



Standards on hiring employees from the Principal Independent Auditor

1. Novartis' policy is not to employ or to engage current or former employees of its principal independent external auditor, who worked on the Novartis audit (being the audit of the consolidated financial statements of Novartis AG or the consolidated financial statements of any of the Divisions) in a management position (being any grade between partner and manager).
2. The hiring restriction applies for 3 years after the termination of the assignment to the Novartis audit.
3. The Chair of the Audit and Compliance Committee may grant an exception from the hiring restriction.
4. The Chair of the Audit and Compliance Committee or the Chief Financial Officer of Novartis must approve the hiring of a former employee of the principal external auditor into Novartis top leadership (NTL) or higher position at Novartis.
5. Termination of financial relationship (e.g., partner capital accounts and loans, pension, retirement accounts) is a required condition of employment for any former employee of the principal external auditor who worked on the Novartis audit or in a management position (being any grade between partner and manager within the principal external auditor's global network) at the principal external auditor, regardless of the expiration of the look-back period or the level for which the person is hired.
6. No former employee of the principal external auditor may sign any filing with the U.S. Securities and Exchange Commission on behalf of Novartis for five years after the termination of his or her employment with the principal external auditor.
7. No former employee of the principal external auditor may be named an officer of Novartis for three years after the termination of his or her employment with the principal external auditor.