

# Employee benefits

## Talented teams, performance-based compensation

The success of Novartis depends on the performance and dedication of our Group company associates. We strive to be an employer of choice that attracts, retains and motivates talented and performance-driven people in our affiliates around the world.

Each associate is given a fixed salary based on job characteristics, market competitiveness and the associate's skills. Salary growth depends on the associate's individual performance and level compared to the benchmark.

Novartis benefits programs are an integral part of the total compensation policy and strategy and are designed to meet the challenges of the growing, global competition for talent. These programs support the overall business objectives and strategy of Novartis. Benefits are aligned with local legislation and practices in each country and are established to provide a framework of security for associates.

We use a market-based approach to compensation. Base salaries are reviewed annually against the external market to ensure competitiveness. And, annual salary increases awarded by managers are differentiated based on performance and salary position against the market reference point for each job.

We offer several incentive plans based on the associate's role in the organization:

- The Novartis Annual Incentive Plan (AIP) supports our performance-oriented culture. Company performance is reflected in the business performance factor that drives the payout of the AIP. The performance modifiers vary, depending on business unit or function, to closer correlate to the performance of the specific business or function. An additional individual performance factor further supports the differentiation for performance.
- For all field-based employees on sales incentive plans, incentive payouts are tied directly to territory sales performance. When territory/product sales objectives are exceeded, the incentive payouts may exceed target as well.

Novartis offers the Stock Incentive Plan (SIP) as a form of long-term, equity-based incentive compensation to certain eligible participants responsible for the management, growth and success of the company. The SIP supports our performance-oriented culture and gives associates the opportunity to build an ownership interest in Novartis based on performance and potential contribution to the growth of our business.

### Benefits

The company offers an attractive benefits program that is competitive with top companies in the industry. In addition, the organization is committed to supporting the health and well-being of our employees - and strives to create an inclusive, flexible workplace culture that encourages innovative ways of working. For example, eligible employees may choose to take advantage of programs such as Be Healthy fitness education campaigns, as well as individual and team-based challenges designed to encourage healthy lifestyles, and FlexConnect, which offers clear guidelines and a consistent online process for requesting, evaluating and approving various Flex Work Options.

Programs like these clearly show the company's commitment to providing an environment that fully supports the many needs of our diverse associates. As a result, NPC has been recognized consistently as a best practice leader by organizations such as Working Mother, DiversityInc, and the Human Rights Campaign.

### **Novartis benefits program**

Novartis recognizes that in order to attract and retain talented and dedicated individuals, we must offer a comprehensive and innovative benefits program. Here are some of the features of our benefits program that set us apart from other employers you may be considering:

- Health and insurance coverage for domestic partners and their children
- Up to three weeks of vacation, plus personal/family days, during your first year of employment for exempt employees; up to two weeks for non-exempt employees, plus personal/family days
- An automatic 2% savings plan contribution and a dollar-for-dollar match up to 4%
- Annual Retirement contribution of 3% to 10% based on age as of December 31 of the Plan Year
- Up to \$1,000 matching contributions per year in benefits toward child/elder care expenses through the Dependent Care Spending Account

In addition to providing comprehensive insurance programs and a generous savings plan, Novartis is committed to helping its employees achieve personal success with educational assistance and healthy lifestyle benefits. Moreover, we maintain programs to help associates balance work and family obligations, that provide child and elder care subsidies, backup care, and a wide array of other options to help associates find, evaluate and pay for care.

### **Overall health and well-being benefits**

Health and well-being benefits include medical, dental, and vision insurance, as well as a healthcare flexible spending account. These benefits, which include domestic partner coverage, become effective on the employee's date of hire and include an annual enrollment period during which time changes may be made to benefit options. Options for medical insurance include PPO and a Consumer Driven Health Plan. Healthcare cover also includes egg freezing and gender reassignment. For those living in California, an HMO may be offered.

### **Work/life benefits**

The benefits included within the category of work/life are intended to create a satisfying and productive work environment, and can help employees meet their daily professional and personal responsibilities. These include:

- Paid time-off, including vacations, holidays, personal days, parental leave
- Tuition reimbursement for eligible expenses at 100% up to an annual maximum
- Healthy Lifestyle Benefits Reimbursement toward a health club membership, smoking cessation, or nutritional counseling programs
- FlexConnect, which includes a choice of six different Flex Work Options, and provides eligible employees with tools, information and resources to encourage open discussions - and a consistent process - related to workplace flexibility.
- Summer Hours, as permitted by local sites, which allow eligible employees to get a head start on weekends during summer months
- Employee Assistance Program for confidential counseling on problems such as every day stress, substance abuse, and financial issues
- Dependent Care Spending Account with company match up to \$1,000 per year

- Adoption Reimbursement for adoption-related expenses up to \$5,000 per adoption
- Child/elder care resource and referral services
- Backup child care
- Matching Gift program through the Novartis US Foundation, which provides up to \$5,000 per year to eligible institutions and organizations

To help employees manage their valuable time, Novartis also provides convenient on-site services, including fitness centers, cafeterias, take-home meals, medical services, lactation rooms, federal credit union, ATM, company store, dry cleaning and film developing. In addition, most departments permit casual attire every day.

### **Financial protection benefits**

- Disability Coverage
- Short-term Disability replaces all or a percentage of base pay for up to 26 weeks.
- Long-term Disability, after 26-week period, provides monthly benefits equal to 50% of total pay with flexibility to increase level of coverage.
- Life Insurance, both company paid and supplemental, has flexibility to increase coverage at group rates.
- Survivor Income Plan provides a monthly benefit to surviving spouses and children.
- Group Legal gives you access to a network of legal advisors.

### **Financial and retirement planning benefits**

- Investment Savings 401(k)
- Enrollment at any time
- Employee contributions up to 50%
- Automatic 2% company contribution
- Dollar-for-dollar company match up to 4%,
- Three-year vesting on company base and matching contributions
- Loan/withdrawal provision
- Novartis stock investment option
- Changes to investment elections/contributions daily
- Defined Contribution Retirement Program annual contribution after one year of service

### **Employee referral program**

Nobody knows Novartis better than its employees. By identifying talented friends, relatives, and acquaintances who meet the qualifications for available positions, eligible Novartis employees may receive a \$2,000 referral bonus if a referred candidate is hired.

*Please refer to the Company's summary plan descriptions or the plans themselves for all of the terms and conditions of the benefits plans described on this site.*

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