

*Our commitment to
caring and curing*



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.

Reporting

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