

## **Novartis India Limited**

### **Vigil Mechanism**

Novartis India Limited ("Company") has established a Vigil Mechanism that enables the Directors and Employees to report genuine concerns in a prescribed manner.

The Vigil Mechanism provides for:

- (a) adequate safeguards against victimization of persons who use the Vigil Mechanism; and
- (b) direct access to the Chairperson of the Audit Committee of the Board of the Company in appropriate or exceptional cases.

Details of the establishment of the Vigil Mechanism are made available on the Company's website and in the Board's Report.

### **Novartis Code of Conduct**

The Company has in its Board meeting dated 31<sup>st</sup> October 2011 adopted a Code of Conduct that binds all Directors and employees of the Company.

The Code of Conduct has five core principles:

1. Patient benefit and safety is at the heart of everything Novartis does.
2. Novartis treats its associates fairly and respectfully.
3. Novartis is committed to outstanding and sustainable performance with integrity.
4. Novartis strives to be a trusted healthcare partner.
5. Novartis aspires to be a good corporate citizen.

Breaches of the Novartis Code of Conduct can lead to disciplinary action up to and including termination of employment.

### **Reporting of Misconduct**

Company's Directors and employees 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 through other options that include:

1. Reporting to BPO at [business.practicesofficer@novartis.com](mailto:business.practicesofficer@novartis.com)
2. Reporting to immediate supervisor
3. Reporting to the Human Resources representative
4. Reporting to the Country President
5. Reporting to any member of the Legal Department
6. Reporting to any Compliance Officer

Directors and Employees 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 defined as “any conduct that violates the Novartis Code of Conduct and pertinent policies and/or external law or regulation”.

#### Business Practices Office (BPO)

The Business Practices Office (BPO) is the Novartis Group’s misconduct reporting and investigation framework. It is aligned with internal senior management and external requirements.

To ensure that these crucial standards of integrity are adhered to and enforced, Novartis supports an open culture in which directors and employees can speak up and raise concerns. The BPO process enables directors and employees to report actual or suspected cases of misconduct without fear of retaliation. All complaints are investigated professionally, independently and with proportionality.

Investigation results are shared with the appropriate management.

Key responsibilities of BPO include:

1. Assess all allegations of misconduct
2. Guarantee fair, professional and proportionate investigations
3. Maintain confidentiality throughout the whole investigative process
4. Ensure consistency in disciplinary sanctions
5. Provide support in the identification of lessons learned to prevent similar issues arising elsewhere

Directors and Employees with knowledge of suspect misconduct should notify the BPO, as should any employees receiving a second-hand report, without further disseminating

the information. This helps ensuring confidentiality, preserves investigative integrity and protects the associates involved.

By handling all complaints of misconduct centrally and overseeing independent, neutral and proportionate investigations into each case, the BPO supports the business' efforts toward making Novartis a better place to work for all.

#### Oversight by Audit Committee

The Investigation Reports issued by the BPO will be discussed in the Audit Committee Meetings on quarterly basis.

#### Access to the Chairperson of Audit Committee

Directors and employees may also access the Chairperson of the Audit Committee, in appropriate and exceptional cases, by writing to [vigil.india@novartis.com](mailto:vigil.india@novartis.com).

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