

Compliance to the 231 Decree :

The 231 law (June 8th 2001), has introduced in the Italian Law a peculiar kind of responsibility for corporations, associations and private corporations in general, for particular crimes made in their interest or advantage by a physical person working for them (employees, manager, consultants or external collaborator).

One of the sources of the 231 decree introduction is “the 2005 Federal Sentencing Guidelines Chapter 8 - PART B - REMEDYING HARM FROM CRIMINAL CONDUCT, AND EFFECTIVE COMPLIANCE AND ETHICS PROGRAM .

The law is applied to the following crimes (consumed or even simply tried):

a) Crimes against Public Administration: *bribery and corruption, instigation to corruption, concussion, embezzlement in damage of the State, fraud in damage of the State or of any other public entity or governmental body; aggravated fraud to get public grants and loans; computerized and data -processing fraud in damage of the State or of any other public corporation; (art.24;art.25)*

b) Computer crimes and illegal treatment of data (art. 24-bis)

c) Crimes of forgery or falsification: *in money, in papers of public credit , in stamps, etc.; (art.25-bis)*

d) Company and corporate crimes: *Falsification of accounts as per Italian Civil Code (art.25-ter)*

e) Crimes related to terrorism; (art. 25-quater; art. 25-quinques)

f) Market abuse; (art.25-sexies)

g) Crimes against the environment, health and safety of workers; (art 25- septies)

h) Money laundering; (art. 25-octies)

i Other crimes: criminal association; association finalized to the smuggle of foreign manufactured tobaccos or to the illegal traffic of drugs or psychotropic substances, etc.; (law 16 March 2006, n. 146)

Conditions for the exclusion of responsibility for the Company:

The law provides that the company can demonstrate its no involvement in the crimes, if it is able to prove:

- To have adopted and effectively put in place models of organization, suitable management, specific procedures and controls to prevent crimes of the kind of those taken into consideration by the law;
- To have created a Company Committee with independent powers of initiative and control, entitled to supervise on the operations granting the observance of the models and the respect of the procedures and the compliance to the law.
- That the person who has committed the crime did it circumventing the internal control system;

The model adopted by Novartis Vaccines & Diagnostics S.r.l

Novartis Vaccines and Diagnostics policy impose standards of behavior for all Novartis Vaccines and Diagnostics employees.

Such policy makes all employees aware of their own responsibility to fulfill their mandate in the respect of the highest ethical and legal principles.

The main points are:

- All the Novartis Vaccines and Diagnostics employees and its associates all over the world, are responsible of the respect of the law, and are committed to comply with the Model of Organization, Management and Control ex D.lgs. 231/01 and its elements, which is based on the Company Code of Conduct.
- All the Novartis Vaccines and Diagnostics employees are responsible of the respect of ethical trade in their operating or functional areas
- The review of the performances of all Novartis Vaccines and Diagnostics employees, includes an evaluation of their compliance to Company's policies to the Code of Conduct and to Model of Organization, Management and Control ex D.lgs. 231/01 and its elements
- Novartis Vaccines and Diagnostics is engaged to guarantee a job atmosphere that encourages the open discussion of problems and instances concerning the legal compliance, corporate policy and the ethical management of any transaction
- Any Novartis Vaccines and Diagnostics employee who come to know or just suspect of some violation of law, ethics, or Company's procedures, must report to the Human Resources function and to the Control Committee and the Group BPO

On 16th November 2007 the C.d.A. (Board of Directors) has approved the Model of Organization, Management and Control ex D.lgs. 231/01 and its elements:

- The Control Committee: e-mail address ODVSiena.nvd@novartis.com
- The operating procedures
- The disciplinary system

The 231 decree includes several types of sanctions and penalties (including the suspension of business) in case of acknowledgement of crimes.

The law is applicable to all the local entity including representative offices (art.4)