unless provided otherwise by mandatory provisions of law, the following shall apply in the event of disputes:

Seoul Central District Court shall have exclusive jurisdiction.

This contract shall be governed exclusively by Korean law. The United Nations Convention on Contracts for the International Sale of Goods (Vienna Sales Convention) shall not apply (Article 6 of the Vienna Sales Convention).