



To the shareholders of Novartis AG

Invitation to the Annual General Meeting

Date: Tuesday, March 5, 2024, 10:00 CET (doors open at 8:30 CET)

Place: St. Jakobshalle, St. Jakobs-Strasse 390, 4052 Basel, Switzerland

Agenda

1 Votes on the financial and non-financial reporting for the 2023 financial year

1.1 Approval of the operating and financial review of Novartis AG, the financial statements of Novartis AG and the Group consolidated financial statements for the 2023 financial year

The Board of Directors proposes approval of the operating and financial review of Novartis AG, the financial statements of Novartis AG and the Group consolidated financial statements for the 2023 financial year.

Explanation

The Board of Directors is required by law to submit the operating and financial review, the financial statements and the Group consolidated financial statements for each financial year to the General Meeting for approval. The auditor KPMG AG, Basel, has audited the Group consolidated financial statements of the Novartis Group and the financial statements of Novartis AG and in the auditor's reports recommends approving the financial statements.

1.2 Advisory vote on the non-financial report for the 2023 financial year

The Board of Directors proposes endorsement of the non-financial report for the 2023 financial year (advisory vote).

Explanation

With the introduction of Art. 964a of the Swiss Code of Obligations, Novartis is obliged to prepare a report on non-financial matters as of the 2023 financial year. Details on compliance with this obligation can be found in the publication Novartis in Society Integrated Report 2023, which is available in English at <https://www.novartis.com/reportinghub>. A German PDF version will also be available starting from February 19, 2024. Additionally, the report on non-financial matters must be submitted to the General Meeting for approval as part of a consultative vote. The vote comprises the sections specified on page 85 of the Novartis in Society Integrated Report 2023.

KPMG AG, Basel, has undertaken a limited assurance engagement on the performance indicators on pages 80-84 of the Novartis in Society Integrated Report 2023, and provided an independent assurance report and unqualified limited assurance conclusion on page 98.

2 Discharge from liability of the members of the Board of Directors and the Executive Committee

The Board of Directors proposes to discharge each of its members and each of the members of the Executive Committee for the 2023 financial year.

Explanation

With the discharge of the members of the Board of Directors and the Executive Committee, the Company as well as the approving shareholders declare that they will no longer hold accountable those responsible for events from the past financial year that were brought to the attention of the General Meeting.

3 Appropriation of available earnings of Novartis AG as per balance sheet and declaration of dividend for 2023

Balance brought forward	CHF	34 123 671 700
Reduction due to cancellation of treasury shares ¹	CHF	- 10 233 254 934
Special distribution by way of dividend in kind to effect the spin-off of Sandoz Group AG	CHF	- 4 769 299 720
Net income of Novartis AG	CHF	<u>11 426 299 804</u>
Total available earnings at the end of the year	CHF	30 547 416 850

The Board of Directors proposes appropriation of the available earnings as follows:

Gross dividend (before taxes and duties) of CHF 3.30 per dividend-bearing share ² of CHF 0.49 nominal value	CHF - 7 043 104 966
Balance to be carried forward	CHF 23 504 311 884

¹ Based on the Annual General Meeting resolution of March 7, 2023

² No dividend will be declared on treasury shares held by Novartis AG or its direct or indirect fully owned subsidiaries (excluding foundations).

If this proposal is approved, the dividend will be paid as from March 11, 2024. The last trading day with entitlement to receive the dividend is March 6, 2024. As from March 7, 2024, the shares will be traded ex-dividend.

Explanation

The distribution of a dividend requires a resolution by the General Meeting. The proposed appropriation of available earnings is in line with the dividend policy of Novartis.

4 Reduction of share capital

The Annual General Meetings held on March 4, 2022, and March 7, 2023, authorized the Board of Directors, at its discretion, to repurchase shares as deemed appropriate from time to time up to a maximum of CHF 20 billion worth of shares until the 2025 and 2026 Annual General Meetings respectively.

In 2023, 87 547 255 shares were repurchased via the second trading line on the SIX Swiss Exchange under the authorization of March 4, 2022. These shares are to be cancelled and the share capital reduced accordingly. The legally required creditors' call has taken place, so that the capital reduction could be executed and registered in the commercial register immediately after the Annual General Meeting.

The Board of Directors proposes to reduce the share capital by CHF 42 898 154.95 (from CHF 1 115 964 098.48 to CHF 1 073 065 943.53) through cancellation of 87 547 255 own shares repurchased in 2023, whereas the reduction amount shall be set off against the balance brought forward.

Immediately after executing the capital reduction, the Board of Directors would amend Article 4 paragraph 1 of the Articles of Incorporation to read as follows:

The share capital of the Company is CHF 1 073 065 943.53, fully paid-in and divided into 2 189 930 497 registered shares. Each share has a nominal value of CHF 0.49.

5 Votes on compensation for the members of the Board of Directors and the Executive Committee

Further information and explanations on the compensation can be found in the brochure Compensation Votes at the 2024 Annual General Meeting published on www.novartis.com/agm and in the 2023 Compensation Report, available at www.novartis.com/annualreport2023.

5.1 Binding vote on the maximum aggregate amount of compensation for the Board of Directors from the 2024 Annual General Meeting to the 2025 Annual General Meeting

The Board of Directors proposes approval of a maximum aggregate amount of compensation for the Board of Directors of CHF 8 780 000, covering the period from the 2024 Annual General Meeting to the 2025 Annual General Meeting.

5.2 Binding vote on the maximum aggregate amount of compensation for the Executive Committee for the 2025 financial year

The Board of Directors proposes approval of a maximum aggregate amount of compensation for the Executive Committee of CHF 95 000 000 to be paid, promised or granted during, or in respect of, the 2025 financial year.

5.3 Advisory vote on the 2023 Compensation Report

The Board of Directors proposes endorsement of the 2023 Compensation Report (advisory vote).

6 Re-elections of the Board Chair and the members of the Board of Directors

The Board of Directors proposes the re-election of the current members of the Board of Directors (incl. the Board Chair), each until the end of the next Annual General Meeting.

Explanation

Since the term of office of the Board Chair and the members of the Board of Directors ends with the conclusion of the Annual General Meeting on March 5, 2024, they each have to be re-elected by the General Meeting.

Information on the professional backgrounds of the current members of the Board of Directors as well as information on committee memberships can be found from page 128 in the Annual Report, available at www.novartis.com/annualreport2023 and on our website at www.novartis.com/about/board-directors.

6.1 Re-election of Joerg Reinhardt as member and Board Chair

6.2 Re-election of Nancy C. Andrews

6.3 Re-election of Ton Buechner

6.4 Re-election of Patrice Bula

6.5 Re-election of Elizabeth Doherty

6.6 Re-election of Bridgette Heller

6.7 Re-election of Daniel Hochstrasser

6.8 Re-election of Frans van Houten

6.9 Re-election of Simon Moroney

6.10 Re-election of Ana de Pro Gonzalo

6.11 Re-election of Charles L. Sawyers

6.12 Re-election of William T. Winters

6.13 Re-election of John D. Young

7 Re-elections to the Compensation Committee

The Board of Directors proposes the re-election of the current members of the Compensation Committee, each until the end of the next Annual General Meeting. The Board of Directors intends to redesignate Simon Moroney as chair of the Compensation Committee, subject to his re-election as a member of the Compensation Committee.

Explanation

Since the term of office of the members of the Compensation Committee ends with the conclusion of the Annual General Meeting on March 5, 2024, they must be re-elected by the General Meeting. In accordance with Article 27 paragraph 4 of the Articles of Incorporation, the Board of Directors appoints the chair of the Compensation Committee.

7.1 Re-election of Patrice Bula

7.2 Re-election of Bridgette Heller

7.3 Re-election of Simon Moroney

7.4 Re-election of William T. Winters

8 Re-election of the auditor

The Board of Directors proposes the re-election of KPMG AG as auditor for the financial year starting on January 1, 2024.

Explanation

According to the Articles of Incorporation, the auditors are to be elected annually by the General Meeting. KPMG AG was first proposed for election at the 2022 Annual General Meeting after a tendering process in the year 2020, and the Board of Directors believes that KPMG AG is best suited to continue serving as our auditor.

9 Re-election of the Independent Proxy

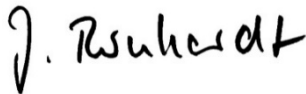
The Board of Directors proposes the re-election of lic. iur. Peter Andreas Zahn, attorney at law, Basel, as Independent Proxy until the end of the next Annual General Meeting.

Explanation

The law requires that the Independent Proxy is elected annually by the General Meeting. Mr. Zahn meets the independence criteria, and the Board of Directors suggests that he should be re-elected for reasons of continuity.

For the Board of Directors

The Board Chair:



Joerg Reinhardt, Ph. D.

(The original German text is binding)

Organizational notes

No trading restriction

The registration of shareholders for voting purposes does not affect the trading of shares held by registered shareholders before, during or after a General Meeting.

Documentation

The full Annual Report for the 2023 financial year (incl. the operating and financial review of Novartis AG, the financial statements of Novartis AG, the Group's consolidated financial statements, the Compensation Report as well as the auditor's reports) is available in English at www.novartis.com/annualreport2023.

The Novartis in Society Integrated Report 2023, which contains the non-financial report, is available online as a PDF in English, with a German version also being available from February 19, 2024. Details of our annual reports can be found at www.novartis.com/reportinghub.

The brochure Compensation Votes at the 2024 Annual General Meeting is available in German and English at www.novartis.com/agm.

Voting rights

Voting rights may only be exercised for shares registered with the right to vote in the share register on February 29, 2024.

Admission tickets

Admission tickets and voting materials will be sent from February 23, 2024, to March 1, 2024, to shareholders who register for the Annual General Meeting. It will facilitate the preparations for the meeting if the enclosed registration form is returned as early as possible.

Appointment of proxy

A shareholder can be represented by a legal representative or, by means of a written proxy, by a representative of choice. Furthermore, a shareholder may be represented by the Independent Proxy (lic. iur. Peter Andreas Zahn, attorney at law, St. Jakobs-Strasse 7, 4052 Basel, Switzerland). Proxies may only be appointed for one General Meeting.

Web portal GVMANAGER-Live

Novartis offers its shareholders the use of GVMANAGER-Live to order their admission ticket, appoint a proxy, and give voting instructions.

Shareholders registered in the Novartis AG share register receive the login codes with the invitation to the General Meeting. In case of questions, please contact the Novartis Share Registry (Novartis AG, Share Registry, c/o Devigus Shareholder Services, Birkenstrasse 47, 6343 Rotkreuz, Switzerland, Tel: +41 41 798 48 48, E-mail: novartis@devigus.com).

Proposals from shareholders on agenda items

Proposals from shareholders on agenda items are only permissible if they are put to the General Meeting by the shareholders themselves or by an individual proxy acting on their behalf. The Independent Proxy cannot act as individual proxy in this sense.

Transportation

Shareholders are requested to use public transport since parking facilities at the St. Jakobshalle are limited.

Simultaneous translations

The General Meeting will be held partially in German and in English with simultaneous translations into German, English and French. Headphones will be provided in the foyer of the St. Jakobshalle.

Webcast

The General Meeting can be watched as live webcast with simultaneous translations into German and English at www.novartis.com/agm.