

Charter

The Corporate Governance and Nomination Committee of Novartis AG

Mission Statement

The Corporate Governance and Nomination Committee (“CGNC”) will assist the board of directors (the “Board”) of Novartis AG (the “Company”) in fulfilling its responsibilities with respect to (i) the determination of the appropriate size, functions and needs of the Board, and (ii) the identification of individuals who are qualified to become (or be re-elected as) Board members.

Organization

The CGNC shall consist of a minimum of three members of the Board. These members shall be independent in accordance with the independence criteria set forth in the Appendix.

The Board will designate one member of the CGNC as its chairperson.

The CGNC will meet no less than two times a year. Special meetings may be convened as required.

The CGNC shall regularly report to the Board on decisions and deliberations of the CGNC.

The CGNC may invite to its meetings other Board members, Company management and such other persons as the CGNC deems appropriate in order to carry out its responsibilities. The CGNC shall exclude from its meetings anyone with a personal interest in the matters to be discussed.

The CGNC shall have sole authority to retain and terminate any search firm to be used to identify candidates for election to the Board, and shall have sole authority to approve the search firm’s fees and other retention terms. The CGNC shall also have authority to obtain advice and assistance from internal and external legal, accounting or other advisors.

Roles and Responsibilities

The CGNC has the following roles and responsibilities:

In General

1. Review periodically the articles of incorporation of the Company (the “Articles of Incorporation”) and the regulations of the board of directors, its committees and the executive committee (the “Regulations) and recommend to the Board changes thereto in respect of good corporate governance and fostering shareholders’ rights.
2. Consult with the chairman of the Board (the “Chairman”) in carrying out the duties of the CGNC.
3. Recommend such other actions not set out below regarding the governance of the Company that are in the best interests of the Company and its shareholders, as the CGNC shall deem appropriate.

Board Composition

4. Review the composition and size of the Board in order to ensure the Board has the proper expertise and consists of persons with sufficiently diverse backgrounds.
5. Determine the criteria for selection of the Chairman, Board members and Board committee members. The CGNC considers factors such as (i) personality, skills and knowledge, (ii) diversity of viewpoints, professional backgrounds and expertise, (iii) business and other experience relevant to the business of the Company, (iv) the ability and willingness to commit adequate time and effort to Board and committee responsibilities, (v) the extent to which personality, background, expertise, knowledge and experience will interact with other Board members to build an effective and complementary Board, and (vi) whether existing board memberships or other positions held by a candidate could lead to a conflict of interest.
6. With the participation of the Chairman, actively seek, interview and screen individuals qualified to become Board members for recommendation to the Board.

7. Assess and recommend to the Board as to whether members of the Board should stand for re-election. For its assessment, the CGNC considers, among other things, age limit and ability and willingness to commit adequate time to the Board and committee matters.
8. In case a Board member tenders his resignation in accordance with article 16a of the Board Regulations, review the appropriateness of continued service on the Board of such member.
9. Prepare and annually review succession plans for the Chief Executive Officer in case of resignation, retirement, or death.
10. With the Chairman and the corporate secretary, develop and periodically review an orientation program for new Board members and an ongoing education program for existing Board members.

Board Committees

11. With the Chairman, periodically review the Regulations and the charters of the Board committees and make recommendations to the Board for the creation of additional Board committees or a change in mandate or dissolution of Board committees.
12. With the Chairman, periodically review the composition of the Board committees. When doing so, the CGNC takes into account whether a member of a Board committee is suitable for the tasks of his respective Board committee.
13. With the Chairman, periodically review the chairmanships of the respective Board committee.
14. Ensure that each committee conducts the required number of meetings and makes sufficient reports to the Board on its activities and findings.

Conflicts, Other Directorships and Board member independence

15. Review directorships and consulting agreements of Board members for conflicts of interest.

16. Instruct a Board member having an actual or potential conflict of interest on how to conduct himself/herself in matters before the Board which may pertain to such a conflict. The Chairman reviews actual and potential conflicts of interest a Board member may have and proposes to the Board how the conflict should be handled. The secretary to the Board reports to the CGNC regularly on such decisions taken by the Board.
17. Annually submit to the Board a proposal concerning the determination of the independent status of the Board members and the corresponding disclosure.

Evaluation of Performance

18. Conduct an annual self-evaluation of the CGNC's performance.

Effective: 14 December 2011