

MEDIA RELEASE • MEDIA RELEASE • MEDIA RELEASE**Novartis shareholders approve all resolutions proposed by the Board of Directors at the Annual General Meeting**

- *Shareholders approve 23rd consecutive dividend increase to CHF 2.95 (+4%) per share for 2019; representing a 3.5%¹ yield and approximately 54% payout of free cash flow*
- *Shareholders confirm Dr. Joerg Reinhardt as Chairman of the Board of Directors as well as all other members who stood for re-election; Ms. Bridgette Heller and Mr. Simon Moroney elected to the Board of Directors*
- *Shareholders approve all other proposals of the Board of Directors, including the 2019 Compensation Report in an advisory vote, as well as the future Board and Executive Committee compensation in separate binding votes*

Basel, February 28, 2020 — Novartis shareholders today agreed to the Board of Directors' recommendations for all proposed resolutions at the Group's Annual General Meeting (AGM). A total of 1,189 shareholders were present at the meeting held in Basel, representing approximately 59.09% of the issued shares of Novartis.

Shareholders approved the 23rd consecutive dividend increase per share since the creation of Novartis in 1996, with an increase of 4% to CHF 2.95 for 2019. Payment for the 2019 dividend will be made as of March 5, 2020. The dividend for 2019 is an approximately 54% payout of free cash flow, reinforcing the Company's ongoing commitment to a strong dividend yield.

Annual re-election and election of Members of the Board

Shareholders re-elected Dr. Joerg Reinhardt as Chairman of the Board of Directors, and all members of the Board who stood for re-election, for one year. In addition, Ms. Bridgette Heller and Mr. Simon Moroney were elected as new members to the Board of Directors.

In addition, shareholders re-elected the following members of the Board of Directors to the Compensation Committee for one year: Patrice Bula, Srikant Datar, Enrico Vanni, and William T. Winters. The Committee will be chaired by Mr. Enrico Vanni. Further, shareholders elected Ms. Bridgette Heller as a new member of the Compensation Committee.

Share cancellation

In line with the Board of Directors' recommendation, the shareholders also approved the cancellation of 60 313 900 shares repurchased under the seventh and under the eighth share

¹ Based on the SIX closing share price on February 27, 2020

repurchase program in 2019 and the reduction of the share capital accordingly by CHF 30 156 950, from CHF 1 263 687 410 to CHF 1 233 530 460.

Votes on Compensation for the members of the Board of Directors and the Executive Committee

In two separate binding votes, shareholders approved the total maximum amount of compensation for the members of the Board of Directors, covering the period from the 2020 AGM to the 2021 AGM, and the total maximum amount of compensation for the members of the Executive Committee for the financial year 2021.

Shareholders also endorsed the 2019 Compensation Report in an advisory vote. It contained enhanced disclosures in many areas, hence, providing greater transparency. The report also informed shareholders of prospective changes to the compensation system. These are based on the constructive feedback received from shareholders, our business strategy, and developing market practice.

For a detailed listing of all resolutions presented at the 2020 Annual General Meeting, please visit: <https://www.novartis.com/agm>

Disclaimer

This press release contains forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995. Forward-looking statements can generally be identified by words such as “commitment,” “will,” “endorsed,” “prospective,” “strategy,” “developing,” “advisory,” or similar terms, or by express or implied discussions regarding the potential future impact on Novartis of the matters described in this release, including the future commercial performance of Novartis, the seventh share repurchase program, the eighth share repurchase program, the annual re-election and election of members of the Board of Directors and the Compensation Committee, votes on compensation for the members of the Board of Directors and the Executive Committee, and an advisory vote on the 2019 Compensation Report. You should not place undue reliance on these statements. Such forward-looking statements are based on our current beliefs and expectations regarding future events, and are subject to significant known and unknown risks and uncertainties. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those set forth in the forward-looking statements. There can be no guarantee as to the ultimate outcome of the matters described in this release or their potential impact on Novartis. In particular, our expectations regarding these matters could be affected by, among other things, uncertainties regarding future demand for our products; uncertainties regarding potential significant breaches of data security and data privacy, or disruptions of our information technology systems; the potential impact of the matters discussed in this release on Novartis management, its financial results and its competitiveness; and other risks and factors referred to in Novartis AG’s current Form 20-F on file with the US Securities and Exchange Commission. Novartis is providing the information in this press release as of this date and does not undertake any obligation to update any forward-looking statements contained in this press release as a result of new information, future events or otherwise.

About Novartis

Novartis is reimagining medicine to improve and extend people’s lives. As a leading global medicines company, we use innovative science and digital technologies to create transformative treatments in areas of great medical need. In our quest to find new medicines, we consistently rank among the world’s top companies investing in research and development. Novartis products reach more than 750 million people globally and we are finding innovative ways to expand access to our latest treatments. About 109,000 people of more than 145 nationalities work at Novartis around the world. Find out more at www.novartis.com.

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