

## FAQ Summary – Payment Terms and Conditions

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### DOCUMENT INFORMATION

#### **1) Definition of Payment Terms (PT)**

*Payment terms are designed to determine the payment conditions with our suppliers in the contracting process.*

*Any payment term that does not meet the net 60 days requires approval from the Finance Customer & Vendor, Manager. The process has to be continuously monitored. The policy ensures our decision making principles and processes, emphasizing transparent dialogue, clear accountability and active empowerment by defining a process to negotiate and control the non 60 days Payment Terms.*

#### **2) What document dictates the accountability related to Payment Terms?**

*The guideline is to be followed by Procurement and Finance within the Pharmaceutical Division including PD, and is applicable to all 3<sup>rd</sup> party cash disbursements made by Roche and issued through Accounts Payable to entities established in the SAP Vendor Master Record (VMR)*

*All agreements with external suppliers/ 3<sup>rd</sup> parties are to be conducted according to the requirement list in section 3 “Global Harmonized Payment Terms”.*

*Adherence to the guideline is mandatory and auditable.*

#### **3) What is the Global Harmonized Payment Terms?**

*The table below is the list of defined and accepted Global Harmonized Payment Terms according to the Roche Procurement Policy.*

*The focus of Pharmaceutical is to achieve NET 60 days*

#### **4) What is the Procedure to follow?**

*All new purchases orders should use a defined Global Harmonized PT. Existing orders and contracts should be adjusted according to the principles of Total Cost of Ownership when renegotiated.*

#### **5) Are there exceptions to the net 60 days and what is possible?**

*The goal is to negotiate payment terms of 60 days and higher.*

*The following types of payees are specifically excluded from the scope of the guideline:*

- *Affiliate Partners & Intercompany*

- *Employees*
- *Tax Authorities, Municipalities (i.e. payments for income, sales, use and property taxes)*
- *Legal & Government Payees not under negotiated contract or agreements that specify regular PT's (e.g.: payments for filing fees, permits, licenses, legal settlements)*
- *Health Care Professionals and Institutions*
- *Lawyers for ex-employee (consultations)*
- *Banks for ex-employee (RSP transfers)*
- *Patient & Patient's Caregiver*
- *Interviewee expense*
- *Consulates*
- *Utilities (electric, gas, water) payment*
- *Real Estate / Lease*
- *Benefits Costs (Prescription, Medical, Dental, Vision)*
- *Insurance Premiums*

*Payments to these types of payees should be made, whenever applicable, in a manner consistent with principles of the guideline.*

**6) Who has the responsibility to keep record?**

*Record keeping is the responsibility of the local organization responsible for procurement and could be audited.*