

The NOVARTIS Foundation (Japan) for the Promotion of Science

Rule for Remuneration and Expenses for Officers and Members of the Board of Councilors

(Objective)

Article 1.

This rule shall stipulate provisions necessary for payment of remuneration and expenses for officers and the members of the Board of Councilors based on Article 19 and 37 of the Articles of Incorporation of the NOVARTIS Foundation (Japan) for the Promotion of Science.

(Definition)

Article 2.

Definitions of terms used in this rule shall be as follows;

- (1) Officers mean trustees and auditors.
- (2) Councilors mean persons placed based on Article 14 of the Articles of Incorporation of the Foundation.
- (3) Remuneration means economic benefit and retirement allowance received in exchange for execution of official duties including compensation, bonus and other forms defined in Article 5, item 13 of the Act on Authorization of General Public Interest Incorporated Association and General Public Interest Incorporated Foundation regardless of their names. Remuneration is distinguished from expense.
- (4) Expense means costs that incur pertaining to the execution of business activities such as costs of transportation, travel (including accommodation) and service charge and so forth. Expense is distinguished from remuneration.

(Payment of Remuneration)

Article 3.

1. The Foundation may pay officers and councilors 40,000 yen per day (tax inclusive. This shall be applied hereinafter) each time when they attend the Board of Trustees and the Board of Councilors meetings as remuneration.
2. The Foundation may pay auditors 30,000 yen per day each time when they perform audit work for or provide equivalent services to the organization.

3. The Foundation may pay the Representative Trustee within the limits of 200,000 yen per month as remuneration.
4. The Foundation may pay the chair of the Board of Councilors within the limits of 200,000 yen per year as remuneration.
5. Remuneration shall be paid either in cash or by bank transfer.
6. No bonus and retirement allowance shall be paid to officers and councilors.
7. Officers and councilors may decline to accept remunerations.

(Expense)

Article 4.

The Foundation shall pay expenses incurred or covered by officers and councilors in executing their official duties without delay and shall make an advance payment if necessary.

(Official Announcement)

Article 5.

With this rule, the Foundation shall make public its criteria for payment of remuneration set forth in Article 20 paragraph (1) of the Act on the Authorization of Public Interest Incorporation Association and Public interest Incorporation Foundation.

(Revision or Abolition)

Article 6.

The Board of Councilors shall decide revision or abolition of this rule.

(Supplementary Rule)

Article 7.

Other matters needed to execute this rule shall be set forth separately by the Representative Trustee.

Bylaw

This rule shall take effect on the day of public interest corporation transfer register after the Foundation was authorized as a public interest corporation.