

To the shareholders of Novartis AG

Invitation to the Annual General Meeting

Date: Tuesday, March 7, 2023, 10:00 CET (doors open at 8:30 CET)

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

Basel, February 1, 2023

Agenda

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 2022 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 2022 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 has nothing to add to the audit reports.

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 2022 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 2022

Balance brought forward	CHF	19 318 747 323
Reduction due to cancellation of treasury shares ¹	CHF	-1 966 414 116
2022 net income of Novartis AG	CHF	25 392 232 198
Total available earnings at the end of the year	CHF	42 744 565 405
Transfer to legal reserves for treasury shares ²	CHF	-1 578 834 054
Total available earnings at the disposal of the Annual General Meeting	CHF	41 165 731 351

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

Gross dividend (before taxes and duties) of CHF 3.20 per dividend-bearing share ³ of CHF 0.50 nominal value	CHF	-7 057 566 272
Balance to be carried forward	CHF	34 108 165 079

¹ Based on the resolution by the Annual General Meeting held on March 4, 2022 regarding reduction of share capital

² With effective date of January 1, 2023, Article 659b of the Swiss Code of Obligations was amended to change the definition of subsidiaries to include foundations of the Company. This amendment requires an additional allocation of legal reserve for treasury shares held by foundations as of January 1, 2023, resulting in a reduction of available earnings at the disposal of the Annual General Meeting.

³ No dividend will be declared on treasury shares held by Novartis AG or its fully owned subsidiaries.

If this proposal is approved, the dividend will be paid as from March 13, 2023. The last trading day with entitlement to receive the dividend is March 8, 2023. As from March 9, 2023 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 2, 2021 and March 4, 2022 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 2024 and 2025 Annual General Meetings respectively.

In 2022, 126 243 500 shares (thereof 106 130 779 under the authorization of March 2, 2021, and 20 112 721 under the authorization of March 4, 2022) were repurchased via the second trading line on the SIX Swiss Exchange. 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 63 121 750 (from CHF 1 201 860 626 to CHF 1 138 738 876) through cancellation of 126 243 500 own shares repurchased in 2022, 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 1 138 738 876, fully paid-in and divided into 2 277 477 752 registered shares. Each share has a nominal value of CHF 0.50.

5 Further Share Repurchases

As explained under agenda item 4, the 2021 and the 2022 Annual General Meetings authorized the Board of Directors to repurchase shares as deemed appropriate from time to time up to a maximum of CHF 20 billion. Up until January 31, 2023, shares with a total value of CHF 12.6 billion have been repurchased under this authorization, which means that CHF 7.4 billion remain.

To allow for the full execution of the already announced share buyback of up to USD 15 billion and potential additional share buybacks, the Board of Directors proposes that shareholders, in addition to the remaining authorization of CHF 7.4 billion, authorize the Board of Directors to repurchase shares as deemed appropriate from time to time up to a maximum of CHF 10 billion between the 2023 Annual General Meeting and the 2026 Annual General Meeting.

Explanation

Any shares repurchased under this authorization are to be cancelled and the corresponding share capital reductions will then be submitted to the shareholders for approval. The repurchased shares will therefore not fall within the scope of the 10% limit pursuant to Art. 659 of the Swiss Code of Obligations, which restricts the acquisition of own shares by the company.

6 Amendment of the Articles of Incorporation

The Board of Directors proposes that the Articles of Incorporation of Novartis AG be amended to meet the requirements of the reform of Swiss corporate law that came into force on January 1, 2023, and to take into account current best corporate governance practices. For the explanations of the motions and the text of the proposed revised Articles of Incorporation, reference is made to the brochure "Explanations of the Board of Directors on the Amendment of the Articles of Incorporation" published on www.novartis.com/agm.

6.1 Introduction of Article 12a of the Articles of Incorporation

6.2 Amendment of Articles 10, 14, 30, 33 and 34 of the Articles of Incorporation

6.3 Amendment of Articles 4-7, 9, 11-13, 16-18, 20-24, 27, 38 and 39 of the Articles of Incorporation

7 Votes on Compensation for the Members of the Board of Directors and the Executive Committee

Further information on the compensation can be found in the brochure "Compensation Votes at the 2023 Annual General Meeting" published on www.novartis.com/agm and in the 2022 Compensation Report, available at www.novartis.com/annualreport2022.

7.1 Binding Vote on the Maximum Aggregate Amount of Compensation for the Board of Directors from the 2023 Annual General Meeting to the 2024 Annual General Meeting

The Board of Directors proposes approval of a maximum aggregate amount of compensation for the Board of Directors of CHF 8 750 000, covering the period from the 2023 Annual General Meeting to the 2024 Annual General Meeting.

7.2 Binding Vote on the Maximum Aggregate Amount of Compensation for the Executive Committee for the 2024 Financial Year

The Board of Directors proposes approval of a maximum aggregate amount of compensation for the Executive Committee of CHF 90 000 000 to be paid, promised or granted during, or in respect of, the 2024 financial year.

7.3 Advisory Vote on the 2022 Compensation Report

The Board of Directors proposes endorsement of the 2022 Compensation Report (advisory vote).

8 Re-elections of the Board Chair and the Members of the Board of Directors, Election of one new Member to 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), with the exception of Andreas von Planta, as well as the election of John D. Young as a new member of the Board of Directors, 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 7, 2023, they each have to be re-elected by the Annual General Meeting.

Andreas von Planta has decided not to stand for re-election. The Board of Directors and the Executive Committee of Novartis would like to thank Andreas von Planta for his many years of distinguished service on the Novartis Board of Directors.

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 130 ff in the Annual Report, available at www.novartis.com/annualreport2022 and on our website at www.novartis.com/about/board-directors.

8.1 Re-election of Joerg Reinhardt as Member and Board Chair

8.2 Re-election of Nancy C. Andrews

8.3 Re-election of Ton Buechner

8.4 Re-election of Patrice Bula

8.5 Re-election of Elizabeth Doherty

8.6 Re-election of Bridgette Heller

8.7 Re-election of Daniel Hochstrasser

8.8 Re-election of Frans van Houten

8.9 Re-election of Simon Moroney

8.10 Re-election of Ana de Pro Gonzalo

8.11 Re-election of Charles L. Sawyers

8.12 Re-election of William T. Winters

8.13 Election of John D. Young

John D. Young retired from Pfizer in June 2022 where he held several senior positions over more than 30 years and served as a member of Pfizer's Executive Leadership Team since 2012. John D. Young successfully led and developed multi-ten-billion dollar global businesses and brings a wealth of industry experience in leadership, strategy, business development and commercialization of innovative medicines to the Board of Directors. John D. Young currently serves on the Boards of Johnson Controls International, Haleon PLC, Arvinas, and privately held biotech, Imbria Pharmaceuticals.

More background information on John D. Young is available at www.novartis.com/agm.

9 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 7, 2023, they must be re-elected by the Annual 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.

9.1 Re-election of Patrice Bula

9.2 Re-election of Bridgette Heller

9.3 Re-election of Simon Moroney

9.4 Re-election of William T. Winters

10 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, 2023.

Explanation

According to the Articles of Incorporation, the auditors are to be elected annually by the Annual 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.

11 Re-election of the Independent Proxy

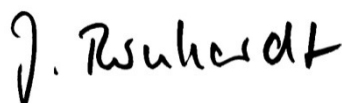
The Board of Directors proposes the re-election of lic. iur. Peter Andreas Zahn, Attorney at Law, Basel, as Independent Proxy until the end of the next Annual General Meeting.

Explanation

The law requires that the Independent Proxy is elected annually by the Annual 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 2022 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/annualreport2022 and available for inspection by shareholders at the Registered Office of the Company*.

The "Novartis in Society Integrated Report 2022" is available online as an interactive website and as a PDF in English, with a German PDF version also being available from February 20, 2023. Details of our annual reports can be found at www.novartis.com/reportingsuite.

The brochures "Compensation Votes at the 2023 Annual General Meeting" and "Explanations of the Board of Directors on the Amendment of the Articles of Incorporation" are available in German, English and French 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 March 2, 2023.

Admission Tickets

Admission tickets and voting materials will be sent from February 24, 2023 to March 3, 2023 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.

Proxy Appointment

A shareholder may only be represented at the General Meeting by his or her legal representative, another shareholder with the right to vote or 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.

Please note that family members who are not themselves shareholders cannot be appointed as proxies. This does not apply to family members acting as legal representatives.

Web portal GVMANAGER Online

Novartis offers its shareholders the use of GVMANAGER Online 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, Forum 1-2.77, 4002 Basel, Switzerland, Tel: +41 61 324 72 04, Fax: +41 61 324 32 44, E-mail: share.registry@novartis.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.

* At the Office of the Corporate Secretary, Lichtstrasse 35, 4056 Basel, Switzerland