

Statement of Corporate Governance Principles

The following Statement of Corporate Governance Principles (these “Principles”) have been adopted by the Board of Directors (the “Board”) of Teva Pharmaceutical Industries Limited (“Teva”) to assist the Board in the exercise of its responsibilities to Teva, its shareholders and other stakeholders. These Principles should be interpreted in the context of all applicable laws and Teva’s Articles of Association and other corporate governance documents, and are intended to serve as a flexible framework within which the Board may conduct its business and not as a set of legally binding obligations. These Principles are subject to modification by the Board, and the Board shall be able, in the exercise of its discretion, to deviate from these Principles from time to time, as the Board may deem appropriate or as required by applicable laws and regulations.

1. Board of Directors

General. The Board is the ultimate decision-making body of Teva, except with respect to those matters reserved to the shareholders by law, regulation or Teva's Articles of Association. The Board selects the Chief Executive Officer and oversees and monitors the performance of the senior management team, which is charged with the day-to-day conduct of Teva’s business. The fundamental responsibility of the directors is to exercise their business judgment on matters of strategic and critical significance to Teva in furtherance of what they reasonably believe to be in the best interests of Teva, its shareholders and other stakeholders.

Selection Criteria. Board candidates are selected for, among other things, their integrity, experience, leadership and ability to exercise sound judgment. These characteristics are the foundation for other credentials sought in prospective directors, including scientific expertise and experience at policy-making levels involving issues affecting business, government, finance, healthcare, education, technology and other areas relevant to Teva’s global business. The Board will also consider candidates representing a diversity of backgrounds, perspectives, ethnicity and genders.

Board Tenure. Due to the complexity of Teva’s businesses and its extensive global activity, we value the increasing insight which a director is able to develop over a period of service on the Board. Because we believe that extended service on our Board enhances a director’s ability to make significant contributions to Teva, we do not believe that arbitrary term limits on directors’ service are appropriate. At the same time, it is the policy of the Board that directors should not expect to be reelected automatically.

Meetings. At least six meetings of the Board are to be held throughout the year, with additional special meetings to be scheduled when required. A majority of the physical meetings of the Board in each calendar year (but not less than four physical meetings per calendar year) shall be held in Israel. Directors are expected to attend Board meetings and meetings of the committees on which they serve, to spend the time needed and to meet as frequently as necessary to discharge their responsibilities. Meetings should include presentations by management and, when appropriate, outside advisors or consultants, as well as sufficient time for full and open discussion.



Agenda. A meeting agenda as well as written materials that are important to the understanding of the agenda items to be discussed at a Board or committee meeting are to be distributed to the directors sufficiently in advance of the meeting to allow them the opportunity to adequately prepare. Directors are expected to review these materials thoroughly in advance of the meeting. At the invitation of the Board, members of senior management may attend Board meetings or portions thereof for the purpose of presenting issues on the Board's agenda and participating in discussions.

Executive Sessions of Directors. Our directors are expected to meet in executive session (i.e., without the participation of management) regularly, as required by the listing standards of the New York Stock Exchange (the "NYSE") and as needed. To that end, our directors are encouraged to meet in executive session after each regularly scheduled Board meeting. In addition, our independent directors are expected to meet in executive session at least once per year and as needed. Notwithstanding, selected members of management are typically invited by the Board to attend regularly scheduled Board meetings. Committees of the Board may also meet in executive session as deemed appropriate.

Service on Other Public Boards. A Teva director may also serve as a director (or in a comparable position) of another organization. Prior to becoming a director of another public company, a director of Teva shall notify the Chairman of the Board to address whether the aggregate number of directorships held by such director would interfere with his or her ability to carry out his or her responsibilities as a director of Teva. The Corporate Governance and Nominating Committee is responsible for reviewing a director's other board positions to ensure that such responsibilities do not compromise the director's ability to serve effectively as a Teva director or create a potential conflict of interest, but there is no fixed limit.

Director Orientation and Continuing Education. Teva has an orientation program and a continuing education process for Board members that includes business and industry briefings, provision of materials, meetings with key management and visits to Teva facilities.

Nominations. The Corporate Governance and Nominating Committee is in charge of evaluating the performance of current Board members proposed for reelection, and recommending whether members of the Board should stand for reelection by Teva's shareholders. Shareholders may submit proposed nominations for consideration by the Corporate Governance and Nominating Committee to Teva's Corporate Secretary at its corporate headquarters in accordance with the provisions of Teva's Articles of Association and applicable law. Any vacancies on the Board may be filled by the Board, based on the recommendation of the Corporate Governance and Nominating Committee.

Majority Voting Policy. In accordance with Israeli law and our Articles of Association, the affirmative vote of the holders of a majority of Teva's ordinary shares participating and voting at the annual meeting of shareholders, in person or by proxy or through their representatives, shall be required to elect a director.

Attendance at Annual Meeting. All directors are strongly encouraged to attend annual shareholder meetings.

Director Access to Management. To the extent necessary in order to meet their obligations as directors, and subject to applicable law, directors shall have full access to any relevant Teva records and may request that any officer or other employee of Teva or Teva's outside advisors meet with any members of, or advisors to, the Board or any committee. Directors will exercise their judgment to ensure that this



access does not impede or interfere with the conduct of Teva's business and is coordinated, where possible, through the Chief Executive Officer, so as not to undermine normal lines of management authority.

Change in Professional Status. The Board does not believe that directors who retire or change the position they held when they became a member of the Board should necessarily leave the Board. If a director retires or his or her principal occupation or professional responsibilities change substantially or such director otherwise experiences changed circumstances that could affect the director's independence, qualifications or availability, that director shall notify the Corporate Governance and Nominating Committee, which shall review the continued appropriateness of the affected director remaining on the Board under the circumstances, and, if such director ceases to meet the requirements to serve as a Director, such Director shall submit his or her resignation for consideration by the Corporate Governance and Nominating Committee. The Corporate Governance and Nominating Committee will consider all of the circumstances relating to the director's resignation and will recommend to the Board the action, if any, to be taken with respect to the resignation.

2. Board Committees

It is Teva's general policy that all major decisions be considered by the Board as a whole. Currently, the Board has the following standing committees: Audit Committee, Human Resources and Compensation Committee (the "Compensation Committee"), Corporate Governance and Nominating Committee, Compliance Committee, Finance and Investment Committee and Science and Technology Committee. The Board may, from time to time, eliminate committees or establish or maintain additional committees, as it deems necessary or appropriate, and amend the committees' charters in accordance with applicable laws and regulations.

The Corporate Governance and Nominating Committee may make recommendations to the Board relative to committee members and chair consistent with the membership criteria outlined in the applicable committee charter. Committee appointments are subject to approval of the majority of the Board. The Board may appoint, remove or replace any committee member or chair or add additional members to a committee at any time. The Audit Committee, Compensation Committee and Corporate Governance and Nominating Committee shall consist of independent directors only, in accordance with applicable U.S. Securities and Exchange Commission ("SEC") and exchange rules and other applicable laws and regulations.

The chair of each committee will, subject to applicable law and in consultation with appropriate committee members and members of management, and in accordance with the committee's charter, determine the frequency of committee meetings and develop the committee's agenda. Each committee shall meet from time to time, as required or as requested by the Chairman of the Board.

The standing Board committees have written charters, which are available on Teva's website.

3. Independence of Directors; Financial Expertise

A substantial majority of the members of the Board are to be "independent," as such term is defined by the applicable listing standards of the NYSE. In addition, for a director to be considered independent, the Board must determine that he or she does not have any direct or indirect material



relationship with Teva (other than in his or her capacity as a director). The Board may also consider other factors that will contribute to effective oversight and decision-making by the Board.

At least two of the directors shall qualify as "financial experts," as such term is defined under Israeli law. Furthermore, the Audit Committee includes an "audit committee financial expert," as defined by applicable SEC regulations.

4. Communication with Directors

It is Teva's policy that management speaks for the company. This policy does not preclude directors from meeting with shareholders, but it is suggested that in most circumstances any such meetings be held with management present.

Shareholders, employees and other interested parties can contact any director or committee of the Board by writing to them care of Teva Pharmaceutical Industries Limited, 5 Basel Street, Petach Tikva, Israel, Attn: Corporate Secretary or Internal Auditor. Comments or complaints relating to Teva's accounting, internal controls or auditing matters will also be referred to members of the Audit Committee as well as other appropriate bodies of Teva. The Board has adopted a global "whistleblower" policy, which provides employees and others with an anonymous means of communicating with the Audit Committee.

5. Executive Compensation

The Compensation Committee oversees the management of Teva's compensation and other human resources related issues and assists the Board in carrying out its related responsibilities. The Compensation Committee is responsible for establishing annual and long-term performance goals and objectives for Teva's executive officers, as well as reviewing Teva's overall compensation philosophy and policies, including with respect to executive officers and directors. In addition, the Compensation Committee reviews and approves any arrangement as to the terms of service and/or employment of executive officers or directors.

It is Teva's philosophy that executive officer compensation should be structured to maximize Teva's performance and shareholder value by incentivizing and rewarding sustained financial and operating performance and aligning executive officers' interests with those of our shareholders and other stakeholders.

Accordingly, the Compensation Committee and the Board have adopted a Compensation Policy designed to encourage pay for performance, align executive officers' interests with those of Teva and its shareholders over the long-term, encourage balanced risk management and provide a competitive compensation package. This Compensation Policy has been approved by our shareholders as required by Israeli law.

6. Director Compensation

The Compensation Committee, the Board and Teva's shareholders must approve the amount and form of compensation to be paid to Teva directors, which is also governed by Teva's Compensation Policy. In the event the Chief Executive Officer is also a member of the Board, he/she shall not receive any additional compensation for his/her service as a director, committee member or committee chair.



7. Annual Performance Evaluations

The Board and each of its committees shall conduct an annual self-evaluation. These self-evaluations are intended to facilitate an examination and discussion of the Board's and each committee's effectiveness in fulfilling its responsibilities. The Corporate Governance and Nominating Committee is responsible for overseeing the self-evaluation process and for proposing any modifications or alterations in Board or committee practices, procedures or charters. The self-evaluation results and any recommendations made by the Corporate Governance and Nominating Committee to enhance the Board's functioning will be discussed by the Board.

8. Management Succession

The Compensation Committee is in charge of preparing and regularly reviewing succession plans for the Chief Executive Officer, in consultation with the Chairman of the Board, and, in consultation with the Chief Executive Officer, with regard to other executive officers.

9. Code of Business Conduct

The Board is committed to aligning Teva's corporate resources and expertise with relevant areas of social responsibility, including promoting health and increasing access to treatment for patients.

Teva requires training on ethical behavior for its employees and Board members and has established a program in which each employee and Board member undergoes periodic mandatory training regarding the Code of Business Conduct.

10. Related Party Transactions

Our Audit Committee reviews proposed transactions in which an executive officer or director of Teva has a direct or indirect personal interest. An executive officer or director with a personal interest in a matter generally may not be present at the Board or certain committees' meeting where the matter is being considered and, in the case of a director, may not vote on the matter. Our related party transactions are reviewed and need to be approved by the Audit Committee (and, if determined to be a transaction not in the ordinary course of business, not on market terms or likely to have a material impact on the company's profitability, assets or liabilities, also need to be reviewed and approved by the Board) in accordance with applicable law and Teva's Articles of Association.

11. Potential Impact on Compensation from Executive Misconduct

Teva's executive officers are required to return any compensation paid to them on the basis of results included in financial statements that turned out to be erroneous and was subsequently restated, during the three year period following filing thereof. Furthermore, if the Board determines that an executive officer has engaged in conduct that resulted in a material inaccuracy in Teva's financial statements or caused severe financial or reputational damage to Teva, the Board has broad remedial and disciplinary authority. Board-imposed discipline would vary depending on the facts and circumstances, and may include, without limitation, (1) termination of employment, (2) initiating an action for breach of fiduciary duty and (3) seeking reimbursement of performance-based or incentive compensation paid or awarded to the executive officer.



12. Periodic Review of these Principles; Amendments

These Principles shall be reviewed periodically by the Corporate Governance and Nominating Committee to ensure that they remain relevant and are being complied with. The Board may amend, modify, repeal or waive any of these Principles at any time, with or without public notice, as it determines necessary or appropriate, in the exercise of its judgment or fiduciary duties.

Last amended on October 10, 2018.