

# Bylaws of the Novartis Employees' Association

## General

### Art. 1 Name, registered office

Under the name "NAV Novartis Employees' Association" an association is set up with registered office in Basel pursuant to Art. 60 ff of the Swiss Code of Civil Law. It has no party-political or religious associations.

### Art. 2 Purpose

The purpose of the association is:

1. Representation of the employment policy, economic and social interests of its members and of the staff in general in relation to the Novartis Executive Committee and third parties.
2. Implementation of the participation rights of Novartis employees in Switzerland by signing suitable agreements (e.g. agreement of principle).
3. Guidance for members as a discussion partner and supporter, whatever their level in the hierarchy may be.
4. Maintenance of personal contacts between members through joint events and training programs, for example on matters of staff policy or cultural topics.
5. Recruitment and training of members of its Board and of suitable candidates to sit on participation bodies at Novartis.
6. Support for further training of the members.
7. Furtherance of all aspects of equal treatment of employees at Novartis.
8. Negotiation of contracts for services and price concessions for members.
9. The association may act in other allied areas and do everything that is conducive to the attainment of its purpose.

## **Art. 3 Employment instruments**

The association deploys the following resources to achieve its purposes:

1. Discussions, negotiations and agreements with the social partners, staff representations and other appropriate persons and bodies at Novartis and submission of proposals to those bodies.
2. Contacts and cooperation with other staff organizations.
3. Potential membership of overarching federations.
4. Signing of contracts for services.

## **Art. 4 Financial resources**

The financial resources consist of membership fees, interest earnings and other income.

The membership fees may be adjusted annually by the General Meeting of Members.

## **Art. 5 Membership**

The following types of membership are possible:

- 1. Active**
- 2. Passive**
- 3. Retired**
- 4. Honorary member**
- 5. External**

The Board's decision on acceptance is final.

### **1. Active**

Every employee, regardless of her/his position (collective bargaining agreement [GAV], individual employment agreement [EAV] and Management) at a Novartis company in Switzerland who is actively involved in the work process can become an active member.

### **2. Passive**

Employees who have left the company during the current year are treated as passive members. Passive membership remains valid until the end of that particular year. Passive members are entitled to receive continuing support from the NAV.

### **3. Retired**

Pensioners of the Novartis pension funds.

### **4. Honorary member**

Honorary membership is granted by the General Meeting of Members acting on a proposal by the Board. Honorary membership can only be acquired for outstanding services to the NAV; no dues are payable.

### **5. External**

Employees who have already left, but have retained external membership of the Novartis pension funds until their retirement.

## **Art. 6 Cessation of membership**

Membership expires automatically when the employment contract with a Swiss Novartis plant is terminated, subject to paras. 2 and 3 below.

Members who are transferred to a Novartis company abroad do not lose their membership if this transfer is of a temporary nature, provided that they continue to pay the membership fees.

Upon retirement, active members may become retired members at their request.

The Board may exclude a member who acts contrary to the NAV's interests. Within one month of receipt of the notification, the member may appeal to the next General Meeting of Members against that decision. The latter shall take a final decision on exclusion.

External members have an opportunity to become retired members upon their own retirement.

## **Art. 7 Liability**

The association's liabilities are covered exclusively by its own assets.

Personal liability of the members is ruled out (Art. 75a ZGB – Civil Law Code)

## **Art. 8 Official bodies**

The official bodies of the association are:

1. the General Meeting of Members;
2. the Board;
3. the auditors;
4. the experts on specific topics.

## **General Meeting of Members**

### **Art. 9 Terms of Reference**

The General Meeting of Members is the supreme body of the association. It has the following inalienable powers:

1. Adoption and amendment of the Bylaws.
2. Election and dismissal of the members of the Board and of the auditors.
3. Approval of the annual report and annual financial statement.
4. Grant of a release to the Board.
5. Approval of the budget.
6. Determination of the membership fees.
7. Exclusion of members pursuant to Art. 6, para.4.
8. Decisions on matters laid before it by the Board or reserved for it by law or by the bylaws.
9. Winding up of the association.
10. In the event of a future affiliation to, or departure from, an overarching federation, the General Meeting of Members must be informed and consulted in advance (a consultation is not legally binding).

## **Art. 10 Convening**

The Ordinary General Meeting of Members is generally held in the first half of the financial year.

The Board must notify the date of the Ordinary General Meeting of Members five weeks before the date on which it is due to be held.

Members' motions must be tabled in writing ten days after receipt of this advance notification. The final invitation to attend is then sent in writing, stating the agenda items and the accompanying motions, no later than 14 days before the General Meeting of Members.

At the time of the invitation, the annual report, the annual financial statement and the auditor's report are laid open for scrutiny in the association's business office. Each member may ask to receive a copy of these documents.

Extraordinary General Meetings of Members must be convened by a decision of the General Meeting of Members, the Board or by a written request stating the reasons put by not less than 10% of the members. An Extraordinary General Meeting of Members held at the members' request must be organized by the Board within two months.

## **Art. 11 Motions**

No decisions can be taken on motions that have not been tabled in a timely manner.

No prior announcement is required to table motions that are not to be followed by decisions.

## **Art. 12 Right to vote and stand for election**

Active members, retired members, external members, passive members and honorary members have the same voting rights.

Active members are entitled to vote and stand for election for all offices.

Retired members, external members, passive members and honorary members are entitled to vote.

They are only entitled to stand for election as auditors.

## **Art. 13 Organization and decision-making**

The Chair or Vice-Chair of the Board, or if they are both unable to attend, another member of the Board chosen by the Board shall chair the meeting and designate a minute writer and the necessary tellers.

Unless the General Meeting determines otherwise, the General Meeting of Members takes its decisions and holds its elections by a majority of the votes cast. Votes are taken by a show of hands unless the General Meeting decides otherwise.

Abstentions are not counted when calculating the majority.

In the event of a tied vote, the Chair has the casting vote.

The consent of at least two-thirds of the voters is required when votes are taken on amendments to the Articles of Incorporation.

## **Board**

### **Art. 14 Membership**

The Board consists of not less than seven members.

Staff are to be appropriately represented on the Board in their diversity, covering the divisions, plants and functions at Novartis.

The Chair and Financial Manager are elected individually (at the General Meeting of Members). The remainder of the Board (elected by the General Meeting of Members) is self-constituting.

### **Art. 15 Term of office**

The term of office of members of the Board is two years. Members may stand for re-election at the end of their term of office.

## **Art. 16 Convening and taking decisions**

The Board meets at the invitation of the Chair as often as business so requires. Each member of the Board may ask for a meeting to be convened without delay, stating the reasons.

The presence of at least one-half of the Board members is required for decisions to be taken. Should that not be the case on any particular occasion, the preliminary decision may be circulated to all the Board members and their decision obtained in writing.

## **Art. 17 Decision-making**

The Board may take decisions on all matters that are not reserved for the General Meeting of Members either by law or by the articles of incorporation.

It takes its decisions by a majority of the votes cast. The Chair has the casting vote. Decisions may be taken by circular consultation unless a member asks for a verbal discussion to be held.

Minutes of the proceedings and decisions of the Board are to be written.

## **Art. 18 Terms of reference**

The Board has the following particular tasks, this list not being exclusive:

1. Conduct of the association's business and representing it in relation to the members, the Novartis Executive Committee and third parties.
2. Appointment and dismissal of persons entrusted with management and representation.
3. Election of the various delegates.
4. Organization of financial matters and budgeting.
5. Preparation of the General Meeting of Members and implementation of its decisions.

The Board may entrust the conduct of its business either in whole or in part to committees, individual members or third parties, on the basis of an organizational regulation.

# Experts on specific topics

## **Art. 19 Membership**

The number of experts on specific topics is limited to a maximum of 20 members.

In this capacity, these members shall suitably represent the divisions, plants and functions at Novartis in their diversity.

## **Art. 20 Eligibility**

Experts on specific topics are elected by the General Meeting of Members and are then self-constituting on the instructions of the Board.

The term of office of the experts on specific topics is two years. After the expiry of that term of office, members may stand for re-election.

## **Art. 21 Terms of reference**

Experts on specific topics have the following particular tasks, although this list is not exclusive:

1. Representing the interests of the association in its work on specific topics and helping the Board to perform its tasks;
2. Playing an active part as an extended arm of the Board.

## **Art. 22 Participation right**

The experts on specific topics have a participation right which can only be exercised at a meeting of the Board and is valid in that body. The right to participate lapses if the experts are not present.

# Auditors

## Art. 23 Eligibility

The General Meeting of Members elects the auditors from among its ranks. At the request of the Board, the General Meeting of Members may, instead of members, elect an auditor who is independent from the Board, an independent auditor or an audit company to audit the accounts.

## Art. 24 Tasks

The auditors verify whether the bookkeeping and annual financial statements comply with the law and articles of incorporation. They report to the General Meeting of Members in writing on the outcome of their audit and recommend acceptance, with or without reservation, or rejection of the annual financial statement.

The auditors are authorized to comment on the expediency of the organization and to present their findings on the way in which business is conducted.

# Accounts

## Art. 25 Accounting period

The books and accounts of the association are closed annually on December 31.

## Art. 26 Reports on the financial situation

For each financial year, the Board draws up an annual financial statement and an annual report presenting the association's financial situation.

# Winding up and liquidation

## **Art. 27 Winding up and liquidation**

The consent of not less than two-thirds of the members who are present is needed to wind up the association. Liquidation is effected by the Board unless the General Meeting of Members elects special liquidators. Acting on a proposal by the Board, the General Meeting of Members decides on the appropriation of any net profit remaining after liquidation.

These bylaws were approved by the General Meeting of Members held on November 4, 2020.