



Novartis India Limited
Registered Office:
Inspire BKC
Part of 601 & 701
Bandra Kurla Complex
Bandra (East)
Mumbai – 400 051
Maharashtra, India
Tel +91 22 50243000
Fax +91 22 50243010
Email: india.investors@novartis.com
CIN No. L24200MH1947PLC006104
Website: www.novartis.in

April 10, 2019

Mr. Jai Hiremath
191 A Maker Tower,
Cuffe Parade
Colaba,
Mumbai - 400005

RE-APPOINTMENT AS NON-EXECUTIVE INDEPENDENT DIRECTOR

We are pleased to inform you that the members of Novartis India Limited ('the Company') have approved your re-appointment as an Independent Director on the Board of Directors ('the Board') of the Company, by way of Postal Ballot on March 20, 2019.

The terms and conditions of your appointment as an Independent Director of the Company are set-out below. Your relationship with the Company will be that of an office holder and not one of contract for employment in the Company.

Your appointment is subject to the extant provisions of the Companies Act, 2013 ('the Act') read with Regulation 16(1)(b) and 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), as amended from time to time and the Articles of Association of the Company (the 'AOA').

1. APPOINTMENT & TENURE

You will hold office as an independent director.

Your re-appointment as an Independent Director will be for a period of 5 (five) years effective April 1, 2019 for a term up to March 31, 2024 unless vacated and/or terminated earlier, as per provisions of the applicable laws. This tenure is subject to your meeting the criteria for being an Independent Director and not being disqualified to be a Director under applicable laws on a continuous basis. As an Independent Director, you are not liable to retire by rotation.

Your appointment and continuation of office is subject to the applicable provisions of the Act and the Listing Regulations.

2. BOARD COMMITTEES

You shall continue as Chairman of the Audit Committee and Member of Nomination and Remuneration Committee, as approved by the Board previously.

3. TIME COMMITMENT

As an Independent Director, you are expected to bring objectivity and independence of view to the Board's deliberations and to help the Board with effective overview of the Company's strategy, performance, social commitments and risk management and ensure high standards of financial integrity and governance. You are required to perform the duties expected from you including (without limitation) attending Board/Committee meetings of which you are a member and shareholders meetings and to devote such time, as appropriate, for you to discharge your responsibilities and duties effectively.

4. ROLE & DUTIES

Your role and duties will be as set-out under the Act and the Listing Regulations including but not limited to the fiduciary duties associated with the office. Without prejudice to the roles, functions and duties specified in Schedule IV of the Act, you shall:

- (1) act in accordance with the AOA;
- (2) act in good faith in order to promote the objectives of the Company for the benefits of its members as a whole and in the best interest of the Company;
- (3) discharge responsibilities and duties with due and reasonable care, skill and diligence by exercising independent judgement;
- (4) strive to attend every meeting of the Board and its Committee(s) of which you are a member and general meetings;
- (5) strive to attend any other meetings, where your attendance is solicited;
- (6) provide strategic direction and also act as a constructive critic in evaluating the proposal and plans on strategic direction;
- (7) evaluate and scrutinise the performance of the management in meeting agreed goals and objectives;
- (8) satisfy yourself on the integrity of financial information and that financial controls and systems of risk management are robust and compliant with applicable laws;
- (9) keep yourself well informed about the Company and the external environment in which it operates; and
- (10) ensure that the vigil mechanism & whistle blower policy of the Company is implemented appropriately.

5. ADHERENCE TO THE CODE OF CONDUCT

During your tenure as an Independent Director of the Company, you are required to comply and abide with the provisions of the Act and the Listing Regulations including the following:

- (1) Code for Independent Directors outlined in Schedule IV of the Act and duties of Directors as provided in the Act including Section 166 of the Act



- (2) Novartis Code of Conduct for Board and Senior Management; and
- (3) Code of Conduct to regulate monitor and report trading by Insiders framed by the Company under the Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ("Insider Trading Code").

6. PROFESSIONAL CONDUCT AND CONFLICT OF INTEREST

- (1) You are also required to ensure that you do not participate in or vote at any meetings of the Board/Committees wherein you are an interested director;
- (2) You shall not achieve or attempt to achieve any undue gain or advantage either for yourself or for your relatives, partners, or associates;
- (3) You shall not allow any extraneous considerations to vitiate your exercise of objective independent judgment in the paramount interest of the Company as a whole, while concurring with or dissenting from the collective judgment of the Board in its decision making;
- (4) You shall not abuse your position to the detriment of the Company or its shareholders;
- (5) You shall not unfairly obstruct the functioning of the Board or Committee meeting(s);
- (6) You shall not put yourself in a position which results in a direct' or indirect conflict of interest or possible conflict of interest. with the Company; and
- (7) You shall not assign your office of an Independent Director and any assignments so made shall be void.

7. CONFIDENTIALITY

- (1) All information including commercial secrets, technologies, advertising and sales promotion plans related to the Company and / or Novartis Group that is acquired by you or provided to you during your tenure is confidential to the Company and should not be released/disclosed either during your tenure or following termination (by whatever means) to third parties without prior authorisation by the Board, unless such release/disclosure is required by law or by the rules of any stock exchange or regulatory body/authority. Accordingly, you are expected to maintain all agenda, notes, data, records and other documents in any way relating to the Company or the Company's business interest, as highly confidential and maintain them as inaccessible to others;
- (2) Your attention is also drawn to the requirements under the applicable regulations and the Insider Trading Code in relation to the disclosure of unpublished price sensitive information and dealing in the securities of the Company. Consequently, you should avoid making any statements or performing any transaction that might risk a breach of these requirements without prior clearance from the Board; and
- (3) At all times and. notwithstanding your ceasing to be an Independent Director of the Company, you are expected not to use such information for personal or professional benefit or disclose such confidential information to third parties who may use the same for their personal or professional benefit, or otherwise engage in any activity that would constitute insider trading.



8. DISCLOSURES OF INTEREST

- (1) It is accepted and acknowledged that you may have business interests other than those of the Company. As a condition of your appointment, you are required to submit various disclosures/ declarations under applicable laws and as per Company's policies including declarations with respect to any directorships, appointments and interests to the Board in writing. Further, in no event you shall hold directorship in companies beyond the limits specified in Section 165 of the Act (or) under the Listing Regulations
- (2) During the term of your appointment, you agree to promptly notify the Company of any change in your directorships and provide such disclosure and information as may be required under the applicable laws; and
- (3) You shall refrain from any action that would lead to loss of your independence. In the event that your circumstances seem likely to change which might give rise to conflict of interest or such change in your circumstances could lead the Board to revise its judgement regarding your independence, such changes or possible changes in your circumstances should be disclosed to the Board promptly.

9. EVALUATION

The Company shall carry out an evaluation of the performance of the Board as a whole and of the Committees and directors of the Board on an annual basis (or) at such intervals as per the Company's policy and as per applicable laws. The performance evaluation of independent directors shall be done by the entire Board, excluding the director being evaluated. Your appointment/ re-appointment on the Board shall be subject to the outcome of the annual evaluation process.

10. INDEPENDENT DIRECTORS' MEETING

A separate meeting of the Independent Directors will be held at least once every year without the attendance of the non-independent directors and the members of the management. The Company expects all the Independent Directors to strive to be present at this meeting.

12. DIRECTORS AND OFFICERS (D&O) LIABILITY INSURANCE POLICY

The Company has a Directors and Officers (D&O) liability insurance policy in place, under which all directors of the Company are covered.

13. REMUNERATION

As an Independent Director on the Board, you shall be entitled to:

1. Sitting fee of Rs. 50,000 or such fee as modified by the Board for attending each Board meeting and meetings of the Audit Committee thereof:
2. Commission, which is paid annually based upon the performance of the Company and the individual performance of each Director (cumulatively for all Non-Executive Directors), subject to the approval of the shareholders of the Company and in accordance with the applicable laws and the Act.
3. The Company may pay or reimburse such fare and reasonable expenditure, as may have been incurred by you while performing your role as an Independent Director of the Company. This could include reimbursement of expenditure incurred by you for



attending Board / Committee meetings, General Meetings, court convened meetings, meetings with shareholders/ creditors/ management, site visits, induction and training organized by the Company for its directors, subject to prior consultation with Board, in the furtherance of your duties as an Independent Director.

14. TERMINATION

1. You may resign from your position at any time by giving a notice in writing to the Company stating reasons of resignation. The resignation shall take effect from the date on which the notice is received by the Company or the date if any specified by you in the notice, whichever is later.
2. You shall cease to hold office of Independent Director if you fail to meet the criteria for an Independent Director mentioned in the Act and/or the Listing Regulations and/or if otherwise disqualified and you shall forthwith intimate the Company of such an event. In such an event, you agree to promptly submit your resignation to the Company with effect from date of such change.
3. The Company can also terminate your directorship in accordance with the procedure set out in Section 169 of the Act. Apart from the grounds of termination as specified in the Act, your directorship may be terminated for violation of any provisions of this appointment letter.

15. COOPERATION

In the event of any claim or litigation against the Company, based upon any alleged conduct, act or omission on your part during your term, you agree to render all reasonable assistance and cooperation to the Company and provide such information and documents as are necessary and reasonably required by the Company or its counsels.

16. PUBLICATION OF THE LETTER OF APPOINTMENT

In line with the provisions of the Act, the Company shall make public, the terms and conditions of your appointment and will also arrange for it to be displayed on the website of the Company and the stock exchange on which its securities are listed.

17. CHANGES IN PERSONAL DETAILS

During your term as an Independent Director, you shall promptly intimate the Company in the prescribed manner, of any change in address or other contact or personal details provided by you to the Company.

18. GENERAL

This letter and any non-contractual obligations arising out of or in connection with this letter are governed by and shall be construed in accordance with, the laws of India and the parties agree to submit to the exclusive jurisdiction of the courts in Mumbai.

19. ACCEPTANCE OF APPOINTMENT

We are confident that the Board and the Company will benefit immensely from your rich experience and expertise and we look forward to your association with us as an integral part of our Company.

Kindly accord and confirm your acceptance to the terms and conditions of your appointment by signing and returning a duplicate copy of this letter.



We thank you for your continued support and commitment to the Company.

With best regards,

For Novartis India Limited



Christopher Snook

Chairman

Independent Director's Acceptance:

I have read and understood the terms and conditions of my re-appointment as an Independent Director of the Company and I hereby affirm my acceptance to the same.

Signature

Date:

Annexures:

1. Novartis Code of Conduct
2. Code For Independent Directors as per Schedule IV of Companies Act, 2013



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Email: india.investors@novartis.com

CIN No. L24200MH1947PLC006104

Website: www.novartis.in

June 19, 2020

Mr. Sanker Parameswaran
Block 10, Laxmi Nivas,
Rifle Range, Ghatkopar West,
Mumbai - 400 086, India.

APPOINTMENT AS INDEPENDENT NON-EXECUTIVE DIRECTOR

We are pleased to inform you that the Board of Directors of Novartis India Limited (“the Company”), after considering the recommendation of the Nomination and Remuneration Committee has approved your appointment as an Additional Director (Independent and Non-Executive) of the Company, to hold office for a period of five (5) consecutive years with effect from June 22, 2020. Your appointment as an Independent Director of the Company will be subject to approval of the shareholders of the Company.

The terms and conditions of your appointment as an Independent Director of the Company are set-out below. Your relationship with the Company will be that of an office holder and not one of contract for employment in the Company.

Your appointment is subject to the extant provisions of the Companies Act, 2013 (“the Act”) read with Regulation 16(1)(b) and 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), as amended from time to time and the Articles of Association of the Company (the “AOA”).

1. APPOINTMENT & TENURE

You will hold office as an Independent Director.

Your appointment as an Independent Director will be for a period of 5 (five) consecutive years effective June 22, 2020 for a term up to June 21, 2025 unless vacated and/or terminated earlier, as per provisions of the applicable laws. This tenure is subject to your meeting the criteria for being an Independent Director and not being disqualified to be a Director under applicable laws on a continuous basis. As an Independent Director, you are not liable to retire by rotation.

Your appointment and continuation of office is subject to the applicable provisions of the Act and the SEBI Listing Regulations.

2. BOARD COMMITTEES

You shall be the Member of the Audit Committee and Stakeholders Relationship Committee, as approved by the Board.

3. TIME COMMITMENT

As an Independent Director, you are expected to bring objectivity and independence of view to the Board's deliberations and to help the Board with effective overview of the Company's strategy, performance, social commitments and risk management and ensure high standards of financial integrity and governance. You are required to perform the duties expected from you including (without limitation) attending Board/Committee meetings of which you are a member and shareholders meetings and to devote such time, as appropriate, for you to discharge your responsibilities and duties effectively.

4. ROLE & DUTIES

Your role and duties will be as set-out under the Act and the SEBI Listing Regulations including but not limited to the fiduciary duties associated with the office. Without prejudice to the roles, functions and duties specified in Schedule IV of the Act, you shall:

- (1) act in accordance with the AOA;
- (2) act in good faith in order to promote the objectives of the Company for the benefits of its members as a whole and in the best interest of the Company;
- (3) discharge responsibilities and duties with due and reasonable care, skill and diligence by exercising independent judgement;
- (4) strive to attend every meeting of the Board and its Committee(s) of which you are a member and general meetings;
- (5) strive to attend any other meetings, where your attendance is solicited;
- (6) provide strategic direction and also act as a constructive critic in evaluating the proposal and plans on strategic direction;
- (7) evaluate and scrutinize the performance of the management in meeting agreed goals and objectives;
- (8) satisfy yourself on the integrity of financial information and that financial controls and systems of risk management are robust and compliant with applicable laws;
- (9) keep yourself well informed about the Company and the external environment in which it operates; and
- (10) ensure that the vigil mechanism & whistle blower policy of the Company is implemented appropriately.



5. ADHERENCE TO THE CODE OF CONDUCT

During your tenure as an Independent Director of the Company, you are required to comply and abide with the provisions of the Act and the SEBI Listing Regulations including the following:

- (1) Code for Independent Directors outlined in Schedule IV of the Act and duties of Directors as provided in the Act including Section 166 of the Act.
- (2) Novartis Code of Conduct for Board and Senior Management; and
- (3) Code of Conduct to regulate monitor and report trading by Insiders framed by the Company under the Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ("Insider Trading Code").

6. PROFESSIONAL CONDUCT AND CONFLICT OF INTEREST

- (1) You are also required to ensure that you do not participate in or vote at any meetings of the Board/Committees wherein you are an interested director;
- (2) You shall not achieve or attempt to achieve any undue gain or advantage either for yourself or for your relatives, partners, or associates;
- (3) You shall not allow any extraneous considerations to vitiate your exercise of objective independent judgment in the paramount interest of the Company as a whole, while concurring with or dissenting from the collective judgment of the Board in its decision making;
- (4) You shall not abuse your position to the detriment of the Company or its shareholders;
- (5) You shall not unfairly obstruct the functioning of the Board or Committee meeting(s);
- (6) You shall not put yourself in a position which results in a direct' or indirect conflict of interest or possible conflict of interest. with the Company; and
- (7) You shall not assign your office of an Independent Director and any assignments so made shall be void.

7. CONFIDENTIALITY

- (1) All information including commercial secrets, technologies, advertising and sales promotion plans related to the Company and / or Novartis Group that is acquired by you or provided to you during your tenure is confidential to the Company and should not be released/disclosed either during your tenure or following termination (by whatever means) to third parties without prior authorisation by the Board, unless such release/disclosure is required by law or by the rules of any stock exchange or regulatory body/authority. Accordingly, you are expected to maintain all agenda, notes, data, records and other documents in any way relating to the Company or the Company's business interest, as highly confidential and maintain them as inaccessible to others;
- (2) Your attention is also drawn to the requirements under the applicable regulations and the Insider Trading Code in relation to the disclosure of unpublished price sensitive information and dealing in the securities of the Company. Consequently, you should



avoid making any statements or performing any transaction that might risk a breach of these requirements without prior clearance from the Board; and

- (3) At all times and notwithstanding your ceasing to be an Independent Director of the Company, you are expected not to use such information for personal or professional benefit or disclose such confidential information to third parties who may use the same for their personal or professional benefit, or otherwise engage in any activity that would constitute insider trading.

8. DISCLOSURES OF INTEREST

- (1) It is accepted and acknowledged that you may have business interests other than those of the Company. As a condition of your appointment, you are required to submit various disclosures/ declarations under applicable laws and as per Company's policies including declarations with respect to any directorships, appointments and interests to the Board in writing. Further, in no event you shall hold directorship in companies beyond the limits specified in Section 165 of the Act (or) under the SEBI Listing Regulations
- (2) During the term of your appointment, you agree to promptly notify the Company of any change in your directorships and provide such disclosure and information as may be required under the applicable laws; and
- (3) You shall refrain from any action that would lead to loss of your independence. In the event that your circumstances seem likely to change which might give rise to conflict of interest or such change in your circumstances could lead the Board to revise its judgement regarding your independence, such changes or possible changes in your circumstances should be disclosed to the Board promptly.

9. EVALUATION

The Company shall carry out an evaluation of the performance of the Board as a whole and of the Committees and directors of the Board on an annual basis (or) at such intervals as per the Company's policy and as per applicable laws. The performance evaluation of independent directors shall be done by the entire Board, excluding the director being evaluated. Your appointment/ re-appointment on the Board shall be subject to the outcome of the annual evaluation process.

10. INDEPENDENT DIRECTORS' MEETING

A separate meeting of the Independent Directors will be held at least once every year without the attendance of the non-independent directors and the members of the management. The Company expects all the Independent Directors to strive to be present at this meeting.

11. DIRECTORS AND OFFICERS (D&O) LIABILITY INSURANCE POLICY

The Company has a Directors and Officers (D&O) liability insurance policy in place, under which all directors of the Company are covered.



12. REMUNERATION

As an Independent Director on the Board, you shall be entitled to:

- (1) Sitting fee of Rs. 50,000 or such fee as modified by the Board for attending each Board meeting and meetings of the Audit Committee thereof.
- (2) Commission, which is paid annually based upon the performance of the Company and the individual performance of each Director (cumulatively for all Non-Executive Directors), subject to the approval of the shareholders of the Company and in accordance with the applicable laws and the Act.
- (3) The Company may pay or reimburse such fare and reasonable expenditure, as may have been incurred by you while performing your role as an Independent Director of the Company. This could include reimbursement of expenditure incurred by you for attending Board / Committee meetings, General Meetings, court convened meetings, meetings with shareholders/ creditors/ management, site visits, induction and training organized by the Company for its directors, subject to prior consultation with Board, in the furtherance of your duties as an Independent Director.

13. TERMINATION

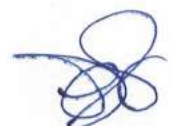
- (1) You may resign from your position at any time by giving a notice in writing to the Company stating reasons of resignation. The resignation shall take effect from the date on which the notice is received by the Company or the date if any specified by you in the notice, whichever is later.
- (2) You shall cease to hold office of Independent Director if you fail to meet the criteria for an Independent Director mentioned in the Act and/or the SEBI Listing Regulations and/or if otherwise disqualified and you shall forthwith intimate the Company of such an event. In such an event, you agree to promptly submit your resignation to the Company with effect from date of such change.
- (3) The Company can also terminate your directorship in accordance with the procedure set out in Section 169 of the Act. Apart from the grounds of termination as specified in the Act, your directorship may be terminated for violation of any provisions of this appointment letter.

14. CO-OPERATION

In the event of any claim or litigation against the Company, based upon any alleged conduct, act or omission on your part during your term, you agree to render all reasonable assistance and cooperation to the Company and provide such information and documents as are necessary and reasonably required by the Company or its counsels.

15. PUBLICATION OF THE LETTER OF APPOINTMENT

In line with the provisions of the Act, the Company shall make public, the terms and conditions of your appointment and will also arrange for it to be displayed on the website of the Company and the stock exchange on which its securities are listed.



16. CHANGES IN PERSONAL DETAILS

During your term as an Independent Director, you shall promptly intimate the Company in the prescribed manner, of any change in address or other contact or personal details provided by you to the Company.

17. GENERAL

This letter and any non-contractual obligations arising out of or in connection with this letter are governed by and shall be construed in accordance with, the laws of India and the parties agree to submit to the exclusive jurisdiction of the courts in Mumbai.

18. ACCEPTANCE OF APPOINTMENT

We are confident that the Board and the Company will benefit immensely from your rich experience and expertise and we look forward to your association with us as an integral part of our Company.

Kindly accord and confirm your acceptance to the terms and conditions of your appointment by signing and returning a duplicate copy of this letter.

We thank you for your commitment to the Company.

With best regards,

For Novartis India Limited



Christopher Snook
Chairman

Independent Director's Acceptance:

I have read and understood the terms and conditions of my appointment as an Independent Director of the Company and I hereby affirm my acceptance to the same.

Signature:

Date:

Annexures:

1. Novartis Code of Conduct
2. Code for Independent Directors as per Schedule IV of Companies Act, 2013
3. Code of Conduct to regulate, monitor and report share trading by Designated Persons and their immediate relatives
4. Committees – Terms of reference



Ranjit Shahani
Vice- Chairman and
Managing Director

Novartis India Limited
Registered Office:
Sandoz House
Shivsagar Estate
Dr. Annie Besant Road
Worli, Mumbai 400 018
India

Tel + 91 22 2495 4469
Fax + 91 22 2497 3938
Email: ranjit.shahani@novartis.com
CIN No. L24200MH1947PLC006104
Website: www.novartis.in

August 3, 2016

Ms. Sandra Martyres
501, Le Fonz,
12 Mount Carmel Road,
Bandra West,
Mumbai – 400 050

APPOINTMENT AS NON-EXECUTIVE INDEPENDENT DIRECTOR

We are pleased to inform you that the members of the Company at the 68th Annual General Meeting held on July 29, 2016 approved your appointment as an Independent Director on the Board of Director ("the Board") of the Company. This letter confirms your appointment on the Board and outlines the terms of the Appointment.

The terms and condition of your appointment are as under:

1. The Appointment is for a term up to April 18, 2021. The Appointment may be terminated at any time by the Company in accordance with the Articles of Association of the Company or the provisions of the Companies Act, 2013, or upon your resignation.
2. The Board has already decided to induct you as member of the Audit Committee and the Corporate Social Responsibility Committee.
3. As member of the Board, you are expected to:
 - a) regularly attend Board, Committee and General meetings of the Company;
 - b) be informed on agenda items of the meetings;
 - c) participate fully and openly in meetings of the Company, sharing insights, ideas and suggestions and make sound decisions;
 - d) contribute knowledge and express opinions based on experience;
 - e) exercise their powers and duties in good faith and in the best interests of the Company and for a proper purpose and apply independent judgement in the exercise of their powers;
 - f) avoid conflicts between their duties to the Company and their personal interests or their duties to others;
 - g) observe good corporate governance standards;
 - h) act in accordance with all applicable laws and Novartis Code of Conduct (**Annexure 1**); and
 - i) comply with Code for Independent Directors as per Schedule IV of Companies Act, 2013 (**Annexure 2**).



Ranjit Shahani
Vice- Chairman and
Managing Director

Novartis India Limited
Registered Office:
Sandoz House
Shivsagar Estate
Dr. Annie Besant Road
Worli, Mumbai 400 018
India

Tel + 91 22 2495 4469
Fax + 91 22 2497 3938
Email: ranjit.shahani@novartis.com
CIN No. L24200MH1947PLC006104
Website: www.novartis.in

4. As a Board member, you have responsibility towards the shareholders and you are expected to:
- act in good faith in order to promote the objects of the Company for the benefit of its members as a whole, and in the best interests of the Company;
 - not achieve or attempt to achieve any undue gain or advantage either to themselves or to their relatives, partners, or associates; and
 - maintain confidentiality and not disclose or make use of confidential information relating to the Company for any purposes, other than for the benefit of the Company.

Please note that non fulfilment of these responsibilities can lead you and Novartis to various liabilities.

5. Novartis takes a global Directors' and Officers' Insurance Policy which covers all Director and Executive Officers of the Company, in any Novartis group Company across the globe. This policy will cover you from any fines / liabilities arising out of your role as Independent Director. You may obtain details of this policy from the Company.
6. The Members of the Company have authorized the Board to take decision on the remuneration to Non-Executive Independent Directors. The Board has decided to remunerate the Directors only by way of commission on the net profits of the Company. The Board decides the commission every year, based on market benchmark and profits of the Company.

We look forward to your long and beneficial association with us.

Yours sincerely


Ranjit Shahani
Vice Chairman & Managing Director

Annexures:

- Novartis Code of Conduct
- Code For Independent Directors as per Schedule IV of Companies Act, 2013



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Website: www.novartis.in

DRAFT

February 11, 2021

Ms. Sandra Martyres
501, Le Fonz, Plot 58, CTS – B/ 329
12, Mount Carmel Road,
Mehboob Studios, Bandra - West

RE-APPOINTMENT AS NON-EXECUTIVE INDEPENDENT DIRECTOR

We are pleased to inform you that the Board of Directors of the Novartis India Limited (“the Company”), after considering the recommendation of the Nomination and Remuneration Committee have approved your re-appointment as an Independent Director of the Company, to hold office for a period of five (5) consecutive years with effect from April 19, 2021.

The said re-appointment as an Independent Director will be subject to the approval of the shareholders of the Company.

The terms and conditions of your re-appointment as an Independent Director of the Company are set-out below. Your relationship with the Company will be that of an office holder and not one of contract for employment in the Company.

Your re-appointment is subject to the extant provisions of the Companies Act, 2013 (“the Act”) read with Regulation 16(1)(b) and 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), as amended from time to time and the Articles of Association of the Company (the “AOA”).

1. APPOINTMENT & TENURE

You will hold office as an Independent Director.

Your re-appointment as an Independent Director will be for a period of 5 (five) consecutive years effective April 19, 2021 for a term up to April 18, 2026 unless vacated and/or terminated earlier, as per provisions of the applicable laws. This tenure is subject to your meeting the criteria for being an Independent Director and not being disqualified to be a Director under applicable laws on a continuous basis. As an Independent Director, you are not liable to retire by rotation.

Your re-appointment and continuation of office is subject to the applicable provisions of the Act and the SEBI Listing Regulations.

2. BOARD COMMITTEES

You shall be the Member of the Audit Committee, Corporate Social Responsibility Committee and Chairperson of the Nomination and Remuneration Committee, as approved by the Board.

3. TIME COMMITMENT

As an Independent Director, you are expected to bring objectivity and independence of view to the Board's deliberations and to help the Board with effective overview of the Company's strategy, performance, social commitments and risk management and ensure high standards of financial integrity and governance. You are required to perform the duties expected from you including (without limitation) attending Board/Committee meetings of which you are a member and shareholders meetings and to devote such time, as appropriate, for you to discharge your responsibilities and duties effectively.

4. ROLE & DUTIES

Your role and duties will be as set-out under the Act and the SEBI Listing Regulations including but not limited to the fiduciary duties associated with the office. Without prejudice to the roles, functions and duties specified in Schedule IV of the Act, you shall:

- (1) act in accordance with the AOA;
- (2) act in good faith in order to promote the objectives of the Company for the benefits of its members as a whole and in the best interest of the Company;
- (3) discharge responsibilities and duties with due and reasonable care, skill and diligence by exercising independent judgement;
- (4) strive to attend every meeting of the Board and its Committee(s) of which you are a member and general meetings;
- (5) strive to attend any other meetings, where your attendance is solicited;
- (6) provide strategic direction and also act as a constructive critic in evaluating the proposal and plans on strategic direction;
- (7) evaluate and scrutinize the performance of the management in meeting agreed goals and objectives;
- (8) satisfy yourself on the integrity of financial information and that financial controls and systems of risk management are robust and compliant with applicable laws;
- (9) keep yourself well informed about the Company and the external environment in which it operates; and
- (10) ensure that the vigil mechanism & whistle blower policy of the Company is implemented appropriately.

5. ADHERENCE TO THE CODE OF CONDUCT

During your tenure as an Independent Director of the Company, you are required to comply and abide with the provisions of the Act and the SEBI Listing Regulations including the following:

- (1) Code for Independent Directors outlined in Schedule IV of the Act and duties of Directors as provided in the Act including Section 166 of the Act.
- (2) Novartis Code of Ethics for Board and Senior Management; and
- (3) Code of Conduct to regulate monitor and report trading by Insiders framed by the Company under the Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (“Insider Trading Code”).

6. PROFESSIONAL CONDUCT AND CONFLICT OF INTEREST

- (1) You are also required to ensure that you do not participate in or vote at any meetings of the Board/Committees wherein you are an interested director;
- (2) You shall not achieve or attempt to achieve any undue gain or advantage either for yourself or for your relatives, partners, or associates;
- (3) You shall not allow any extraneous considerations to vitiate your exercise of objective independent judgment in the paramount interest of the Company as a whole, while concurring with or dissenting from the collective judgment of the Board in its decision making;
- (4) You shall not abuse your position to the detriment of the Company or its shareholders;
- (5) You shall not unfairly obstruct the functioning of the Board or Committee meeting(s);
- (6) You shall not put yourself in a position which results in a direct or indirect conflict of interest or possible conflict of interest with the Company; and
- (7) You shall not assign your office of an Independent Director and any assignments so made shall be void.

7. CONFIDENTIALITY

- (1) All information including commercial secrets, technologies, advertising and sales promotion plans related to the Company and / or Novartis Group that is acquired by you or provided to you during your tenure is confidential to the Company and should not be released/disclosed either during your tenure or following termination (by whatever means) to third parties without prior authorisation by the Board, unless such release/disclosure is required by law or by the rules of any stock exchange or regulatory body/authority. Accordingly, you are expected to maintain all agenda, notes, data, records and other documents in any way relating to the Company or the Company's business interest, as highly confidential and maintain them as inaccessible to others;
- (2) Your attention is also drawn to the requirements under the applicable regulations and the Insider Trading Code in relation to the disclosure of unpublished price sensitive information and dealing in the securities of the Company. Consequently, you should

avoid making any statements or performing any transaction that might risk a breach of these requirements without prior clearance from the Board; and

- (3) At all times and notwithstanding your ceasing to be an Independent Director of the Company, you are expected not to use such information for personal or professional benefit or disclose such confidential information to third parties who may use the same for their personal or professional benefit, or otherwise engage in any activity that would constitute insider trading.

8. DISCLOSURES OF INTEREST

- (1) It is accepted and acknowledged that you may have business interests other than those of the Company. As a condition of your re-appointment, you are required to submit various disclosures/ declarations under applicable laws and as per Company's policies including declarations with respect to any directorships, appointments and interests to the Board in writing. Further, in no event you shall hold directorship in companies beyond the limits specified in Section 165 of the Act (or) under the SEBI Listing Regulations
- (2) During the term of your re-appointment, you agree to promptly notify the Company of any change in your directorships and provide such disclosure and information as may be required under the applicable laws; and
- (3) You shall refrain from any action that would lead to loss of your independence. In the event that your circumstances seem likely to change which might give rise to conflict of interest or such change in your circumstances could lead the Board to revise its judgement regarding your independence, such changes or possible changes in your circumstances should be disclosed to the Board promptly.

9. EVALUATION

The Company shall carry out an evaluation of the performance of the Board as a whole and of the Committees and directors of the Board on an annual basis (or) at such intervals as per the Company's policy and as per applicable laws. The performance evaluation of independent directors shall be done by the entire Board, excluding the director being evaluated. Your appointment/ re-appointment on the Board shall be subject to the outcome of the annual evaluation process.

10. INDEPENDENT DIRECTORS' MEETING

A separate meeting of the Independent Directors will be held at least once every year without the attendance of the non-independent directors and the members of the management. The Company expects all the Independent Directors to strive to be present at this meeting.

11. DIRECTORS AND OFFICERS (D&O) LIABILITY INSURANCE POLICY

The Company has a Directors and Officers (D&O) liability insurance policy in place, under which all directors of the Company are covered.

12. REMUNERATION

As an Independent Director on the Board, you shall be entitled to:

- (1) Sitting fee of Rs. 50,000 or such fee as modified by the Board for attending each Board meeting and meetings of the Audit Committee thereof:
- (2) Commission, which is paid annually based upon the performance of the Company and the individual performance of each Director (cumulatively for all Non-Executive Directors), subject to the approval of the shareholders of the Company and in accordance with the applicable laws and the Act.
- (3) The Company may pay or reimburse such fare and reasonable expenditure, as may have been incurred by you while performing your role as an Independent Director of the Company. This could include reimbursement of expenditure incurred by you for attending Board / Committee meetings, General Meetings, court convened meetings, meetings with shareholders/ creditors/ management, site visits, induction and training organized by the Company for its directors, subject to prior consultation with Board, in the furtherance of your duties as an Independent Director.

13. TERMINATION

- (1) You may resign from your position at any time by giving a notice in writing to the Company stating reasons of resignation. The resignation shall take effect from the date on which the notice is received by the Company or the date if any specified by you in the notice, whichever is later.
- (2) You shall cease to hold office of Independent Director if you fail to meet the criteria for an Independent Director mentioned in the Act and/or the SEBI Listing Regulations and/or if otherwise disqualified and you shall forthwith intimate the Company of such an event. In such an event, you agree to promptly submit your resignation to the Company with effect from date of such change.
- (3) The Company can also terminate your directorship in accordance with the procedure set out in Section 169 of the Act. Apart from the grounds of termination as specified in the Act, your directorship may be terminated for violation of any provisions of this re-appointment letter.

14. CO-OPERATION

In the event of any claim or litigation against the Company, based upon any alleged conduct, act or omission on your part during your term, you agree to render all reasonable assistance and cooperation to the Company and provide such information and documents as are necessary and reasonably required by the Company or its counsels.

15. PUBLICATION OF THE LETTER OF APPOINTMENT

In line with the provisions of the Act, the Company shall make public, the terms and conditions of your appointment and will also arrange for it to be displayed on the website of the Company and the stock exchange on which its securities are listed.

16. CHANGES IN PERSONAL DETAILS

During your term as an Independent Director, you shall promptly intimate the Company in the prescribed manner, of any change in address or other contact or personal details provided by you to the Company.

17. GENERAL

This letter and any non-contractual obligations arising out of or in connection with this letter are governed by and shall be construed in accordance with, the laws of India and the parties agree to submit to the exclusive jurisdiction of the courts in Mumbai.

18. ACCEPTANCE OF RE-APPOINTMENT

We are confident that the Board and the Company will benefit immensely from your rich experience and expertise and we look forward to your association with us as an integral part of our Company.

Kindly accord and confirm your acceptance to the terms and conditions of your appointment by signing and returning a duplicate copy of this letter.

We thank you for your continued support and commitment to the Company.

With best regards,

For Novartis India Limited

Christopher Snook
Chairman

Independent Director's Acceptance:

I have read and understood the terms and conditions of my re-appointment as an Independent Director of the Company and I hereby affirm my acceptance to the same.

Signature:

Date:

Annexures:

1. Novartis Code of Ethics
2. Code for Independent Directors as per Schedule IV of Companies Act, 2013
3. Code of Conduct to regulate, monitor and report share trading by Designated Persons and their immediate relatives
4. Committees – Terms of reference

Code of



Our commitment to doing what's right



Our Code of

ETHICS

Novartis has a purpose that is profoundly important for the world – to reimagine medicine to improve and extend people’s lives.

We discover and develop breakthrough treatments and find new ways to deliver them to as many people as possible. Collectively, our work touches the lives of nearly one billion people every year, and we have a tremendous impact on humanity.

We aren’t just working to improve the world of medicine—we are reimagining it. Our company endeavors to quite literally push the boundaries of human understanding, pioneer new ways of treating disease, embrace data science and technology, provide access in ways no medicines company has ever done before, and much, much more. And we do it all against the backdrop of an ever-changing, complex, and interconnected world.

A purpose like ours, matched with those bold ambitions, requires us to do things differently. The world rightfully has the highest expectations of our company, and only through a deep and actionable commitment to ethics can we strengthen and maintain trust with society.

That is why we are proud to share with you our new Code of Ethics. Co-created with associates to reflect the very different

contexts we operate in around the globe, our new Code will serve as a guide for decision-making to help all of us navigate situations that are complex or unclear. It is designed to drive meaningful conversations around ethics, and most importantly, to help us all do what is right.

We encourage you to spend time with our new Code of Ethics, to speak about it with your colleagues, and most importantly, to come back to it when you’re looking for the right path forward in anything you’re doing, whether it seems big or small.

When it comes down to it, Novartis is not our buildings and structures and processes—it is our people. It’s all of us. If we all bring our Code of Ethics to life and use it to guide our individual work, we’ll build lasting trust with society—and our efforts to reimagine medicine will transform the health of the world.

Vas Narasimhan

Chief Executive Officer on behalf of the Executive Committee

Joerg Reinhardt

Chairman of the Board

Doing what's right

Sometimes doing what's right is easier said than done. There are times when we all could use a little help to feel confident that we are making good choices.

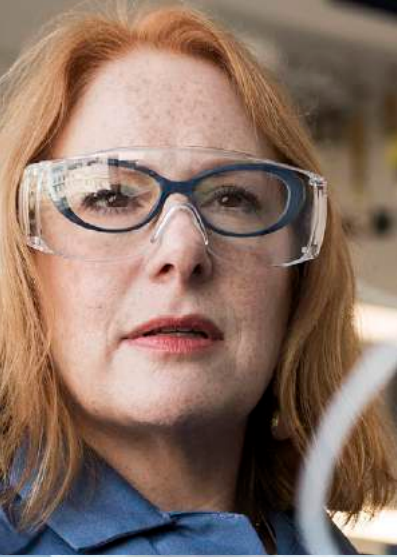
Our Code of Ethics is here to do that.

It sets out who we are, what we stand for, and the principles we hold ourselves accountable to. Put simply, it explains our commitments to doing what's right, and helps us make good choices.

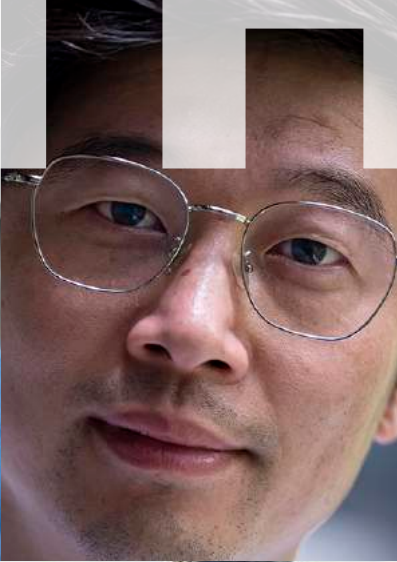
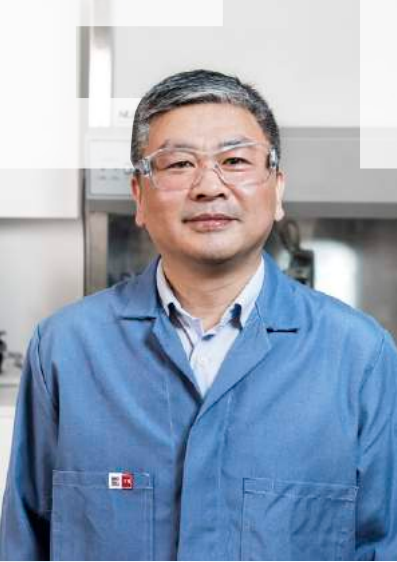
While our purpose - to reimagine medicine to improve and extend lives - drives our values and defines our culture of inspired, curious and unbossed, our ethical principles guide us in our everyday decision-making and ensure we act with integrity.

Our ethical principles

Be Open-minded	Be Honest	Be Bold	Be Accountable
<p>Am I actively listening to ideas or concerns?</p> <p>Am I questioning the impact of my decisions?</p> <p>Am I valuing the perspective of others?</p>	<p>Am I acting with clear intent?</p> <p>Am I avoiding harm?</p> <p>Am I speaking up?</p>	<p>Am I standing up for what I believe?</p> <p>Am I putting patients first?</p> <p>Am I making a positive difference?</p>	<p>Am I taking responsibility for my decisions?</p> <p>Am I treating others as I would like to be treated?</p> <p>Am I putting the team before myself?</p>



Our Code of



How do the ethical principles help us?

Our ethical principles support each of us to make good decisions.

They are underpinned by a simple set of questions we can all ask ourselves as we go through our own decision-making processes. Apply these to our commitments to challenge our thinking and ways of working.

In times when we need deeper reflection, our ethical decision-making framework will help us apply these ethical principles, guiding us towards the right choice and enabling us to continue doing what's right.

When we think about the standard of behavior we expect from ourselves and each other across Novartis, our values and ethical principles should come to mind. We must ensure that we adhere to the local laws and regulations of the markets in which we operate.

Be Open-minded

Be Honest

Be Bold

Be Accountable

Our commitments

In this section, we provide an outline of our commitments.

We explain why these areas are important and how these commitments help us to show up as a trusted partner.

The commitments are a point of reference for all of us and provide clarity about the behaviors we expect to see from ourselves and others. Our ethical principles and decision-making framework will guide you in living these commitments and support you to do what's right.

Access to medicines

Animal welfare

Anti-corruption

Antitrust and fair competition

Artificial intelligence

Business continuity and crisis management

Conflicts of interest

Customs and trade compliance

Data use

Diversity and inclusion

Drug safety

Environmental sustainability

Fair employment practices

Financial integrity

Health and safety

Human rights

Information and cyber security

Insider trading

Professional practices

Research and development

Responsible lobbying

Third party risk management

Access to medicines

Our commitment

To bring more of our medicines to more people, no matter where they are.

We will systematically integrate access strategies into how we research, develop and deliver all our new medicines globally.

Why it matters

Many people still lack access to essential medicines and healthcare. As the size and complexity of the world's healthcare challenges continue to grow, we want to extend our impact addressing the needs of underserved patient populations.

Animal welfare

Our commitment

To refine, reduce or replace animal studies wherever possible.

We will uphold the highest standards in animal welfare in all of our animal studies as we strive to deliver safe, effective and transformative medicines to millions of patients around the world.

Why it matters

The welfare of animals in Novartis studies is a primary concern to us for reasons of ethics, accuracy, reliability and applicability of scientific studies. Good animal welfare is a prerequisite for good science.

Anti-corruption

Our commitment

To not tolerate any form of bribery or corruption.

We will not give, offer or promise to give anything of value or accept, request or agree to receive anything of value for the purpose of improperly influencing any decisions. We will not use third parties to commit acts of bribery or corruption.

Why it matters

To improve access to medicine we need to address corruption. It erodes trust in both governments and business, and reduces access to public services including health and education.

Antitrust and fair competition

Our commitment

To engage in fair competition and compete on the merits of our products.

We will not engage in agreements or conduct that unlawfully prevent or restrict competition. We are proud to compete on the merits of our products alone.

Why it matters

Competition drives innovation and leads to greater choice of higher quality products at competitive prices, benefiting patients and society.

Artificial intelligence

Our commitment

To deploy artificial intelligence (AI) systems in a transparent and responsible way.

We will ensure that the use of AI systems has a clear purpose that is respectful of human rights, and is accurate, truthful, not misleading, and appropriate for their intended context.

Why it matters

AI can help Novartis increase patient access, improve customer experience, drive automation, provide predictive analytics and detect potential misconduct. It also has the potential to be used to improve the speed and accuracy of diagnosis, treatment protocols, drug discovery, drug development, patient monitoring, and patient care, among other applications that will improve patients' lives and optimize the healthcare ecosystem.

Business continuity and crisis management

Our commitment

To ensure uninterrupted supply of key products and services to patients.

We will take all reasonable precautions to protect patients, associates, assets and the business from a disruptive incident.

Why it matters

Our medicines save and prolong people's lives. Patients, associates and our business rely on the continuous supply of our products.

Conflicts of interest

Our commitment

To ensure our business judgement is not influenced by personal interests.

We will disclose and manage potential, perceived and existing conflicts of interest.

Why it matters

To maintain trust and confidence with all our stakeholders, we must ensure that we make decisions that are in the best interest of Novartis.

Customs and trade compliance

Our commitment

To comply with customs regulations, export controls, and trade sanctions laws.

We will ensure that we do not engage with persons or companies that have been placed by governments on sanctioned party lists. We will comply with regulations and laws that govern the distribution and use of our products in markets in which we choose to operate.

Why it matters

Complying with customs regulations, export controls, and trade sanctions laws allows us to deliver our medicines in a timely manner to patients who need them, whilst building trust with society.

Data use

Our commitment

To use personal information that we are entrusted with in a responsible way.

We will adhere to our Data Privacy principles and ensure our external service providers also commit to these principles.

Why it matters

The responsible use of data helps us maintain trust with stakeholders, including associates, patients, health care professionals and society. It ensures we will continue to have access to the kind of data we need to innovate and operate.

Diversity and inclusion

Our commitment

To create a diverse and inclusive environment that treats all associates with dignity and respect.

We will educate our people on inclusivity and provide all associates with equal opportunities to contribute to our company and advance their careers.

We will listen to different communities with a learning mindset, to do what we can to contribute to building a world that is safer and more inclusive.

Why it matters

Being inclusive of all individuals helps us to generate new ideas, drive innovation, understand our stakeholders and be closer to patients.

Drug safety

Our commitment

To follow strict safety monitoring and evaluation processes at every stage of the product lifecycle.

We will report adverse events within 24 hours of discovery to the Novartis Safety Department and quality complaints to Quality Assurance, and then transparently communicate the risks of our medicines and devices to regulatory authorities.

Why it matters

The safety of medicines and treatment of patients worldwide is of critical importance. Medicines and treatments can have potentially undesirable effects. Reporting those adverse events is critical in order to take appropriate actions to safeguard patient safety.

Environmental sustainability

Our commitment

To minimize the environmental impact of our activities and products over their lifecycle.

We will strive for a positive effect on climate, by reducing our carbon footprint, waste and water usage and making efficient use of natural resources.

Why it matters

As members of society, we have to protect the environment for future generations.

Fair employment practices

Our commitment

To create a safe place to work, where all of our associates have an equal opportunity to succeed.

We will not tolerate discrimination, harassment, retaliation, bullying or incivility. We value the contributions of all of our associates, and encourage them to express themselves and their opinions freely in a professional way.

Why it matters

Fair employment practices benefit all our associates, as well as society, and provides the integral foundation to support our commitment to human rights.

Financial integrity

Our commitment

To 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.

Why it matters

Proper oversight and accountability of Novartis assets helps us meet our financial, legal and regulatory obligations, ensuring that we remain a trusted partner.

Health and safety

Our commitment

To protect and promote the health and safety of our associates, contractors, visitors, patients and the communities in which we operate.

We ensure a rigorous process to identify and mitigate health and safety risks, and promote leading health and safety best practices.

Why it matters

To reimagine medicine, maintaining a healthy, safe and environmentally friendly workplace for our associates, contractors, vendors and visitors is key. Taking care of our own people enables them to help take care of our patients.

Human rights

Our commitment

To conduct our business in a manner that respects the rights and dignity of all people.

We will strive to prevent, mitigate and remedy adverse human rights impacts throughout our workplace, business operations and in the communities in which we work. We want to protect people from abuse by those who are more powerful.

Why it matters

Respect for human rights is an ethical obligation and an opportunity for transformative change in people's lives.

Information and cyber security

Our commitment

To protect our data and technology and ensure that information is kept safe from theft, loss, misuse or disclosure.

We will take accountability for the information and technology we handle.

Why it matters

Having access to the right information is instrumental to achieving our vision. At the same time, we have an obligation to safeguard our patients' and partners' information.

Insider trading

Our commitment

To not engage in insider trading.

We will not misuse insider information, or other non-public information that could have an impact on the price of Novartis securities or the securities of any other company with which we do business.

Why it matters

The public and our investors must be able to trust we do business with integrity. Using inside information for personal gain, or for recommending to another person to buy or sell Novartis shares or the securities of any other company with which we do business creates an uneven playing field for investors.

Professional practices

Our commitment

To maintain high standards of ethical business conduct.

We are committed to the same high standards of ethical business conduct wherever we do business. We will adhere to our P3 principles, which help to guide our daily decision-making.

Why it matters

Interacting in an ethical manner and operating with integrity has a profound impact on finding new ways to expand patient access to our treatments and building trust with society.

Research and development

Our commitment

To conduct research and development for the right reasons.

We will respect the rights, safety and dignity of individuals and communities, protect scientific integrity and strive to advance the practice of medicine. We will make sure that any data or information that we create or are responsible for, is true, accurate and fair. We do not make false or misleading statements.

Why it matters

Patients, associates, shareholders, healthcare partners and society must be able to trust that we conduct research ethically and with integrity. Without their trust, our efforts to reimagine medicine will be compromised.

Responsible lobbying

Our commitment

To share fact-based information in a transparent way, and take the perspectives of all relevant stakeholders into account.

We will engage in public discourse on issues of societal and political nature that are linked to our mission of reimagining medicine and our ability to deliver breakthrough innovation.

Why it matters

Contributing to the development of policies that are beneficial for society builds trust. Data and insights provided to policy makers enables them to make better informed decisions to help improve patient outcomes.

Third party risk management

Our commitment

To work with third parties who operate in a manner that is consistent with our values and ethical principles.

We will select the parties best suited for our business and society based on objective criteria, evidencing their competence, integrity, and other relevant merits. We will strive to ensure that throughout our relationship, the third party continues to uphold the same standards.

Why it matters

Our success depends on strong, reliable and reputable partners. They help us build trust with all of our stakeholders by living up to the same standards.

If we all bring our Code of Ethics to life and use it to guide our individual work, we'll build lasting trust with society.

Our responsibilities

Accountabilities

Upholding our commitments will take leadership from each of us. We are all personally accountable for adhering to our Novartis Code of Ethics, as well as our Novartis policies, guidelines and local laws. In case of uncertainty we are responsible for seeking advice from the local Ethics, Risk & Compliance function or any other support or assurance function.

and other associates involved in the investigation.

Every complaint is taken seriously. Any associate who raises a potential misconduct concern, assists or provides information during an investigation, or otherwise acts in good faith in the best interests of Novartis will be protected against retaliatory action.

Breaches

Breaches of this Code of Ethics, as well as our policies, guidelines or local laws, will result in remedial, corrective or disciplinary actions up to and including termination of employment. It is an obligation for each of us to report actual or suspected incidents of misconduct to the SpeakUp Office. Novartis guarantees non-retaliation and confidentiality, to the extent legally possible, for good-faith reports of such breaches.

The SpeakUp Office and related investigative functions will handle every matter in compliance with the principles set forth by the Novartis Global Data Privacy Policy. The necessary steps will be taken to protect the confidentiality of the reporter

Applicability

This Novartis Code of Ethics was approved by the Novartis AG Board of Directors on April 23, 2020. It is to be implemented by all Novartis affiliates with an effective date of September 1, 2020. It is applicable to all operations and associates of the Novartis Group. It replaces the Novartis Code of Conduct of July 1, 2011.

When we set out to create our Code of Ethics, we enlisted the support of Novartis colleagues across the world to ensure that our Code would be meaningful, inspiring and most importantly, useful for everyone.

This is so much more than a policy, and more than a document – it is a collection of voices, sharing the commitments we make to build trust with society.

To the many associates who have helped shape our Code of Ethics, thank you. Your contributions have made a clear statement that together, we are fully committed to doing what's right. This Code belongs to you, and to every associate across Novartis. We are each accountable for ensuring it stays top of mind in our decision-making, and is used often in driving open, honest conversations.

Of course, our Ethics, Risk & Compliance function and all other support and assurance functions are here to help, so please continue to reach out whenever you need more support.

Klaus Moosmayer

Chief Ethics, Risk & Compliance Officer

Code of
ETHICS

warda yasmin carlos benjamin ann-charlott christof ina frederick edward klaus jan tania
suneel clara suryasai juan-jorge annett ben irina karin orly whitney vicky vasiliki anna
sonia costas shine tatiane natalia pala luciano juan luis ezequiel chris urs kristen margaret
jennifer jana gregory antoine shepard sridevi monika natasha niamh mu ted elisenda
alice yi-fang stephan dominik pegah klaus dharmesh rob gergaa andrea maxim frank
jean michel johan michael germana antonio lara valentina nadia alison paolo giuseppina
jamie alessandro maria giovanna jinwoo jing yi marc teresa susanne tahasin enrique
collins govindraj karen katja deepak rajeev oleksandra remi johan suraj rohan emtiaz
jarungjit narinthip emmanuel tanzina iftekhar nadia mohamed shahed mohamed mashrur
christophe redwan monirul martha anja rusette joseph dabrowka hans ferdous federica
peter nitin david dijana aviv paolo fariha thomas kuanhan meggi narongchat brett fernanda
natalie anne ahmed celestina inna djordje leslie fenella claudia joris aimee christina simon
shane natascha saliha victoria lisa stefanie sarah christian dario hiroaki adnan lucas luise
isabelle guy sanjay andrew saneev nadya michael jiyi srikanth emrah marek gerlinde
anne peng tanya bettina srinivas alice elitsa amit subhash karen angela borislava marco
yana olivia xin ulrike ana maria ales aurelie thelma akio meira ingeborg aga veronica
vladimir ksumanth lisa katarzyna daniela elena montserrat leo firdevs marcella nilson
jordane karmen jackeline athanasios ruthel roman yukihide anvita shogo ming virginie
alexandr gerry luciana rocio john dharmendra elke tania eduardo juan alejandro shashwata
thomas konstantinos shirley ekaterina frank jeremy michelle vatsal joel susie andrew
stijn michael frank nyokabi silvio joanna elisabeth hideki evgeniya kyoko angelika kathryn
venera tatyana irina katerina paul georgios mary alexandra evgeny tatiana ekaterina
alexey natasa anna elena marilena natalia angeliki sumaiya sadia lefki prashant kelly
biljana marie genevieve mario susan elke.de de vaska arun petra nejc jaka steffen sean
angel umit rani abhishek harry michaela christopher bertrand mette eva-sophie winus
victoria miha stine jeroen nina virginia andre sheena tomlava morihiko makoto desiree
dennis vera kelly roberta reham motasem hossam reda belen isabela rosangela gabor
shawn mirna matheus claudia olga efthymia laura elena francesca marilena davide olga
martin mei dmitriy svetlana valeriy natalia alexander kirill claudia bislan olga lidiya suat
samra elyse luka evangelia karen eva franziska meenu adam antoni padmaraj marielaure
robert edmund bupe anne-sophie julia helen zina evelyn joffroy ann-merie jean-francois
anne nina aleksandra ovidiu ravi mia jean qian ru katy tom irena michael indumathy tom
juergen neelima jayanthi liana lisa olga lucia eric adriana michael alain suzy vera wannes
sigrid sergey philippe susanna lydia carina marta octavio lorilie michael heidi lisa suzan
harini kristen maral chantale salah akanksha chetan kim skafte lisa stanislaw nathalia
michal lorenzo satish carine raj kumar corey patrick ana lovneet diane eoin maria nadine
laetitia diego junaid rehan jairo arturo lesley nagesh georgina lilena felix allan steven shilpi
hanzey anouk dana holger darisha adrienne katerina mariana aaron lorriann carsten
christina mansi cally tilak dorothy yolanda marisa zia florent meinrad annalisa samantha
rohan meriem tahar rym christophe gabriela ben rhita marisa emanuela kenza ghizlaine
loren roberta vera nichole isabela julie sonia khadija max juliana omnia mohamed marwan
kaisa silvio carina ilse heidi ravi roman yi-fang giulliano anchalee christopher nuri leen
filipe roser vidal miguel laura roberta ana maria maria eloy elisabet laura marc antonio
elisa mariajose margarita diarra miriam patricia laura dylan jose antonio ingrid nuria david
alberto neus luis

CODE FOR INDEPENDENT DIRECTORS

(As prescribed under Schedule IV of the Companies Act, 2013)

The Code is a guide to professional conduct for independent directors. Adherence to these standards by independent directors and fulfilment of their responsibilities in a professional and faithful manner will promote confidence of the investment community, particularly minority shareholders, regulators and companies in the institution of independent directors.

I. Guidelines of professional conduct:

An independent director shall:

- (1) uphold ethical standards of integrity and probity;
- (2) act objectively and constructively while exercising his duties;
- (3) exercise his responsibilities in a *bona fide* manner in the interest of the company;
- (4) devote sufficient time and attention to his professional obligations for informed and balanced decision making;
- (5) not allow any extraneous considerations that will vitiate his exercise of objective independent judgment in the paramount interest of the company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making;
- (6) not abuse his position to the detriment of the company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
- (7) refrain from any action that would lead to loss of his independence;
- (8) where circumstances arise which make an independent director lose his independence, the independent director must immediately inform the Board accordingly;
- (9) assist the company in implementing the best corporate governance practices.

II. Role and functions:

The independent directors shall:

- (1) help in bringing an independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct;
- (2) bring an objective view in the evaluation of the performance of board and management;
- (3) scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- (4) satisfy themselves on the integrity of financial information and that financial control and the systems of risk management are robust and defensible;
- (5) safeguard the interests of all stakeholders, particularly the minority shareholders;
- (6) balance the conflicting interest of the stakeholders;
- (7) determine appropriate levels of remuneration of executive directors, key managerial personnel and senior management and have a prime role in appointing and where necessary recommend removal of executive directors, key managerial personnel and senior management;

- (8) moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.

III. Duties:

The independent directors shall —

- (1) undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;
- (2) seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice and opinion of outside experts at the expense of the company;
- (3) strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
- (4) participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- (5) strive to attend the general meetings of the company;
- (6) where they have concerns about the running of the company or a proposed action, ensure that these are addressed by the Board and, to the extent that they are not resolved, insist that their concerns are recorded in the minutes of the Board meeting;
- (7) keep themselves well informed about the company and the external environment in which it operates;
- (8) not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- (9) pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interest of the company;
- (10) ascertain and ensure that the company has an adequate and functional vigil mechanism and to ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;
- (11) report concerns about unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
- (12) acting within their authority, assist in protecting the legitimate interests of the company, shareholders and its employees;
- (13) not disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law.

IV. Manner of appointment:

- (1) Appointment process of independent directors shall be independent of the company management; while selecting independent directors the Board shall ensure that there is appropriate balance of skills, experience and knowledge in the Board so as to enable the Board to discharge its functions and duties effectively.
- (2) The appointment of independent director(s) of the company shall be approved at the meeting of the shareholders.
- (3) The explanatory statement attached to the notice of the meeting for approving the appointment of independent director shall include a statement that in the opinion of the

Board, the independent director proposed to be appointed fulfils the conditions specified in the Act and the rules made thereunder and that the proposed director is independent of the management.

- (4) The appointment of independent directors shall be formalized through a letter of appointment, which shall set out:
 - (a) the term of appointment;
 - (b) the expectation of the Board from the appointed director; the Board-level committee(s) in which the director is expected to serve and its tasks;
 - (c) the fiduciary duties that come with such an appointment along with accompanying liabilities;
 - (d) provision for Directors and Officers (D and O) insurance, if any;
 - (e) the Code of Business Ethics that the company expects its directors and employees to follow;
 - (f) the list of actions that a director should not do while functioning as such in the company; and
 - (g) the remuneration, mentioning periodic fees, reimbursement of expenses for participation in the Boards and other meetings and profit related commission, if any.
- (5) The terms and conditions of appointment of independent directors shall be open for inspection at the registered office of the company by any member during normal business hours.
- (6) The terms and conditions of appointment of independent directors shall also be posted on the company's website.

V. Re-appointment:

The re-appointment of independent director shall be on the basis of report of performance evaluation.

VI. Resignation or removal:

- (1) The resignation or removal of an independent director shall be in the same manner as is provided in sections 168 and 169 of the Act.
- (2) An independent director who resigns or is removed from the Board of the company shall be replaced by a new independent director within three months from the date of such resignation or removal, as the case may be.
- (3) Where the company fulfils the requirement of independent directors in its Board even without filling the vacancy created by such resignation or removal, as the case may be, the requirement of replacement by a new independent director shall not apply.

VII. Separate meetings:

- (1) The independent directors of the company shall hold at least one meeting in a financial year, without the attendance of non-independent directors and members of management;
- (2) All the independent directors of the company shall strive to be present at such meeting;

- (3) The meeting shall:
 - (a) review the performance of non-independent directors and the Board as a whole;
 - (b) review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
 - (c) assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

VIII. Evaluation mechanism:

- (1) The performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.
- (2) On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the independent director.

NOVARTIS INDIA LIMITED

Code of Conduct to regulate, monitor and report share trading by Designated Persons and their immediate relatives (“Code”)

1. Objective

The objective of the Code is to comply with the SEBI (Prohibition of Insider Trading) Regulations, 2015 and amendments thereto (“the Regulations”) and to provide guidance for

- a) Handling of Unpublished Price Sensitive Information; and
- b) Regulating, monitoring and reporting trading of Novartis India Limited’s shares by Insiders.

2. Definitions

Important Definitions pursuant to the Code are annexed as “**Annexure 1**”.

3. Compliance Officer

In accordance with the Regulations, the Board of Directors of Novartis India Limited (“Company”) has appointed the Chief Financial Officer as the Compliance Officer who shall be responsible for compliance of policies, procedures, maintenance of records, monitoring of trades and adherence to rules for preservation of Unpublished Price Sensitive Information.

The Compliance Officer shall report to the Board of Directors and in particular also provide report to the Chairman of the Audit Committee on quarterly basis or on such periodical basis on the matters relating to the Code. Any Director /Compliance Officer under this Code /Company Secretary is authorized to circulate any revision in the Code on approval from the Managing Director.

4. Protection of information and Code of Fair Disclosure of Unpublished Price Sensitive Information to public

All corporate and business information shall be handled within the organization on a need-to-know basis and no Unpublished Price Sensitive Information shall be communicated to any person except in furtherance of the Insider’s Legitimate Purposes, performance of his/her duties or discharge of his/her legal obligations. A code of practices and procedures for fair disclosure of Unpublished Price Sensitive Information to the public is set out in “**Annexure 2**”.

5. Trading Window

The Code describes the concept of Trading Window. Insiders shall not deal in the securities of the Company when the Trading Window is closed, which shall remain closed during the period of happening of certain events, as listed in “**Annexure 3**”.

NOVARTIS INDIA LIMITED

Code of Conduct to regulate, monitor and report share trading by Designated Persons and their immediate relatives (“Code”)

6. Obligations of the Insider

An Insider shall not:

- a) communicate, provide, or allow access to any Unpublished Price Sensitive Information, relating to the Company or securities listed or proposed to be listed, to any person including other Insiders except where such communication is in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.; or
- b) Trade in listed securities of the Company while in possession of Unpublished Price Sensitive Information; or
- c) Trade in listed securities of the Company when Trading Window is closed.

Subject to the pre-clearance in certain circumstances as specified below, the Insider may conduct all their dealings in the securities of the Company when the Trading Window is open as per the Code. An Insider shall take pre-clearance from Compliance Officer in the following situations:

- a) When dealing in 1,000 or more shares of the Company; or
- b) When transaction value is INR 500,000/- or above.

Each pre-clearance shall only valid for a period of one week. The following Forms for applying for pre-clearance of transaction are annexed.

Annexure 4A	:	Application for pre-clearance
Annexure 4B	:	Statement of holding at the time of pre-clearance
Annexure 4C	:	Undertaking to be submitted along with the application for pre-clearance

The Compliance Officer shall confidentially maintain a list of such securities as a “restricted list” which shall be used as the basis for approving or rejecting applications for pre-clearance of Trades.

The Insider who is permitted to Trade shall not execute contra trade for a minimum period of six (6) months. In case, such contra trade is executed, inadvertently or otherwise, in violation of such restriction, the profits from such trade shall be liable to be disgorged for remittance to SEBI for credit to Investors Protection and Education Fund administered by SEBI. The Compliance Officer is empowered to grant relaxation from strict application of such restriction for reasons to be recorded in writing provided that such relaxation does not violate the Regulations. The Form for applying for execution of contra trade is annexed as “Annexure 4D”.

7. Trading Plan

An Insider is entitled to formulate a Trading Plan and present it to the Compliance Officer for approval and public disclosure pursuant to which trades may be carried out on his behalf in accordance with such plan. An Insider who has formulated a Trading Plan and obtained approval of Compliance Officer shall carry out his trading as per the requirements provided under the Regulations.

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8. Disclosure requirements under the Regulations

Disclosure at the time of joining the Company

Every person on appointment as a Key Managerial Personnel or Director of the Company or upon becoming a promoter shall disclose his holding of securities in the Company as on the date of the appointment or becoming a promoter, to the Company within seven (7) days of such appointment or becoming a promoter in the Form as prescribed under the Regulations.

Continuous Disclosure

Every Promoter, Designated Person and Director of the Company shall disclose to the Company in such specified form and manner as may be prescribed by the SEBI, including but not limited to the number of such securities acquired or disposed of within two (2) trading days of such transaction if the value of the securities traded, whether in one transaction or a series of transactions over any calendar quarter, aggregates to a traded value in excess of INR 1 Million in the Form as prescribed under the Regulations. The disclosure shall be made within two (2) trading days of the:

- a) receipt of intimation of allotment of shares, or
- b) acquisition or sale of shares or voting rights, as the case may be.

Provided further that the off-market inter se transfer between Insiders shall be reported by the Insiders to the Company within two working days and Company shall report particulars of such trades to the Stock Exchanges within two working days from receipt of such information.

Disclosure by the Company

The Company shall inform the Stock Exchange of information in the Form as prescribed under the Regulations within two (2) working days of receipt of the disclosure or from becoming aware of such information. All the disclosures made under this Code will be maintained by the Company, for a minimum period of five years.

Reporting to the Board

Compliance Officer shall report the following to the Board and in particular to the Chairman of the Audit Committee on quarterly or on such periodical basis:

- a) any Trading Plans received or approved by the Compliance Officer during the quarter;
- b) pre-clearance given by the Compliance Officer for dealing in 1,000 or more shares of the Company or for INR 500,000 or above transaction value;
- c) any disclosure received from an Insider and forwarded to the Stock Exchange under the Regulations; and
- d) information on opening/closing of Trading Window.

9. Mechanism for Regulating trading by Insiders:

- a) All Designated Persons shall be required to disclose appropriate details (viz Names, PAN, details of immediate relatives & persons with whom such designated person(s) shares a material financial relationship, Contact details, Educational institutions from which they have graduated and names of their past employers)etc. as may be

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required/authorized by the regulations on an annual basis and as and when the information changes.

- b) All employees who are brought ‘inside’ on sensitive transactions in the Company or required to execute such confidentiality agreements as specified by the law department from time to time. It is expected that employees who are in receipt of Inside Information on sensitive transactions, shall not misuse or make unwarranted use of such information and strictly abide by the Novartis policies and such confidentiality agreements.
- c) Structured digital database is maintained by the Company in house containing:
 - i. the nature of unpublished price sensitive information;
 - ii. the names of such persons who have shared the information; and
 - iii. also the names of such persons with whom information is shared under this regulation
 - iv. along with his Permanent Account Number or any other identifier authorized by law where Permanent Account Number is not available.

Such databases are maintained with adequate internal controls and checks such as time stamping and audit trials to ensure non-tampering of such database.

The structured digital database is to be preserved for a period of:

- i. not less than eight (8) years after completion of the relevant transactions; or
 - ii. In event of receipt of any information from SEBI regarding any investigation or enforcement proceedings- till the completion of such proceedings
- d) The Audit Committee to review compliance with the provisions of this code and insider trading regulations on half yearly basis and may place reliance on certificate from the Compliance Officer/external vendor that the systems for internal control are adequate and are operating effectively.
 - e) In case of leak of UPSI or suspected leak of UPSI, the inquiry will be followed as per Vigil Mechanism and Whistle Blower policy of the Company. SEBI shall be promptly informed about such leaks, inquiries including results of such inquiries. Reporting of instances of leak of UPSI will also be dealt appropriately as per the Regulations.

10. Penalty/Punishment

Employees of the Company or any other person considered as an Insider who deals in securities or communicates any Unpublished Price Sensitive Information relating to the Company, in violation of this Code, will be penalized as considered appropriate by the Company, including warning, salary freeze, claw back of incentive, suspension or termination of employment. Anyone who contravenes the Regulations is also liable for punishment by SEBI, which could include imprisonment or fine, or both.

Any amount collected (i.e. fine or penalty imposed by the company) pursuant to such Sanctions and Disciplinary actions for violation of Code of Conduct, will be remitted to

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SEBI for credit to the Investor Protection and Education Fund, as per applicable Regulations.

11. Protection against retaliation and victimisation

Pursuant to an amendment to the Regulations, any employee is also entitled to voluntarily submit any Original Information to SEBI pertaining to any alleged violation of insider trading laws that has occurred, is occurring or has a reasonable belief that it is about to occur, in a manner provided under the Regulations.

It may be noted that any employee will be provided suitable protection against any discharge, termination, demotion, suspension, threats, harassment, directly or indirectly or discrimination against any employee who files/ submits such voluntary information/ disclosure to SEBI, as per the Regulations.

For filing any such voluntary information/ disclosure to SEBI the employee need not seek any prior permission or consent or guidance of the Company or the Board or his/ her manager, whether before or after such filing of voluntary information/ disclosure.

For the purpose of this Section, “employee” means any individual who during employment of the Company may become privy to information relating to violation of insider trading laws and files a Voluntary Information Disclosure Form under the Regulations and is a director, partner, regular or contractual employee, but does not include an advocate.

12. Intimation to Stock Exchange

The Compliance Officer shall inform Stock Exchange promptly of any violation of the Code.

13. Notes:

Approved by Board of Directors on May 12, 2015.

Reviewed and approved by Board of Directors through Circular Resolution on March 28, 2019.

Amendments effective from April 01, 2019.

Reviewed and approved by Board of Directors in its Meeting held on November 8, 2019. Amendments effective from December 26, 2019.

Reviewed and approved by Board of Directors in its Meeting held on August 6, 2020.

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Annexure 1

Definitions

1. **Connected Person** means
 - a) any person who is or has during the six months prior to the concerned act been associated with the Company, directly or indirectly, in any capacity including by reason of frequent communication with its officers or by being in any contractual, fiduciary or employment relationship or by being a director, officer or an employee of the Company or holds any position including a professional or business relationship between himself/herself and the Company whether temporary or permanent, that allows such person, directly or indirectly, access to Unpublished Price Sensitive Information or is reasonably expected to allow such access.
 - b) Without prejudice to the generality of the foregoing, the persons falling within the following categories shall be deemed to be Connected Person unless the contrary is established:
 - i. an Immediate Relative of Connected Persons; or
 - ii. a holding company or associate company or subsidiary company; or
 - iii. an intermediary as specified in section 12 of the Act or an employee or director thereof;
or
 - iv. an investment company, trustee company, asset management company or an employee or director thereof; or
 - v. an official of a stock exchange or of clearing house or corporation; or
 - vi. a member of board of trustees of a mutual fund or a member of the board of directors of the asset management company of a mutual fund or is an employee thereof; or
 - vii. a member of the board of directors or an employee, of a public financial institution as defined in section 2 (72) of the Companies Act, 2013; or
 - viii. an official or an employee of a self-regulatory organization recognized or authorized by the Board; or
 - ix. a banker of the company; or
 - x. a concern, firm, trust, Hindu undivided family, company or association of persons wherein a director of a company or his Immediate Relative or banker of the company, has more than ten per cent. of the holding or interest.
2. **Designated Person** means such Connected Person designated on the basis of their functional role and shall include:
 - a) Holding Company or associate Company
 - b) Directors of the Company and executive assistant(s) of executive directors
 - c) Key Managerial Personnel of the Company
 - d) Heads of Business Development and marketing and their executive assistant(s)
 - e) all key executives of the Finance, Company Secretary, Legal and IT department
 - f) Immediate Relatives of (b) to (e) above
 - g) any other employee notified/designated by the Compliance Officer in consultation with Board of Directors, either for a specific period of time or for an indefinite period of time, based on such person’s role, function, designation and seniority in company and the extent to which such person may have access to Unpublished Price Sensitive Information.
3. **Insider** means any person who is:
 - a) a Connected Person;

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Code of Conduct to regulate, monitor and report share trading by Designated Persons and their immediate relatives (“Code”)

- b) in possession of or having access to Unpublished Price Sensitive Information or
 - c) a Designated Person.
4. **Immediate Relative** means a spouse of a person, and includes parent, sibling, and child of such person or of the spouse, any of whom is either dependent financially on such person, or consults such person in taking decisions relating to trading in securities
 5. **Trading** means and includes subscribing, buying, selling, dealing or agreeing to subscribe, buy, sell, deal in any securities and "trade" shall be construed accordingly.
 6. **Trading Day** means a day on which the recognized stock exchanges are open for Trading.
 7. **Original Information** means any relevant information submitted in accordance with the Regulations pertaining to any violation of insider trading laws that is:-
 - a) derived from the independent knowledge and analysis of the Informant;
 - b) not known to the SEBI from any other source, except where the Informant is the original source of the information;
 - c) is sufficiently specific, credible and timely to - (1) commence an examination or inquiry or audit, (2) assist in an ongoing examination or investigation or inquiry or audit, (3) open or reopen an investigation or inquiry, or (4) inquire into a different conduct as part of an ongoing examination or investigation or inquiry or audit directed by the SEBI; not exclusively derived from an allegation made in a judicial or administrative hearing, in a Governmental report, hearing, audit, or investigation, or from the news media, except where the Informant is the original source of the information; and
 - d) not irrelevant or frivolous or vexatious.
 8. **SEBI** means the “Securities and Exchange Board of India”
 9. **Unpublished Price Sensitive Information** means any information, relating to the Company or its securities, directly or indirectly, that is not generally available which upon becoming generally available, is likely to materially affect the price of the securities and shall, ordinarily including but not restricted to, information relating to the following:
 - a) financial results;
 - b) dividends;
 - c) change in capital structure;
 - d) mergers, de-mergers, acquisitions, delisting, disposals and expansion of business or such other transactions;
 - e) changes in key managerial personnel; and
 - f) any material events in accordance with the listing agreement.
 10. **Legitimate Purpose** shall include sharing of unpublished price sensitive information in the ordinary course of business by an insider with partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other advisors or consultants, provided that such sharing has not been carried out to evade or circumvent the prohibitions of these regulations.

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Code of Conduct to regulate, monitor and report share trading by Designated Persons and their immediate relatives (“Code”)

Annexure 2

Code of practices and procedures for fair disclosure of Unpublished Price Sensitive Information

1. Introduction

The Company has formulated Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (“Code”) to comply with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (‘Regulations’). The Regulations seek to govern fair disclosure of events and occurrence that could impact price discovery of Company’s securities.

2. Objective

The Code aims to ensure timely disclosure of Unpublished Price Sensitive Information which would impact the price of the securities of the Company and to maintain uniformity, transparency and fairness in dealing with all stakeholders. Further, the Company endeavors to preserve the confidentiality of Unpublished Price Sensitive Information and to prevent misuse of such information. This Code is applicable with effect from 15th May 2015.

3. Protection of Unpublished Price Sensitive Information

Unpublished Price Sensitive Information shall be handled on need-to-know basis i.e. Unpublished Price Sensitive Information shall be disclosed only when such communication is in furtherance of Legitimate Purposes, performance of duties or discharge of legal obligations.

4. Code of Fair Disclosure

The Company will adhere to the following so as to ensure fair disclosure of events and occurrence that would impact price of the securities of the Company in the market:

a) Prompt public disclosure of Unpublished Price Sensitive Information

Unpublished Price Sensitive Information shall be made available promptly by the Company to the Stock Exchange and also be uploaded on the website of the Company for information to the members and investors.

b) Uniform and universal dissemination of information

The Unpublished Price Sensitive Information shall be disclosed on continuous, immediate and uniform basis. The information shall be disseminated publically in order to avoid selective disclosures.

c) Overseeing the disclosure

Managing Director, Whole Time Director, Chief Financial Officer or Company Secretary shall oversee dissemination of information and disclosure of Unpublished Price Sensitive Information.

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They shall be responsible for ensuring timely and continuous disclosure of Unpublished Price Sensitive Information to Stock Exchange and also uploading on the website of the Company. In event of inadvertent selective disclosure of Unpublished Price Sensitive Information, they shall take prompt action to make the information generally available.

d) **Responding to market rumors**

Managing Director, Whole Time Director, Chief Financial Officer or Company Secretary shall promptly and fairly respond to any queries to news report or requests for verification of market rumors by the Stock Exchange or any other regulatory authorities.

e) **Dealing with analyst and research personnel**

The Company shall not provide any Unpublished Price Sensitive Information to the analyst or research personnel. In order to avoid misquoting or misrepresentation, it is desirable that at least two Company's representative are present at the meetings with analyst or market researchers and if possible, record the discussions. In case of any queries by the analyst or researchers, the response to which results to Unpublished Price Sensitive Information, such information is to be made public prior to responding such queries.

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Annexure 3

Closing Period for the Trading Window

No.	Event	Window to Remain Closed		
		For	From	To
a)	Declaration of Financial Results	1 st Qtr.	1 st July	48 hours after the results are submitted to the Stock Exchange
		2 nd Qtr.	1 st October	
		3 rd Qtr.	1 st January	
		4 th Qtr.	1 st April	
b)	Declaration of Dividends (interim and final)	Date of Notice of Board Meeting to Directors or Stock Exchange whichever is earlier		48 hours after the results are submitted to the Stock Exchange
c)	Change in capital structure	Date of Notice of Board Meeting to Directors or Stock Exchange whichever is earlier		48 hours after the results are submitted to the Stock Exchange
d)	Mergers, De-mergers, acquisitions, delisting, disposals and expansion of business or such other transactions	Date of Notice of Board Meeting to Directors or Stock Exchange whichever is earlier		48 hours after the results are submitted to the Stock Exchange
f)	Changes in key managerial personnel	Date of Notice of Board Meeting to Directors or Stock Exchange whichever is earlier		48 hours after the results are submitted to the Stock Exchange
g)	Any material events in accordance with the listing agreement	Date of Notice of Board Meeting to Directors or Stock Exchange whichever is earlier		48 hours after the results are submitted to the Stock Exchange

Note: In case any relaxation is granted by SEBI on any of the Events specified above w.r.t. trading window closure, the same will be applied

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Annexure 4A

Application for pre-clearance

To: The Compliance Officer

From: Name : _____
Designation : _____
Department : _____

With reference to the Code of Conduct to regulate, monitor and report share trading by Insiders, I seek your approval to subscribe to / agree to subscribe to / purchase / sell / deal as an agent / principal in _____ (nos.) equity shares of the Company.

The statement of shareholding (Annexure 4B) as on _____ and Undertaking (Annexure 4C) are enclosed for your perusal in this connection.

Date: _____ Signature _____

Pre-clearance Order

This is to inform you that your request for dealing in _____ (nos.) shares of the Company as mentioned in your above-mentioned application is approved. Please note that the said transaction must be completed on or before _____ (date) that is within 7 days from today.

Date: _____ For _____

Compliance Officer

Confirmation of deal

To: The Compliance Officer

I confirm that the share dealing for which approval was granted on _____ was completed on _____ by purchasing / selling _____ (nos.) equity shares of the Company.

Date: _____ Signature _____

NOVARTIS INDIA LIMITED**Code of Conduct to regulate, monitor and report share trading by Designated Persons and their immediate relatives (“Code”)****Annexure 4B****Statement of Holding at the time of Pre-clearance**

To
The Compliance Officer
Novartis India Limited

Date: _____

I. DETAILS OF SHAREHOLDINGS OF DIRECTOR / OFFICER / DESIGNATED EMPLOYEES HELD IN THEIR OWN NAME

Name	Designation	Department	No. of Shares Held (with Folio / DP ID / Client ID)	Nature of Transaction for which Approval is sought	No. of Shares to be dealt

II. DETAILS OF SHARES HELD BY DEPENDENT FAMILY MEMBERS

Name	Relationship	No. of Shares Held (with Folio / DP ID / Client ID)	Nature of Transaction for which Approval is sought	No. of Shares to be dealt

I / We hereby confirm that I / We will not execute contra trade for a minimum period of 6 months.

Signature: _____

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Annexure 4C

Undertaking to be submitted along with the Application for Pre-clearance

I, _____ (Name, designation and Department) residing at _____, am desirous of dealing in _____ *shares of the Company as mentioned in my application dated _____ for pre-clearance of the transaction.

As required by the Code of Conduct to regulate, monitor and report share trading by Insiders, I hereby state that:

- i. I have no access to nor do I have any information that could be construed as "Unpublished Price Sensitive Information" as defined in the code up to the time of signing this undertaking;
- ii. In the event that I have access to or received any information that could be construed as "Unpublished Price Sensitive Information" as defined in the code, after the signing of this undertaking but before executing the transaction for which approval is sought, I shall inform the Compliance Officer of the same and shall completely refrain from dealing in the securities of the Company until such information becomes public;
- iii. I have not contravened the provisions of the code;
- iv. I have made full and true disclosure in the matter.

Date: _____

Signature _____

* Indicate number of shares.

NOVARTIS INDIA LIMITED

**Code of Conduct to regulate, monitor and report share trading by Designated
Persons and their immediate relatives (“Code”)**

Annexure 4D

Application for execution of Contra Trade

Date : _____

To
The Compliance Officer
Novartis India Limited

I request you to grant me approval for execution of contra trade as required under the Code of Conduct to regulate, monitor and report share trading by Insiders with respect to _____ Shares of the Company held by me / _____ (name of relative) singly / jointly acquired by me on _____ (Date). I desire to deal in the said share on account of _____ (give reasons).

Thanking you

Yours faithfully

Name : _____

Designation : _____

Department : _____

FREQUENTLY ASKED QUESTIONS

CODE OF CONDUCT SHARE TRADING BY INSIDERS NOVARTIS INDIA LIMITED

Securities and Exchange Board of India (SEBI) has strengthened the Insider Trading framework in India and notified the SEBI (Prohibition of Insider Trading Regulations) 2015, which is effective from May 15, 2015.

Based on the new framework, the Board of Directors of **Novartis India Limited** (the “Company”) has approved Code of Conduct to regulate, monitor and report share trading by Insiders.

Below are some FAQs to provide clarity on this Code:

What is Insider Trading?

Insider trading is buying and / or selling of Company’s shares while in access to Unpublished Price Sensitive Information (UPSI) relating to the Company. Trading based on UPSI is illegal because the investor in possession of such information is likely to make larger profits that a typical investor will not be able make and thus it would be unfair to other investors who do not have access to such information.

To whom is this Code applicable?

This code is applicable to all Insiders. In simple terms, this Code applies to every person who is associated with the Company, whether directly or indirectly, temporary or permanent, allows such person to have access to UPSI.

All associates of the Company, whether external or internal, are covered under this Code.

What is Unpublished Price Sensitive Information (UPSI)?

UPSI means any information, relating to the Company or its shares that is not generally available to public, which upon becoming generally available is likely to affect the share price of the Company.

Any upcoming material events relating to the Company such as financial results, dividend, product launches, any future alliances, marketing deals, large orders are examples of UPSI.

What is my obligation under this Code?

You obligations under the Code include:

- Do not communicate, provide or allow access to any UPSI relating to the Company to any other person, except for legitimate purpose or performance of duties;
- Do not buy / sell the shares of the Company while in possession of any UPSI;
- Do not buy / sell the shares of the Company when trading window is closed. Please refer Annexure 3 of the Code for information on when trading window will remain close;
- Immediately disclose when you and your immediate relative buy / sell shares of more than Rs 1 million during any calendar quarter. Whether in single / multiple transactions;

When can I buy / sell the shares of the Company?

The shares of the Company may be bought / sold only when the trading window is open and when you are not in possession of any UPSI.

Additional restriction may apply based on the number of shares you want to buy / sell. Please refer Para 6 of the Code for details.

Do I have to make any disclosures when I buy / sell the shares of the Company and when?

Yes, you are mandated to make disclosure only when you are buying / selling the shares of the Company exceeding value Rs. 1 million, whether in one transaction or a series of transactions over any calendar quarter.

Such disclosure is required be made to the Compliance Officer of the Company within two working days of the buying / selling of the shares of the Company.

Please note that even transaction by your immediate relative needs to be disclosed.

Who is my immediate relative under the SEBI Insider Trading Regulations?

Immediate Relative means a spouse of a person, and includes parent, sibling, and child of such person or of the spouse, any of whom is either dependent financially on such person, or consults such person in taking decisions relating to trading in securities

What data of mine is provided by the Company and designated depository?

As per the SEBI circular, Name and PAN data of the designated person, including that of his /her immediate relative, is required to be furnished by the Company to National Securities Depositories Limited. This is a statutory obligation on the Company.

What happens if I do not comply with this Code?

- If you buy / sell shares of the Company or communicate any UPSI relating to the Company, in violation of the Code, you will be penalized as considered appropriate by the Company, including warning, salary freeze, claw back of incentive, suspension or termination of employment.
- If you contravene the Regulations you are also liable for punishment by SEBI, which could include imprisonment or fine, or both

Whom should I contact for any doubts?

For any questions, you may contact Chief Financial Officer/Company Secretary.

Committees - Terms of reference

i. Audit Committee

The role of the Audit Committee is in accordance with Regulation 18 of the SEBI Listing Regulations and the terms of reference are as specified under Section 177 of the Act.

The terms of reference for the Audit Committee include:

- Examination of Financial Statements and Statutory Auditors' report thereon and discussion of any related issues with the Internal & Statutory Auditors and the management of the Company.
- Review of Financial Statements before their submission to the Board, including Directors' Responsibility Statement, changes in accounting policies and practices, statutory compliances and qualification(s) in draft audit report.
- Approval or any subsequent modification of transactions of the Company with related parties.
- Scrutiny of inter-corporate loans and investments.
- Valuation of undertakings or assets of the Company, wherever necessary.
- Evaluation of internal financial controls and risk management system.
- Monitoring end use of funds raised through public offers and related matters.
- Establishing a vigil mechanism for Directors and employees to report genuine concerns and to make provision for direct access to the Chairperson of the Committee in appropriate or exceptional cases and review its findings.
- Review of the Company's financial reporting processes and the disclosure of financial information to ensure that the Financial Statements are correct, sufficient and credible.
- Look into reasons for substantial defaults in payments to stakeholders.
- Approval of appointment of CFO or any other person heading the Finance function, after assessing the qualifications, experience, background etc. of the candidate.
- Recommendation for appointment, remuneration and terms of appointment of the Statutory Auditors of the Company.
- Review and monitor the Auditor's independence and performance, effectiveness of audit process and adequacy of internal control systems.
- Call for comments of the Statutory Auditors about internal control systems, the scope of audit, including observations of the Statutory Auditors.
- Reviewing the adequacy of the Internal Audit function including the structure of the Internal Audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of Internal Audit.
- Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any areas of concern.
- Reviewing findings of any internal investigation into matters where there is suspected fraud or irregularity or failure of internal control systems of a material nature and reporting the matter to the Board.
- Review compliance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015, at regular intervals.
- The Chairman of the Committee to attend the General Meeting to respond to the queries of shareholders.

Committees - Terms of reference

ii. Nomination and Remuneration Committee

The role of the Nomination and Remuneration Committee is in accordance with Regulation 19 of the SEBI Listing Regulations and Section 178 of the Act.

The terms of reference for the Nomination and Remuneration Committee includes:

- To formulate a Nomination and Remuneration Policy on:
 - determining qualifications, positive attributes and independence of a Director
 - guiding remuneration of Directors, Key Managerial Personnel (“KMP”) and other employees and Board diversity.
- Recommend Nomination and Remuneration Policy to the Board.
- Identify candidates who are qualified to become Directors.
- Identify persons who are qualified to become Senior Management (Senior Management of the Company means employees of the Company who are Divisional Heads and Corporate Function Heads) or equivalent position as per SEBI Listing Regulations.
- Recommend to the Board the appointment and removal of Directors and Senior Management.
- Recommend to the Board all remuneration in whatever form payable to Senior Management.
- Lay down the process for evaluation of the performance of every Director on the Board.
- The Chairman of the Committee to attend the General Meeting to respond to queries of shareholders.

iii. Stakeholders Relationship Committee

In pursuance to Regulation 20 of the Listing Regulations and Section 178 of the Act, the Stakeholders Relationship Committee considers and resolves the grievances of security holders.

The terms of reference for the Stakeholders Relationship Committee includes:

- Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.
- The Chairman of the Committee to attend the General Meeting to respond to the queries of shareholders.

iv. Corporate Social Responsibility (“CSR”) Committee

Pursuant to Section 135 of the Act the Board constituted the CSR Committee. The Committee provides guidance on various CSR activities to be undertaken by the Company and monitors its progress.

The terms of reference for the CSR Committee include:

- Formulate a CSR Policy which shall indicate activities to be undertaken by the Company.
- Recommend the CSR Policy to the Board.
- Recommend the amount of expenditure to be incurred on the activities.
- Monitor the policy from time to time as per the CSR Policy.

Committees - Terms of reference

v. Risk Management Committee

The terms of reference for the Risk Management Committee include:

- Annually review and approve the Enterprise Risk Management Framework of the Company
- Review and approve the risk management plan / Policy of the Company.
- Periodically review the risk management processes and practices of the Company and ensure that appropriate measures are taken to achieve prudent balance between risk and reward in both ongoing and new business activities.
- Evaluate significant risk exposures of the Company and assess management's actions to mitigate the exposures in a timely manner (including one-off initiatives and ongoing activities such as business continuity planning).
- Evaluate risks related to cyber security and ensure appropriate procedures are in place to mitigate these risks.
- Co-ordinate its activities with the Audit Committee in instances where there is any overlap with audit activities (e.g. internal or external audit issue relating to risk management policy or practice).
- The Committee may form and delegate authority to subcommittees when appropriate.
- To make regular reports to the Board, including with respect to risk management and risk minimization procedures.
- Review and reassess the adequacy of this charter / terms of reference periodically and recommend any proposed changes to the Board for approval.
- The Committee shall have access to any internal information necessary to fulfill its oversight role.
- The Committee shall also have authority to obtain advice and assistance from internal or external legal, accounting or other advisors.
- The Committee shall meet at least once in a year
- The Board may review the performance of the Committee periodically.
- The role and responsibilities of the Committee shall include such other items as may be prescribed by applicable law or by the Board in compliance with applicable law, from time to time.