

Hiring Restrictions for External Auditors

1. Novartis' policy is not to employ or to engage current or former employees of its external auditor who worked on the Novartis audit for any management position.
2. The hiring restriction applies for 3 years after the termination of the assignment to the Novartis audit.
3. The Chairman of the Audit Committee may grant an exception from the hiring restriction.
4. Termination of financial relationship (e.g. partner capital accounts and loans, pension, retirement accounts) is a required condition of employment for any former employee who worked on the Novartis account or in a management position at the external audit firm, regardless of the expiration of the look-back period or the level for which the person is hired.

Approved by the Audit and Compliance Committee on October 19, 2004

Chairman of the ACC

Secretary of the ACC