

# Insider Policy

## Novartis Global Policy

Document Owner: Group Legal

Version: 6.0

Group Legal

## Document History

Version	Change(s)
1.0	This Policy enters into force as of December 15, 2012 and it replaces the previous Insider Policy of January 1, 2007.
2.0	Reflect change in responsibilities from Head Chairman's Office to Corporate Secretary and policy ownership from Chairman Office to Group Legal.
3.0	Incorporate certain clerical changes.
4.0	Incorporate certain clerical changes.
5.0	Update to replace the reference to the Novartis Code of Conduct by the reference to the new Code of Ethics of Novartis.
6.0	Periodic review of policy.

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## 1. Introduction

### 1.1. Purpose

This policy sets out:

- the basic obligations of all Associates in possession of Material Non-Public Information
- additional obligations of Associates that are working on confidential projects or have access to Material Non-Public Information on a regular basis

Novartis AG and its affiliates (the “Group”) are committed to comply with laws and regulations and to financial integrity. Accordingly, no director, officer or employee (“Associates”) of the Group may buy or sell a security while in possession of Material Non-Public Information (as defined in this policy) about such security. Such insider trading violations also include “tipping” such information.

As an integral part of our assurance system, this policy is based on our [Code of Ethics](#) [1] commitment to not engage in Insider Trading.

### 1.2. Scope and Applicability

#### 1.2.1. Scope

The scope of this policy is global.

#### 1.2.2. Applicability

This policy is applicable to all associates.

### 1.3. Roles and Responsibilities

Role	Responsibilities
<b>Managers</b>	It is the responsibility of every Novartis manager to implement this Policy within his or her area of functional responsibility, to lead by example, and to provide guidance to the Associates reporting to him or her.
<b>Associates</b>	Associates must familiarize themselves with this Policy, participate in training and, where required, certify compliance with this Policy. Associates may address questions regarding this Policy to their contact within Compliance or Legal.
<b>Policy owner</b>	The owner of this Policy will design and oversee the implementation of an appropriate awareness creation and training plan concerning this Policy.

## 2. Rules and Principles

### 2.1. Basic Rules Applicable to all associates

Associates who have knowledge of any Material Non-Public Information shall, within or outside of Quiet Periods, not trade in securities to which the information pertains, subject to the exceptions mentioned in Sections 2.4(a) and (b), or unless the trade is pursuant to a Trading Plan.

Associates who have knowledge of any Material Non-Public Information shall, within or outside of Quiet Periods, not recommend the purchase or sale of any securities to which the information pertains.

Associates shall keep Material Non-Public Information strictly confidential and shall not disclose Material Non-Public Information.

#### 2.1.1. Defined Terms

Term	Definition
Material Non-Public Information	<p>The knowledge of non-public information the disclosure of which could have an impact on the price of Novartis securities (as defined below) or the securities of companies with which the Group does business, contemplates to do business or which it contemplates to acquire fully or partially. Typical examples for Material Non-Public Information include:</p> <ul style="list-style-type: none"> <li>• non-disclosed financial information of the Group, a division, or a major product</li> <li>• information about an important license project</li> <li>• the sale or purchase of a company or a significant asset</li> <li>• strategic alliances</li> <li>• a restructuring</li> <li>• impending bankruptcy or the existence of severe liquidity problems</li> <li>• a major litigation risk</li> <li>• results of clinical trials</li> <li>• a critical decision point in the development process of a product candidate</li> <li>• the withdrawal of a product from the market</li> <li>• regulatory developments</li> <li>• a significant cybersecurity incident, such as a data breach</li> <li>• changes in board composition or senior management</li> <li>• capital structure changes</li> <li>• the imposition of a No-Trading Period.</li> </ul>
Novartis securities	<p>Any securities (as defined below) issued by or materially dependent (as defined below) on securities issued by Novartis AG and/or any of its Group companies. The term securities include:</p> <ul style="list-style-type: none"> <li>(a) any type of equity instruments (such as shares, American Depositary Shares and participation certificates).</li> <li>(b) any type of debt instruments (such as bonds, notes, debentures); and</li> <li>(c) any financial instruments whose value materially depends on the value of equity or debt instruments of a particular company, irrespective of whether used for investment or for hedging purposes (e.g., stock options, warrants, convertibles, fund units and credit default swaps). <b>Material dependency</b> exists where the value of the financial instrument derives by more than 33% from the equity or debt instruments of one company.</li> </ul>

### 2.2. Additional Rules for Temporary Insiders

During the No-Trading Period, Temporary Insiders shall not trade in securities of or materially dependent on a Restricted Company.

To the extent available, the AIS can be used to inform Associates of their appointment as a Temporary Insider or the termination of their status as a Temporary Insider, and to electronically sign a Confidentiality Declaration.

### 2.2.1. Defined Terms

Term	Definition
<b>Temporary Insider</b>	Any Associate who might obtain Material Non-Public Information as a result of working on a confidential project. Temporary Insiders are designated by the respective project manager.
<b>Confidentiality Declaration</b>	The declaration of confidentiality signed by a Temporary Insider.
<b>No-Trading Period</b>	The period starting on the day an Associate is designated a Temporary Insider and ending on the day such Associate is notified that the trading restrictions no longer apply.
<b>Restricted Company</b>	A company mentioned in the Confidentiality Declaration and, if specifically mentioned to the Temporary Insider, Novartis AG.
<b>AIS</b>	The Automated Insider System, an intranet-based tool which can be accessed on the intranet at <a href="https://www.ais.novartis.intra/">https://www.ais.novartis.intra/</a> .

The procedures for designating Temporary Insiders by the respective project manager (including the procedures for identifying the relevant projects) may be set out in a separate manual.

## 2.3. Additional Rules for Continuing Insiders

Within Quiet Periods, Continuing Insiders shall not trade in Novartis securities, subject to the exceptions mentioned in Sections 2.4(a) and (b).

Outside of Quiet Periods, Continuing Insiders shall obtain a Trade Approval before trading in Novartis securities.

A Trade Approval does not relieve a Continuing Insider from ensuring that the relevant trade is made in full compliance with this Policy and only at a time when the Continuing Insider does not possess any Material Non-Public Information.

### The AIS informs:

- (a) Associates (other than the members of the Board of Directors of Novartis AG) by email of their appointment as a Continuing Insider; and
- (b) all Continuing Insiders of Quiet Periods and enables them to obtain Trade Approvals.

Continuing Insiders, like all Associates, may establish a Trading Plan. All Trading Plans established by Continuing Insiders must be approved by the Corporate Secretary and must be established at a point in time outside of a Quiet Period when the Continuing Insider is not in possession of Material Non-Public Information. No trades under a Trading Plan shall be effectuated during the first three months after the Trading Plan was established (cooling-off period).

Continuing Insiders who participate in any employee share purchase plan under which acquired shares will be freely tradable without a vesting or blocking period (or any similar plan) must request a Trade Approval if they intend to make an election to begin, change or end their participation in such plan. Those Continuing Insiders who already participate in such plan and intend to continue with the election they have previously made in prior election periods are not required to request a Trade Approval.

### 2.3.1. Defined Terms

Term	Definition
<b>Continuing Insider</b>	An Associate who, on a regular basis, has access to Material Non-Public Information; Continuing Insiders are designated by the <u>Finance and Governance Committee</u> of the Group.
<b>Trading Day</b>	A day on which any of the exchanges on which Novartis securities are listed is open for trading.
<b>Quiet Period</b>	The periods commencing on the first day of each calendar quarter and ending at the beginning of the first Trading Day after the subsequent release of the quarterly and/or annual results.
<b>Trade Approval</b>	The approval to trade outside of Quiet Periods granted by the Corporate Secretary. A request for a Trade Approval may be denied without having to state a reason therefor. If a request for a Trade Approval is denied, the Associate requesting the Trade Approval shall refrain from initiating any transaction in Novartis securities and shall not inform any other person of the denial. A Trade Approval is valid for five Trading Days after it is given.
<b>Trading Plan</b>	A plan allowing for the trading in Novartis securities in the future according to parameters determined in advance. For the avoidance of doubt, an asset management mandate, even if discretionary, is not a Trading Plan. Consequently, the respective asset manager must be instructed not to trade in Novartis securities.

More information on trading plans can be obtained from the Corporate Secretary.

## 2.4. Exercise of Options, Warrants or Similar Securities and Employee Benefit Plans

Associates shall not exercise options, warrants or similar securities within a Restricted Period unless the expiration date of such options, warrants or similar securities falls within such Restricted Period. In such a case:

- if the options, warrants, or similar securities are physically exercisable, they may be exercised, but the acquired underlying security may not be sold prior to the expiry of the Restricted Period
- if the options, warrants, or similar securities are both tradable and physically exercisable, they may not be traded within the Restricted Period but rather may only be exercised, but the acquired underlying security may not be sold prior to the expiry of the Restricted Period
- if the options, warrants or similar securities are only tradable and not physically exercisable, they may be traded within the Restricted Period on the last two Trading Days before their expiration, unless the Associate has knowledge of Material Non-Public Information in which case no trading shall be allowed; in the latter case, Novartis AG will, however, reasonably compensate the Associate for any substantiated loss (if any) suffered as a consequence of such trading ban, provided that such compensation shall not be greater than the market value of the relevant options, warrants or similar securities at the end of the last Trading Day prior to the expiration of the relevant instrument as reasonably determined by Novartis AG.

The Corporate Secretary shall be informed prior to any such trade.

For the sake of clarification, the selection between warrants, shares, and cash pursuant to an employee benefit plan may be made within a Restricted Period.

### 2.4.1. Defined Terms

Term	Definition
<b>Restricted Period</b>	A period during which trading restrictions apply in accordance with this Policy.

## 2.5. Additional Rules for Certain Senior Managers

Members of the Board of Directors of Novartis AG and ECN members (including permanent attendees to the ECN) must:

- (1) ensure that their family members living in the same household and any entities they control adhere to this Policy, and
- (2) obtain a Trade Approval for any trades by any of their family members living in the same household and any entities they control.

Members of the Board of Directors of Novartis AG and ECN members (including permanent attendees to the ECN) are subject to specific reporting obligations in respect of their trades in Novartis securities. These reporting obligations may be set out in a separate manual.

### 3. Internal Controls

Internal controls for this document can be accessed in the Novartis Internal Control Register at 'go/controlregister'.

### 4. Breach of this Policy

In alignment with our Code of Ethics, breaches of this document can result in remedial, corrective, or disciplinary actions up to and including termination of employment. Actual or suspected incidents of misconduct should be reported to the SpeakUp Office. Novartis guarantees non-retaliation and confidentiality, to the extent legally possible, for good-faith reports of such breaches.

### 5. Exceptions

Exceptions to this policy are not permitted.

### 6. Adaptations

Adaptations to this policy are not permitted.

### 7. Abbreviations

Abbreviation	Description
AIS	Automated Insider System

### 8. References

Reference Number	Document Name
1	Code of Ethics



## Insider Policy

## Approvals

Name	Intentions, signatures	Date (UTC)
Flavia De Stefani, destefl1	Author Signature, Electronic signature for Author Signature.	14-Jun-2022 13:57:45
Christian Jakob Rehm, rehmch1	Line Unit Approval, Electronic signature for Line Approval.	14-Jun-2022 14:24:35
Ulrike Gerke, gerkeul1	EPM Process Approval, Electronic signature for Final Approval.	14-Jun-2022 14:31:04