
From: Rosenfeld, Barry
Sent: Friday, February 17, 2017 11:04 AM
To: Michael Cohen
Subject: RE: Services Agreement - better copy - eom
Attachments: Code of Conduct.pdf; Code of Conduct-US Supplement.pdf; Anti-Bribery Policy GIC.100.V2.EN.pdf

Michael –

As a follow up, here are the policies referred to in Section 12(d) of the agreement. –Barry

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From: Rosenfeld, Barry
Sent: Friday, February 17, 2017 9:56 AM
To: 'Michael Cohen'
Subject: FW: Services Agreement - better copy - eom

Michael –

Here is a better quality pdf. Perhaps use this version instead. –Barry

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From: [REDACTED]
Sent: Friday, February 17, 2017 9:50 AM
To: Rosenfeld, Barry
Subject: Services Agreement - better copy - eom

*Our commitment to
caring and curing*



Code of Conduct

Our five core principles:

- | | |
|----------------------------|--|
| Patients | Patient benefit and safety is at the heart of everything we do |
| Associates | We treat our associates fairly and respectfully |
| Shareholders | We are committed to outstanding and sustainable performance with integrity |
| Healthcare partners | We strive to be a trusted healthcare partner |
| Society | We aspire to be a good corporate citizen |

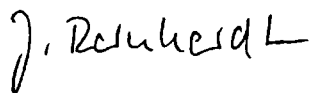
Our mission at Novartis is to discover, develop and successfully market innovative products to prevent and cure diseases, to ease suffering and to enhance the quality of life. We also want to provide a shareholder return that reflects outstanding performance and to adequately reward those who invest ideas and work in our company.

We aspire to be the world's most respected and successful healthcare company. We can only realize this aspiration if we earn and maintain the trust and support of our key stakeholder groups: our patients, our associates, our shareholders, our healthcare partners, and society at large.

Our Code of Conduct reflects our commitments to meet the expectations of our stakeholders as a responsible corporate citizen and contains the fundamental principles and rules concerning ethical business conduct. We believe that how we achieve our business results is as important as the achievement itself.

The Novartis Code of Conduct forms an integral part of the terms of employment of all associates of the Novartis Group. Novartis insists on full compliance and will not tolerate any misconduct.

We thank you for your continued support and commitment to our Novartis Code of Conduct. Our combined efforts will enable us to better meet the needs of patients, to deliver sustainable performance, and to strengthen our reputation.



Joerg Reinhardt
Chairman



Joseph Jimenez
CEO

When in doubt ask yourself

- ☐ Will my conduct allow us to maintain the trust of all our stakeholders?
- ☐ Would my family and friends think that my conduct was ethical?
- ☐ Have I thought about the impact on those who will be affected by my conduct?
- ☐ Would I be comfortable if someone treated me the same way?
- ☐ Would I be comfortable if my conduct appeared in the media?
- ☐ Is my conduct legal and compliant with Novartis policies?

Patient benefit and safety is at the heart of everything we do

Patient benefit and safety

We expect our associates in all areas of our business to focus on enabling better patient outcomes and providing innovative solutions to patient needs around the world, while adhering to the respective laws governing those activities. Compromising patient benefit or safety is not an option.

Research and development

In all our research activities we strive to ensure the rights, safety and well-being of all participants. We are committed to a global set of core ethical principles based on the Declaration of Helsinki and the principles of Good Clinical Practice.

When we have to use animals for research purposes we are committed to minimizing their discomfort and pain. We will use alternatives to animal research whenever possible.

Product quality and safety

We discover, develop and manufacture high-quality products that meet all regulatory requirements, and pursue quality beyond compliance in both our products and processes.

We protect patient safety by identifying, assessing, managing and reporting any product-related risks in a timely manner.

Access to healthcare

As a healthcare company, our primary responsibility is to discover and develop new products to prevent and cure diseases. With collaborators around the world, we also work to enhance access to healthcare for patients through medical research, new business models and actions to strengthen healthcare systems in both developing and advanced economies.

Associates



We treat our associates fairly and respectfully

Fair working conditions

We commit to provide our associates fair and competitive wages based on performance and ethical conduct.

We protect associates from unfair or unethical working conditions, including bonded, forced or child labor, or any unsafe working conditions.

Diversity and inclusion

We treat our associates fairly, equally and respectfully. We expect associates to demonstrate respect toward each other and we do not tolerate any form of harassment or discrimination.

We seek to create an inclusive work environment where associates regardless of their backgrounds can contribute fully. We appreciate the diversity and individuality of our associates and do not discriminate based on personal characteristics such as nationality, gender, age, ethnicity, religion, sexual orientation or disability.

We believe a diverse workforce that reflects the global community of our patients and customers is critical to our success. We therefore attract, develop and retain highly talented people with diverse backgrounds and inclusive mindsets.

Associate appraisal and development

The evaluation of an associate's performance considers both achievement on objectives as well as adherence to the Novartis Values and Behaviors.

Constructive dialogue between the associate and supervisor on goals, priorities and development needs is an essential part of the Novartis Performance Management Process.

We offer opportunities for our associates to develop, grow and continuously improve individual skills to strengthen the competencies of Novartis as a whole.

Freedom of opinion, speech and association

We respect the right of associates to choose to join an association, provided that local law is respected. Novartis engages in constructive dialogue with associates and their representatives.

We recognize that every associate is entitled to freedom of opinion, expression and speech, provided these do not interfere with the associate's ability to fulfill their job responsibilities or conflict with the Novartis Code of Conduct.

Shareholders



We are committed to outstanding and sustainable performance with integrity

Financial integrity

We do not compromise our financial integrity. Financial risks and operational measures must be appropriately reviewed and approved.

We provide timely, accurate and complete financial information to our shareholders and financial markets. We maintain effective controls over financial reporting to ensure a complete and accurate record of our financial transactions.

Associates must not trade shares or other securities on the basis of material non-public information.

Business continuity

We believe that business continuity management is critical for our patients, customers, associates and other stakeholders, and is part of responsible management practice. In the event of an emergency or significant business disruption, we are committed to doing our utmost to ensure uninterrupted supply of key products and services.

Safeguarding corporate assets

We work to protect assets of Novartis against threats. This applies to our associates, reputation, intellectual property, information, products, property and other assets.

We properly use and maintain assets of Novartis and ensure that they are protected from misuse, loss, theft and waste. All Novartis assets must be used for legitimate business purposes.

We protect our investments in intangible assets by obtaining, enforcing and defending intellectual property (IP) rights and by maintaining confidentiality of sensitive information. We also respect legitimate IP rights of others. IP created, developed or obtained by associates and related to their employment belongs to Novartis.

Information security

We protect the confidentiality, integrity and availability of critical information, regardless of its form and location.

Conflict of interest

Personal interests must not influence our business judgment or decision making.

Associates must disclose actual or potential conflicts of interest to their supervisor. Newly hired associates are requested to disclose any actual or potential conflicts of interest before they begin employment.

Healthcare partners



We strive to be a trusted healthcare partner

Customer satisfaction

We strive for the highest customer satisfaction. We listen to our customers and create solutions that add value and create mutual benefit for them and for Novartis.

Anti-bribery and corruption

We do not tolerate any form of bribery or corruption. We do not bribe any public official or private person and we do not accept any bribes.

Fair competition

We are committed to fair competition and will not breach competition laws and regulations.

Marketing practices

We market and sell our products in compliance with all applicable rules and regulations, and in line with high ethical standards.

This commitment also applies to all our other activities relating to the commercialization of our products, such as the collection and communication of medical and other information.

Commitment to all laws and regulations

We comply with all laws and regulations applicable to our activities. We also implement and comply with our internal policies.

Third party integrity

We expect third parties with whom we work to comply with the law, to adhere to ethical business practices, and to observe our standard requirements concerning labor, health, safety, environmental protection and management systems.



We aspire to be a good corporate citizen

Corporate citizenship

By actively contributing to social, ecological, cultural, and other projects and programs, we strive to contribute to the solution of societal problems.

We are committed to the United Nations Global Compact, the world's largest corporate citizenship initiative.

Transparency

We are open and transparent with respect to our business principles and practices and comply with applicable laws and regulations.

Human rights

We strive to ensure that activities within our sphere of influence do not negatively impact fundamental human rights, as set out by the United Nation's Bill of Rights and the core conventions of the International Labor Organization, either directly or through our business relations.

Health, safety and environment

We strive to be a leader in all aspects of occupational health, safety and environmental protection.

We systematically identify and manage health, safety and environmental risks in our activities and over the entire value chain of our products and services.

We proactively foster and encourage a strong culture of safe behavior.

We make efficient use of natural resources and minimize the environmental impact of our activities and products over their life cycle.

Data privacy

We respect the privacy rights of our associates, patients, physicians, and other stakeholders. We inform individuals of collection and processing of their personal data, allowing them to make informed decisions and exercise their rights. We collect and process personal data for specific and legitimate business purposes only and secure such data against unauthorized access.

How to report potential misconduct

Associates who report potential misconduct or who provide information or otherwise assist in any inquiry or investigation of potential misconduct will be protected against retaliatory action.

Misconduct is any conduct that violates the Novartis Code of Conduct and pertinent policies and/or external law or regulation.

All associates are required to bring potential misconduct to the attention of Novartis. Associates with knowledge of potential misconduct, or associates receiving a report of misconduct, must notify the Business Practices Officer (BPO) or report the issue via one of the other channels described below without further disseminating the information.

Associates can report potential misconduct to the BPO in person or by letter, fax, direct phone, e-mail or through integrity telephone and web-based confidential hotlines, which operate in more than 50 languages. The options for reporting are:

- The BPO at business.practicesofficer@novartis.com
- The supervisor
- The Human Resources representative
- The Country President
- Any member of the Legal Department
- Any Compliance Officer

Please refer to **www.novartis.intra/bpo** for further information and BPO telephone numbers.

Applicability

This Novartis Code of Conduct, which was approved by the Novartis AG Board of Directors on July 1, 2011, is to be implemented by all Novartis affiliates. It is applicable to all operations and associates of the Novartis Group. It replaces the Novartis Code of Conduct of August 26, 1999.

Breaches

Breaches of the Novartis Code of Conduct will not be tolerated and can lead to disciplinary action up to and including termination of employment.

Useful links

For further information on the Novartis Code of Conduct, please visit:
www.ourcodeofconduct.novartis.intra

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Code of Conduct

U.S. Supplemental Requirements



Introduction

These U.S. Supplemental Requirements to the Novartis Code of Conduct (the “Code”) are intended to assist associates of the Novartis Group based in the United States (“Novartis” or the “Company”), or associates based outside of the United States with responsibilities for activities in the U.S., in understanding and implementing the Code. The U.S. Supplemental Requirements reinforce the overarching principles of the Code and provide further information about the U.S. legal environment.

The guidance provided in these U.S. Supplemental Requirements does not cover all U.S. legal requirements. Each associate is responsible for knowing and complying with all relevant legal requirements and applicable Novartis policies and procedures. All associates must act with the highest level of ethics to ensure Novartis meets or exceeds its obligations.



Duties/Responsibilities of the Company

We Treat our Associates Fairly and Respectfully

Novartis will not tolerate discrimination or harassment based upon race, religion, national origin, sex, sexual orientation, disability, age, military status, or any other basis prohibited by law. The Company will fully observe obligations under affirmative action programs and other laws designed to protect associates. Federal and many state laws prohibit employment discrimination, including hiring, termination, promotion and training on the basis of race, religion, national origin, sexual orientation, age and disability, and other protected characteristics. Non-discrimination requirements also prohibit sexual harassment, discriminatory harassment or inappropriate conduct of a harassing nature directed against any individual on the basis of any characteristic protected by law.

All associates are expected to familiarize themselves with specific policies concerning equal employment opportunity and sexual and other harassment.

Duties/Responsibilities of our Associates

Understand and Comply with All Laws and Regulatory Requirements

Every associate must know the basic legal requirements that apply to his or her duties on the job and must strictly observe all laws, regulatory requirements and policies applicable to the Company. When in doubt about specific requirements or conduct, associates must ask their supervisor, compliance officer or company attorney for guidance. All associates must create complete and accurate business records needed to demonstrate compliance with applicable requirements. All associates also have a duty to cooperate in all legal matters and internal investigations.



Compliance with US Healthcare Laws

Novartis is committed to marketing, selling, promoting, researching, developing, providing information about, and advertising its products in full compliance with Federal healthcare program and FDA requirements. All associates must comply with Federal healthcare program and FDA requirements and Novartis policies and procedures. Certain of these requirements are highlighted below.

Regulation of Novartis Products

Novartis is committed to full compliance with the Federal Food, Drug and Cosmetic Act ("FDC & A"). Among other things, the FDC & A:

- (1) prohibits promotion and advertising that makes false or misleading claims or representations or fails to state material facts in light of other claims or representations made in a promotional piece or advertisement;
- (2) requires a reasonable scientific basis for all objective product claims, both express and implied, before the claims are made; and (3) prohibits "off-label" promotion.

Healthcare Fraud and Abuse

Healthcare "fraud and abuse" laws refer to the statutes and regulations designed to protect and prevent healthcare programs against claims for inappropriate or excessive payments for items and services. The Federal fraud and abuse laws include the Anti-Kickback Statute and the False Claims Act and apply to Medicare, Medicaid and other Federal healthcare programs. Many states have adopted similar laws that apply to state and local healthcare programs and, in some cases, to healthcare items and services reimbursed by private payers.

Novartis is committed to strict compliance with all Federal healthcare program requirements, including, but not limited to:

Anti-Kickback Statute. Associates may not offer anything of value to a healthcare provider in return for purchasing or prescribing its products. Examples of prohibited behavior include the offer or acceptance of gifts intended to generate business that is funded by government healthcare programs. Similarly, hiring a physician as a consultant with the intent to influence him or her by paying an honorarium rather than the intent to compensate him or her for bona fide services may violate this statute. There are limited exceptions to the general prohibition contained in the Anti-Kickback Statute. However, because the general prohibition is broad and the exceptions can be narrow, associates must take special care in this area and seek appropriate guidance from Company attorneys or the Compliance Officer if they are uncertain whether an activity is permitted.

Compliance with US Healthcare Laws

The False Claims Act (FCA). The FCA prohibits anyone from knowingly and willfully making, or causing to be made, any false statement or representation to obtain benefits or payments under a Federal healthcare program. The FCA also prohibits anyone from conspiring with or causing another person to submit false claims. Thus, companies can be liable even if the claims are actually submitted by another person. The FCA provides for civil penalties for each false claim submitted to the government.

Some activities that might violate the FCA include, but are not limited to, submitting or causing another to submit false claims for government payment, fraudulently reporting false pricing information to government agencies, making off-label claims, certain scientific misconduct and similar activities. The Federal FCA and some state FCAs also allow private individuals with evidence of fraud against the government to sue on behalf of the government to recover the lost funds. Retaliation against persons who file such lawsuits (also known as “whistleblower suits”) is prohibited by the FCA.

To help ensure prevention and detection of any potential misconduct, associates are obligated to immediately report to the Company all complaints of misconduct, including all known and suspected violations of any Federal healthcare program or FDA requirements or of Novartis' own policies and procedures. This obligation to report covers not only known violations but also extends to those instances in which an associate is uncertain about whether a violation has occurred or may be occurring. In addition, if an associate believes that adequate resources or training are not being provided so as to enable associates to comply with legal and ethical standards, he or she must inform the Company.

Associates must ask questions if they have any concerns or uncertainty about compliance with the law, any company policy, or the Code of Conduct.

The obligation to report misconduct may be satisfied by reporting to one of the following resources:

1. Business Practices Officer (BPO)
2. Supervisor
3. Human Resources representative
4. Any President or Vice President
5. Any member of the Legal department
6. The Compliance Officer and any member of the Ethics & Compliance department
7. Help Line at 888-436-7001

Additionally, misconduct may be reported by sending a written report to the BPO at:

Business Practices Officer
North America Region
Novartis Corporation
5 Airport Road
Morristown, NJ 07960

Calls to the Help Line or written reports may be made anonymously. While the Company is committed to anonymous reporting and anonymity will be respected, the Company encourages associates to identify themselves when making a report. In some instances, anonymity may affect the Company's ability to investigate the concern.

Reporting

Any manager who receives a complaint of misconduct, including all known and suspected violations of any Federal healthcare program or FDA requirements or of Novartis's own policies and procedures, is required to immediately report that complaint to the BPO. Managers may not exercise discretion regarding whether or not to report a complaint. However, managers shall remain responsible for performing coaching of individuals.

Every complaint or inquiry will be taken seriously. The BPO will ensure that all investigations are thorough and fair, and conducted on a confidential basis and with a high level of discretion. Information collected during the investigation will be kept confidential to the extent possible.

Breaches

Promise of Non-Retaliation

Although coming forward will not immunize an associate from the consequences of his or her own misconduct, the associate's act of coming forward will be protected from retaliation and will be considered in determining disciplinary action. An associate will not suffer retaliation by the Company as a consequence of coming forward under the Code, regardless of whether the misconduct is reported to the BPO, his or her supervisor, Human Resources representative, any president or vice president, any member of the Legal department, any member of the Ethics & Compliance department, any other person designated by the Company or the Help Line.

Any manager, supervisor or other associate who attempts to punish or otherwise retaliate against an associate for reporting a violation under the Code will be subject to disciplinary action, up to and including termination.

Consequences of Violations of the Code of Conduct or the U.S.

Supplemental Requirements

Any violation of an associate's obligations under the Code of Conduct or the U.S. Supplemental Requirements may subject the associate to disciplinary measures, including possible termination of the associate's employment. Additionally, employment with the Company and the Company's payment of any incentive and/or bonus compensation are conditioned on compliance with applicable laws and associated company policies.

Any associate found by the Company to be in violation of the law or any material provision of any Company Policy (including fraud, pattern of off-label promotion, pattern of offering kickbacks, antitrust, bribery, scientific misconduct, etc.) will not earn or receive any incentive bonus compensation for any period in which such violations occurred or were discovered.

Associates will be required to repay to the Company any such incentive or bonus compensation already paid during a period in which the associate violates the law or any material provision of any Company Policy or the period in which such violation was discovered.

In addition to any other remedy that the Company may have to recover damages, if an associate fails to repay any such incentive or bonus compensation already paid to him or her, the Company may institute a lawsuit to recover the amount of incentive or bonus compensation plus costs and fees incurred in pursuing the lawsuit.

Useful links

For further information on the Novartis Code of Conduct, please visit:

www.ourcodeofconduct.novartis.intra




Anti-Bribery Policy

Novartis Global Policy

July 1, 2016

Version GIC 100.V2.EN



1. Introduction

1.1 Purpose

Our Code of Conduct states that we do not bribe anyone. This Policy sets forth the respective principles and rules and how they must be implemented.

1.2 Scope and Applicability

This Policy applies to all Associates*.

This Policy addresses a variety of contexts in which bribery issues may arise. Other aspects of business ethics and corruption, including conflicts of interest and passive bribery (e.g. receipt of a bribe) as well as insider trading, are regulated separately.

This Policy contains Novartis global standards. In some countries, more stringent applicable laws, regulations or industry codes supersede the principles set out in this Policy. Divisions and local Novartis organizations may also establish more restrictive practices.

This Policy enters into force as of July 1, 2016, and must be implemented by all Novartis affiliates (taking into account local legal considerations). It replaces the previous version of the Anti-Bribery Policy dated March 1, 2012.

*Directors, officers, managers, and employees of Novartis AG and its affiliates

2. Principles and Rules

2.1 Basic Rules

| | |
|----------------------|--|
| Principles and Rules | <p>Associates must not bribe and they must not use intermediaries, such as agents, consultants, advisers, distributors or any other business partners to commit acts of bribery.</p> <p>Novartis does not distinguish between public officials and private persons so far as bribery is concerned: bribery is not tolerated, regardless of the status of the recipient.</p> <p>Always ask yourself before offering, giving, or promising anything of value to any person if what you are considering could be viewed as having an illegitimate purpose. If the answer is yes, you must not proceed.</p> <p>If you are in any doubt, consult a legal or compliance representative before proceeding.</p> |
| Definitions | <p>Bribery means offering, giving or promising (or authorizing someone to offer, give, or promise) an improper benefit, directly or indirectly, with the intention of influencing or rewarding the behavior of someone to obtain or retain a commercial advantage.</p> <p>Bribery can take a variety of forms – offering or giving money or anything else of value. In fact, even common business practices or social activities, such as the provision of gifts and hospitality, can constitute bribes in some circumstances.</p> <p>Situations when Associates receive, agree to receive, request or accept a financial benefit or anything else of value are regulated by the Conflicts of Interest Policy.</p> |
| References | <ul style="list-style-type: none">• Novartis Anti-Bribery Third Party Guideline• Novartis Conflicts of Interest Policy |

2.2 Gifts, Hospitality, and Entertainment

| | |
|----------------------|--|
| Principles and Rules | <p>Gifts, hospitality, and entertainment must be modest, reasonable and infrequent so far as any individual recipient is concerned.</p> <p>Gifts, hospitality, and entertainment must never be promised, offered, or provided with the intent of causing the recipient to do something favoring Novartis, to reward such behavior, or to refrain from doing something disadvantaging Novartis.</p> <p>Cash and gifts that are cash equivalent (e.g., shopping coupons) must never be given.</p> <p>Do not provide entertainment to any participant to Novartis business meetings, congresses or comparable events, unless the entertainment is an appropriate and incidental part of such events. Do not pay for any side or extended trips.</p> <p>Do not pay for the entertainment, hospitality, or travel costs of anyone who accompanies an invitee to a Novartis business meeting, congress, or comparable event. In situations where an invitee is unable to travel alone (e.g., patients or minors), travel costs for an accompanying person (e.g., caregiver) can be paid for provided that the rationale for this support is legitimate, documented, and considers applicable data privacy requirements.</p> <p>Before giving a gift or providing hospitality or entertainment to anyone, consider whether the reputation of Novartis, yourself, or the recipient is likely to be damaged if news of the gift, hospitality, or entertainment appeared on the front page of a newspaper. If this would embarrass either Novartis or the recipient, do not proceed.</p> |
|----------------------|--|

Definitions

Gifts are benefits of any kind given to someone as a sign of appreciation or friendship without expectation of receiving anything in return. They include 'courtesy gifts', which are small gifts given at culturally recognized occasions (e.g., weddings, funerals) or special times of the year (e.g., Christmas, New Year).

Hospitality generally includes refreshments, meals, and accommodation.

Entertainment generally includes attendance at plays, concerts, and sports events.

References

- Principles & practices for professionals or equivalent document of each Novartis Division (e.g., NP4, SP3, AP3)

2.3

Grants, Donations and Sponsoring

Principles and Rules

Grants and donations may only be given if Novartis does not receive (and is not perceived to receive) any tangible consideration in return. At the same time, grants and donations must never reward (or be perceived to reward) any tangible consideration.

Requests for grants or donations must be handled with special caution, in particular those from requesters who are able to affect the sales of Novartis or may benefit personally if the request is granted. For instance, grants or donations must not be given to obtain a marketing authorization or any other approval, or to directly increase the sales of a Novartis product in return.

Sponsoring must not be used (or perceived to be used) to receive an improper commercial advantage in return. At the same time, sponsoring must never reward (or be perceived to reward) an improper commercial advantage.

Grants, donations, and sponsoring may not be provided to individuals.

Definitions

Grants and donations are benefits given by Novartis in the form of money and/or in-kind contributions (e.g., the supply of a Novartis product for free or at a reduced price).

Novartis provides grants and makes donations for a variety of legitimate purposes, including funding research or measures to improve health care systems and supporting charitable projects.

The main difference between grants and donations is that grants are given for a specific purpose (e.g., research or education) while donations address humanitarian needs, including emergency and natural disaster situations (e.g., earthquake).

Sponsoring is an agreement with a reputable non-healthcare institution or company under which the institution or company will, for payment, take measures to enhance the general image or reputation of Novartis.

References

- Principles & practices for professionals or equivalent document of each Novartis Division (e.g., NP4, SP3, AP3)
- Sponsoring and Donations Review and Approval Procedure
- Management Authorization Levels, also known as MALs

2.4

Rules Relating to Public Officials

Principles and Rules

Novartis does not distinguish between public officials and employees of private sector organizations so far as bribery is concerned; however, it is important to recognize that public officials are often subject to rules and restrictions that do not apply to persons who operate in the private sector.

Any relationship with public officials must be in strict compliance with the rules and regulations to which they are subject (i.e., any applicable rules or regulations in the particular country relating to public officials or that have been imposed by their employer) and any benefit conveyed to a public official must be fully transparent, properly documented, and accounted for.

Definitions

The term 'public official' has been extensively interpreted by regulators and includes

- Any elected or appointed officer or employee of a government or government department, government agency, or of a company owned or partially owned by a government
- Any elected or appointed officers or employees of public international organizations, such as the United Nations
- Any person acting in an official capacity for or on behalf of a government or a government department, government agency, or of a public international organization
- Politicians and candidates for a political office
- Any other person who is considered to be a public official according to applicable laws, regulations and industry codes

Medical and scientific personnel qualify as public officials when they work at a hospital, clinic, university or other similar facility owned or partially owned by a government.

In some countries, doctors, pharmacists, clinical trials investigators, and nurses are public officials irrespective of whether they are working at a government institution.

2.5

Political Contributions

Principles and Rules

Generally, Novartis does not make political contributions. However, since public policy issues impact Novartis business, its employees, and the communities in which Novartis operates, in certain cases it may be appropriate to use its resources to make political contributions. For instance, Novartis may seek to support candidates, committees, or other organizations that are committed to economic development, recognize the importance of healthcare innovation, and improve patient access to therapies.

Political contributions must never be made with the expectation of a direct or immediate return for Novartis.

Novartis may make political contributions only where these are part of the political culture in a country and are seen as part of the corporate social responsibility of corporations.

Political contributions must meet all of the following requirements:

- Compliant with applicable laws, regulations, and industry codes
- Covered by a separate budget position, approved in the ordinary budget process
- Approved in advance by the relevant Novartis Country President

Definitions

Political contributions are monetary or non-monetary (e.g., resources, facilities) contributions to support political parties, politicians or political initiatives.

2.6 Lobbying

Principles and Rules

Novartis engages in lobbying activities to provide policy makers with data and insights to enable widely informed decision-making conducive to improving patient outcomes and sustainable business.

Lobbying should not be misused for any corrupt or illegal purposes, or to improperly influence any decision. Relevant functions (e.g., Public & Government Affairs) provide guidance on how lobbying should be conducted based on the values of transparency, honesty and integrity.

Definitions

'Lobbying' describes interactions with policy makers and other external stakeholders with the intent to represent Novartis' perspective in the policy making process. Active contribution to policy making is an integral part of the democratic process and a legitimate activity as it enables the representation of different societal interests.

References

- Code of Conduct
- Internal Guidance on Lobbying
- Novartis Anti-Bribery Third Party Guideline

2.7 Facilitation Payments

Principles and Rules

Novartis prohibits facilitation payments, irrespective of whether local law permits facilitation payments.

Definitions

Facilitation payments are payments to public officials to expedite the performance of duties of a non-discretionary nature. These payments are intended to influence only the timing of the public officials' actions (e.g., payments to expedite the issuance of a visa or clearing goods through customs), but not their outcome.

2.8 Third Parties

Principles and Rules

Novartis must only engage Third Parties if all of the following requirements are met:

- There is a legitimate need for the services or the goods that they provide
- The services and goods are priced at no more than market value
- The Third Party is suitable from an anti-bribery perspective after assessment in a robust Due Diligence process
- There is a written contract or other written document with a similar legal effect (e.g., Purchase Order)

The receipt of services or goods must be documented and in line with the requirements stipulated in Section 2.10 of this Policy.

Engagement of Third Parties – including healthcare professionals – must never be used to create an incentive, or to reward or to secure any improper business advantage for Novartis.

Definitions

A Third Party is any natural person or legal entity with whom Novartis interacts and who poses, due to the nature of their business, a particular level of bribery risk. Novartis affiliates and Associates are not considered Third Parties in this Policy.

References

- Novartis Anti-Bribery Third Party Guideline
- Anti-Bribery Guideline for New Businesses and Joint Ventures

2.9

New Business and Joint Ventures

| | |
|----------------------|---|
| Principles and Rules | Before entering into an agreement for new business or entering into a joint venture, adequate anti-bribery due diligence must be completed. In addition, a remediation plan should be developed and implemented to address identified issues. |
| Definitions | <p>New business means any transaction involving the takeover or acquisition of all or any part of a third party or business, or the merger of a Novartis business with another company or business.</p> <p>Joint venture means any type of joint agreement or arrangement between Novartis and one or more third parties to own and operate an enterprise as a separate business for the mutual benefit of Novartis and the third party or parties.</p> |
| References | <ul style="list-style-type: none"> • Anti-Bribery Guideline for New Business and Joint Ventures |

2.10

Books and Records/Internal Controls

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| Principles and Rules | <p>Novartis must prepare and maintain books and records that accurately and in reasonable detail document the source and use of Novartis revenues and assets.</p> <p>'Off-the-books' accounts and false or deceptive entries in Novartis books and records are strictly prohibited. All financial transactions must be documented, regularly reviewed and properly accounted for in the books and records of the relevant Novartis entity.</p> <p>All relevant financial controls and approval procedures must be followed.</p> <p>The retention and archive of Novartis records must be consistent with Novartis standards and tax and other applicable laws and regulations.</p> |
| Definitions | Books and records include accounts, invoices, correspondence, papers, CDs, tapes, memoranda and any other document or transcribed information of any type. |
| References | <ul style="list-style-type: none"> • Management Authorization Levels, also known as MALs • Novartis Financial Controls Manual • Novartis Accounting Manual |

3. Implementation

3.1 Training

Associates must familiarize themselves with this Policy. Associates must be trained per the Novartis-wide compliance training curriculum. Local Novartis organizations may define additional training requirements.

Training requirements for Third Parties are defined by the Novartis Anti-Bribery Third Party Guideline.

External contractors and external service providers other than Third Parties shall be trained according to the Framework Guideline.

3.2 Reporting Potential Misconduct/Non-Retaliation

Any Associate who learns of a potential violation of applicable laws or this Policy is required to report his or her suspicion promptly in accordance with the section of the Novartis Code of Conduct entitled 'How to report potential misconduct.'

See <http://www.novartis.net/Pages/CodeOfConduct/Index.aspx>.

Associates who, based on good faith, report potential misconduct or who provide information or otherwise assist in any inquiry or investigation of potential misconduct will be protected against retaliation.

3.3 Breach of this Policy

Breaches of this Policy will not be tolerated and can lead to disciplinary and other actions up to and including termination of employment.

3.4 Exceptions

No exceptions can be granted from compliance with applicable laws, regulations and industry codes.

The Chief Ethics & Compliance Officer and Head Litigation together with the Group General Counsel decide on anti-bribery related matters not addressed by this Policy.

3.5 Responsibilities and Implementation

It is the responsibility of every Novartis manager to implement this Policy within his or her area of functional responsibility, lead by example, and provide guidance to the Associates reporting to him or her. Novartis managers must also seek to structure incentives and conduct performance assessments accordingly.

All Associates are responsible for adhering to the principles and rules set out in this Policy.

The owner of this Anti-Bribery Policy is **Group Integrity & Compliance**.