



To the shareholders of Novartis AG

# Invitation to the Annual General Meeting

**Date:** Friday, March 7, 2025, 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 2024 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 2024 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 2024 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 2024 financial year

The Board of Directors proposes endorsement of the non-financial report for the 2024 financial year (advisory vote).

##### *Explanation*

Since the introduction of Art. 964a of the Swiss Code of Obligations, Novartis is obliged to prepare a report on non-financial matters. Details on compliance with this obligation can be found in the publication Novartis in Society Integrated Report 2024, which is available in English at [www.novartis.com/investors/reporting-and-transparency-hub](http://www.novartis.com/investors/reporting-and-transparency-hub). A German version will also be available starting from February 17, 2025. 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 63 of the Novartis in Society Integrated Report 2024.

KPMG AG, Basel, has undertaken a limited assurance engagement on the performance indicators on pages 60-62 of the Novartis in Society Integrated Report 2024, and provided an independent assurance report and unqualified limited assurance conclusion on page 72.

### 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 2024 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 2024

Available earnings brought forward	CHF	23 510 983 408
Reduction due to cancellation of treasury shares <sup>1</sup>	CHF	- 7 517 496 525
Net income of the year of Novartis AG	CHF	11 228 096 834
<b>Total disposable profit</b>	<b>CHF</b>	<b>27 221 583 717</b>
Treasury shares held by Novartis AG	CHF	- 7 329 275 135
<b>Total available earnings at the end of the year</b>	<b>CHF</b>	<b>19 892 308 582</b>

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

Payment of a gross dividend (before taxes and duties) of CHF 3.50 per dividend-bearing share <sup>2</sup> with a nominal value of CHF 0.49 each	CHF - 7 158 600 432
<b>Total available earnings to be carried forward after appropriation</b>	<b>CHF 12 733 708 150</b>

<sup>1</sup> Based on the Annual General Meeting resolution of March 5, 2024

<sup>2</sup> 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 13, 2025. The last trading day with entitlement to receive the dividend is March 10, 2025. As from March 11, 2025, 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 2024, 77 508 630 shares were repurchased via the second trading line on the SIX Swiss Exchange (thereof 8 548 613 under the authorization of March 4, 2022, and 68 960 017 under the authorization of March 7, 2023). 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 37 979 228.70 (from CHF 1 073 065 943.53 to CHF 1 035 086 714.83) through cancellation of 77 508 630 own shares repurchased in 2024, whereas the reduction amount shall be set off against the entire voluntary earnings reserves, the entire other legal capital reserves, and the rest against the earnings carried forward.

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

The share capital of the Company is CHF 1 035 086 714.83, fully paid-in and divided into 2 112 421 867 registered shares. Each share has a nominal value of CHF 0.49.

## 5 Further share repurchases

As explained under agenda item 4, the 2022 and the 2023 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 December 31, 2024, shares with a total value of CHF 16.5 billion have been repurchased under these authorizations, which means that CHF 3.5 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 3.5 billion, authorize the Board of Directors to repurchase shares as deemed appropriate from time to time up to CHF 10 billion from the 2025 Annual General Meeting to the 2028 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 Advisory vote on electronic participation at general meetings without venue (Article 12a paragraph 2 of the Articles of Incorporation)**

The Board of Directors proposes to confirm in an advisory vote the statutory authorization in Article 12a paragraph 2 of the Articles of Incorporation to hold virtual general meetings.

### *Explanation*

The 2023 Annual General Meeting established the statutory basis for holding general meetings electronically without a venue (virtual general meetings) through the introduction of Article 12a. This authorization of the Board of Directors is limited until June 30, 2028. Due to certain reservations among shareholders regarding this format, which is still unfamiliar in Switzerland, prior to the 2023 Annual General Meeting the Board of Directors committed to submit this authorization to shareholders again at the 2025 Annual General Meeting.

Although the Board of Directors currently has no plans to hold a virtual general meeting, it considers it prudent to confirm the statutory authorization to ensure all options under the new law remain available.

If the advisory vote does not receive approval, the Board of Directors will refrain from holding virtual general meetings until June 30, 2028, the expiration of the authorization in Article 12a paragraph 2 of the Articles of Incorporation.

## **7 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 2025 Annual General Meeting published on [www.novartis.com/agm](http://www.novartis.com/agm) and in the 2024 Compensation Report, available at [www.novartis.com/investors/reporting-and-transparency-hub](http://www.novartis.com/investors/reporting-and-transparency-hub).

### **7.1 Binding vote on the maximum aggregate amount of compensation for the Board of Directors from the 2025 Annual General Meeting to the 2026 Annual General Meeting**

The Board of Directors proposes approval of a maximum aggregate amount of compensation for the Board of Directors of CHF 8 200 000, covering the period from the 2025 Annual General Meeting to the 2026 Annual General Meeting.

### **7.2 Binding vote on the maximum aggregate amount of compensation for the Executive Committee for the 2026 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 2026 financial year.

### **7.3 Advisory vote on the 2024 Compensation Report**

The Board of Directors proposes endorsement of the 2024 Compensation Report (advisory vote).

## **8 Election of a new member and Chair of the Board of Directors, re-elections of ten members of the Board of Directors and election of one new member of the Board of Directors**

Joerg Reinhardt, Charles L. Sawyers, and William T. Winters are not standing for re-election. The Board of Directors and the Executive Committee of Novartis thank Joerg Reinhardt, Charles L. Sawyers, and William T. Winters for their many years of valuable service as Chair and members of the Board of Directors. We especially wish to recognize Joerg Reinhardt for his outstanding commitment and visionary leadership as Board Chair, who has driven the successful transformation of Novartis into a focused pharmaceutical company over the past twelve years.

The Board of Directors proposes the election of Giovanni Caforio as member of the Board of Directors and Board Chair, the re-election of the current members of the Board of Directors with the exception of Joerg Reinhardt, Charles L. Sawyers, and William T. Winters, and the election of Elizabeth McNally as 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, 2025, 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 106 in the Annual Report, available at [www.novartis.com/investors/reporting-and-transparency-hub](http://www.novartis.com/investors/reporting-and-transparency-hub) and on our website at [www.novartis.com/about/board-directors](http://www.novartis.com/about/board-directors).

#### **8.1 Election of Giovanni Caforio as member and Board Chair**

Giovanni Caforio has had an international career in the healthcare industry spanning more than 35 years. He graduated in medicine and surgery in Italy in 1988, and has held senior leadership positions at Abbott Laboratories and Bristol Myers Squibb (BMS) in several European countries and the US. He was CEO of BMS from 2015 to 2023 and Chair of the company's board of directors from 2017 to 2024. Under his leadership, BMS nearly tripled its revenue, undertook several strategic acquisitions and partnerships, and launched 12 new medicines. Giovanni Caforio currently serves on the board of Stryker Corp. He is fluent in Italian, French, Spanish, Portuguese and English.

More information on the professional background of Giovanni Caforio is available at [www.novartis.com/agm](http://www.novartis.com/agm).

#### **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 John D. Young**

#### **8.12 Election of Elizabeth McNally**

Elizabeth McNally is a human geneticist and cardiologist with extensive experience as a physician, scientist, professor and senior administrator at leading academic institutions in the US. She qualified as a medical doctor at the Albert Einstein College of Medicine in New York City. Elizabeth McNally is a practicing cardiologist with expertise in cardiovascular genetics, with postgraduate training at the Brigham and Women's Hospital in Boston. With interests in the genetics of cardiovascular and neuromuscular disorders, she has had research and leadership roles at the University of Chicago and Northwestern University. She is the founder, CEO and a board member of Ikaika Therapeutics.

More information on the professional background of Elizabeth McNally is available at [www.novartis.com/agm](http://www.novartis.com/agm).

### **9 Re-elections and election to the Compensation Committee**

The Board of Directors proposes the re-election of Patrice Bula, Bridgette Heller and Simon Moroney and the election of John D. Young as 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, 2025, they have to 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.

**9.1 Re-election of Patrice Bula**

**9.2 Re-election of Bridgette Heller**

**9.3 Re-election of Simon Moroney**

**9.4 Election of John D. Young**

**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, 2025.

*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. KPMG AG meets the independence criteria, and the Board of Directors suggests re-electing KPMG AG.

**11 Re-election of the Independent Proxy**

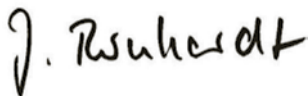
The Board of Directors proposes the re-election of lic. iur. Peter Andreas Zahn, attorney at law, Basel, as Independent Proxy until the end of the next Annual General Meeting.

*Explanation*

The law requires that the Independent Proxy is elected annually by the General Meeting. Mr. Zahn meets the independence criteria, and the Board of Directors suggests re-electing him.

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 Annual Report for the 2024 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/investors/reporting-and-transparency-hub](http://www.novartis.com/investors/reporting-and-transparency-hub).

The Novartis in Society Integrated Report 2024, which contains the non-financial report is available in English at [www.novartis.com/investors/reporting-and-transparency-hub](http://www.novartis.com/investors/reporting-and-transparency-hub); a German version will also be available at this address from February 17, 2025.

The brochure Compensation Votes at the 2025 Annual General Meeting is available in German and English at [www.novartis.com/agm](http://www.novartis.com/agm).

## Web portal GVMANAGER-Live

Novartis offers its shareholders the use of GVMANAGER-Live to order their admission ticket or appoint a proxy. The login codes can be found in the invitation letter.

**Shareholders can now receive invitations to future General Meetings electronically by registering their email address in GVMANAGER-Live.**

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](mailto:novartis@devigus.com)).

## Admission tickets

Admission tickets will be sent from February 24, 2025, to March 5, 2025, to shareholders who register for the Annual General Meeting. The use of GVMANAGER-Live or returning the enclosed form as early as possible will facilitate the preparations for the meeting.

## 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.

## Voting rights

Voting rights may be exercised for shares registered with the right to vote in the share register on March 4, 2025.

## 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. Translation devices will be provided in the foyer and the main arena.

## Webcast

The General Meeting can be watched as live webcast with simultaneous translations into German and English at [www.novartis.com/agm](http://www.novartis.com/agm).



2025 Annual General Meeting

# Compensation Votes

Item 7 of the Agenda  
(The original German text is binding)



# Dear Shareholder,

Our purpose is to reimagine medicines to improve and extend people's lives. We use science-based innovation to address some of society's most challenging healthcare issues. We discover and develop breakthrough treatments and find new ways to deliver them to as many people as possible. We also aim to provide a shareholder return that awards those who invest their money, time and ideas in our company.

As we work at Novartis to reimagine medicine, our unwavering focus on our strategy and purpose enabled us to continue to create value for patients, healthcare professionals, healthcare systems, employees, shareholders, and society.

From a compensation perspective, we continued to engage with shareholders and proxy advisors to gather feedback on the compensation system for the Executive Committee, and as well as our disclosure practices in the Compensation Report. We would like to thank you for the constructive dialogue.

As in prior years and in line with the Swiss Code of Obligations and our Articles of Incorporation, we are asking shareholders at the 2025 Annual General Meeting (AGM) to cast separate binding votes on the maximum aggregate amount of compensation for the Board of Directors and the maximum aggregate amount of compensation for the Executive Committee, and an advisory (non-binding) vote on our 2024 Compensation Report as described in this brochure.

## **Vote 7.1: Binding vote on the maximum aggregate amount of compensation for the Board of Directors from the 2025 Annual General Meeting to the 2026 Annual General Meeting**

The Board of Directors proposes approval of a maximum aggregate amount of compensation for the Board of Directors of CHF 8 200 000, covering the period from the 2025 Annual General Meeting to the 2026 Annual General Meeting.

## **Vote 7.2: Binding vote on the maximum aggregate amount of compensation for the Executive Committee for the financial year 2026**

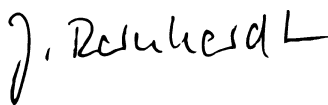
The Board of Directors proposes approval of a maximum aggregate amount of compensation for the Executive Committee of CHF 95 000 000 to be paid, promised or granted during, or in respect of, the financial year 2026.

**Vote 7.3: Advisory vote on the 2024 Compensation Report**

The Board of Directors proposes endorsement of the 2024 Compensation Report (advisory vote).

This brochure provides information on the three compensation-related votes. Further details regarding the compensation systems for our Board and Executive Committee members are set out in the 2024 Annual Report.

On behalf of the Novartis Board of Directors,



**Joerg Reinhardt**  
Board Chair



**Simon Moroney**  
Compensation Committee Chair

# Vote 7.1

Binding vote on the maximum aggregate amount of compensation for the Board of Directors from the 2025 Annual General Meeting to the 2026 Annual General Meeting, i.e. CHF 8 200 000

Board members receive only fixed compensation. They receive no variable compensation and no additional fees for attending meetings.

Fees paid are at least 50% in Novartis shares (up to 100% at the option of each Board member) and the remainder is paid in cash. All fees reflect our governance structure and the responsibilities of the Board, in accordance with applicable laws and our own regulations. Board members bear the full cost of their employee social security contributions, if any. Board members do not receive any company pension, insurance or other benefits, unless mandated by local legislation. Novartis will pay mandatory employer contributions for the incoming Board Chair as required by law, should his nomination be approved at the 2025 AGM.

Each year, the Board of Directors reviews the compensation of its members, including the Board Chair, based on a proposal by the Compensation Committee and advice from its independent advisor, including relevant benchmarking information. The annual Board Chair fee will be CHF 3.5M, which is in line with our peer group median. No further changes are proposed to the Board fees from the 2025 AGM to the 2026 AGM.

## Board member annual fees payable for the period from the 2025 AGM to the 2026 AGM

CHF 000s	Fees for period from the 2025 AGM to the 2026 AGM
Board Chair	3 500
Board membership	280
Vice-Chair	50
Lead Independent Director	20
Chair of the Audit and Compliance Committee <sup>1</sup>	130
Chair of the Compensation Committee <sup>1</sup>	90
Chair of other committees <sup>1,2</sup>	70
Membership of the Audit and Compliance Committee <sup>1</sup>	70
Membership of the other committees <sup>1,3</sup>	40

<sup>1</sup> Additional committee fees for functions of Board members in committees, i.e. chairpersonship/membership (not applicable for the Board Chair).

<sup>2</sup> Applies to the Governance, Sustainability and Nomination Committee; the Science and Technology Committee; and the Risk Committee.

<sup>3</sup> Applies to the Compensation Committee; the Governance, Sustainability and Nomination Committee; the Science and Technology Committee; and the Risk Committee.

**Amount requested for the period from the 2025 AGM to the 2026 AGM**

The amount shown in the table below assumes that all proposed Board members (and Compensation Committee members) will be elected at the 2025 AGM. The total compensation amount is lower than the amount requested in the previous term. This is due to the Board Chair fee change as well as the lower number of nominated Board members (12 members will be nominated for election at the 2025 AGM compared to 13 at the 2024 AGM).

CHF	Requested for: 2024 AGM – 2025 AGM	Requested for: 2025 AGM – 2026 AGM
Board Chair	3 805 000	3 525 000 <sup>1,2</sup>
Other Board members	4 975 000	4 675 000 <sup>1</sup>
<b>Total amount of compensation for the members of the Novartis Board of Directors</b>	<b>8 780 000</b>	<b>8 200 000<sup>3</sup></b>

<sup>1</sup> The amount will be payable in accordance with the fees for Board membership and the fees for committee chair and membership roles, as detailed on page 4.

<sup>2</sup> Includes CHF 7 000 mandatory employer contributions as required by Swiss pension law and up to CHF 10 000 for estimated relocation costs.

<sup>3</sup> The total includes an estimated amount of CHF 20 000 mandatory employer contributions for all Board members payable by Novartis to Swiss governmental social security systems. This amount is part of estimated total employer contributions of approximately CHF 497 000 which is not included above, and provides a right to the maximum future insured government pension benefit for the Board members. These estimates exclude potential changes to governmental social security rates.

The total compensation earned by the Board from the 2024 AGM to the 2025 AGM is CHF 8 624 729 which is below the CHF 8 780 000 approved by shareholders at the 2024 AGM.

# Vote 7.2

Binding vote on the maximum aggregate amount of compensation for the Executive Committee for the financial year 2026, i.e. CHF 95 000 000

The Executive Committee (ECN) compensation system enables us to succeed in our mission and retain the best global talent. It is aligned with our business strategy and shareholders' interests, and it supports our aspiration to become the most valued and trusted medicines company in the world.

## The ECN compensation system

	Fixed pay and benefits		Variable compensation	
	Annual base salary	Pension and other benefits	Annual Incentive	Long-Term Incentive awards
<b>Purpose</b>	Reflects responsibilities, experience and skill sets	Provide retirement and risk insurances (tailored to local market practices / regulations)	Rewards performance against short-term financial and strategic objectives, and Values and Behaviors <sup>1</sup>	Rewards long-term shareholder value creation and innovation in line with our strategy
<b>Form of payment</b>	Cash	Country / individual specific and aligned with other employees	50% cash 50% equity <sup>2</sup> deferred for three years (or 70% cash and 30% equity deferred if the shareholding requirement is met before performance period starts)	Equity
<b>Performance period</b>	–	–	One year	Three years <sup>5</sup>
<b>Performance measures</b>	–	–	Balanced scorecard comprising: • Financial measures (60%) <sup>3</sup> • Strategic objectives (40%) <sup>4</sup>	• Third-party sales CAGR <sup>6</sup> (25%) • Core operating income CAGR (25%) • Innovation (25%) • Relative TSR (25%) <sup>7</sup>

<sup>1</sup> The Novartis Values and Behaviors are also a key component of the Annual Incentive and are embedded in our culture. As such, members of the Executive Committee are expected to demonstrate these to the highest standard.

<sup>2</sup> Executive Committee members may elect to receive up to 100% of their Annual Incentive in equity instead of cash.

<sup>3</sup> Financial measures are net sales (24%), core operating income (18%) and free cash flow (18%).

<sup>4</sup> Strategic objectives are aligned with the most important priorities in any performance year.

<sup>5</sup> For the CEO and CFO an additional two-year holding period applies after vesting.

<sup>6</sup> CAGR = compound annual growth rate.

<sup>7</sup> The selected peer group for relative TSR (total shareholder return) consists of 15 companies (including Novartis) consistent with our global healthcare peer group, as follows: AbbVie, Amgen, AstraZeneca, Biogen, Bristol-Myers Squibb, Eli Lilly & Co., Gilead Sciences, GlaxoSmithKline, Johnson & Johnson, Merck & Co., Novartis, Novo Nordisk, Pfizer, Roche and Sanofi.

### Proposed total maximum compensation to be paid, promised or granted to the Executive Committee for the next financial year, i.e. 2026

The proposed total maximum compensation to be paid, promised or granted to the members of the Executive Committee for 2026 is CHF 95 million, of which CHF 13 million relates to fixed pay and other benefits i.e. the expected minimum, assuming none of the performance measures have been met. The remaining CHF 82 million relates to variable compensation, assuming all performance outcomes for both the Annual Incentive and Long-Term Incentive achieve the level required for the maximum of 200% payout for all Executive Committee members. The latter excludes any share price evolution over the vesting period and any dividends that are paid each year on shares or dividend equivalents that accrue during the vesting period.

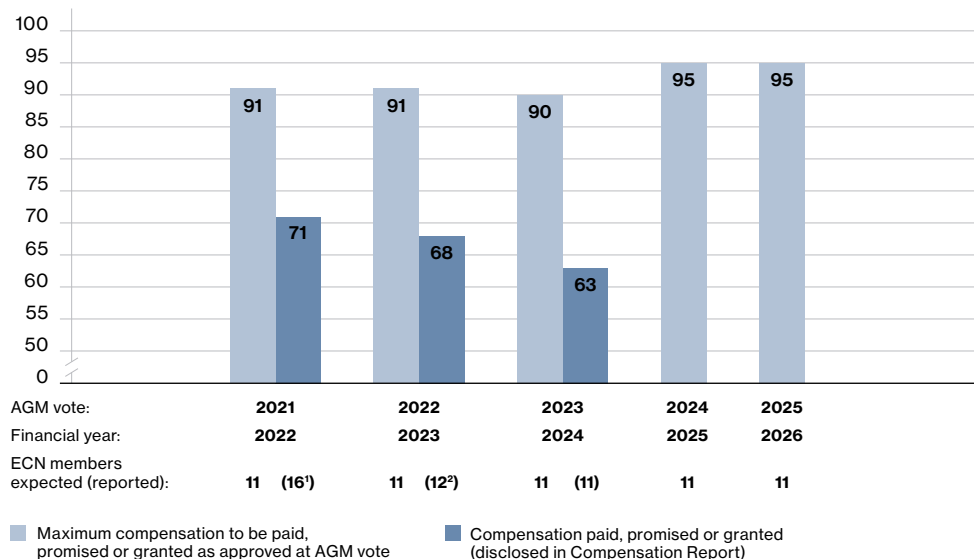
The maximum payout at 200% of target, has never occurred at Novartis, neither individually nor for all Executive Committee members on an aggregated basis.

### Evolution of Executive Committee compensation

The chart below shows the maximum amounts approved by shareholders from the 2021 AGM to the 2024 AGM, and to be approved at the 2025 AGM. In addition, it shows for comparison purposes the compensation paid, promised or granted to the members of the Executive Committee for the financial years 2022 to 2024.

#### Evolution of ECN compensation chart

(in CHF million, rounded)



<sup>1</sup> Includes 11 active Executive Committee members, 4 members who left or resigned during 2022, and 1 member who had stepped down due to planned Sandoz spin-off.

<sup>2</sup> Includes 11 active Executive Committee members and 1 member who left or resigned during 2023.

# Vote 7.3

## **Advisory vote on the 2024 Compensation Report**

The purpose of the Compensation Report is to inform shareholders of our Board and Executive Committee compensation systems, policies and practices, as well as the compensation paid to members of the Board and the Executive Committee. The advisory vote gives shareholders the opportunity to express their views on the Board and Executive Committee compensation programs and systems as well as compensation disclosures and decisions, outlined in the 2024 Compensation Report.

As of the beginning of last year, the Board of Directors incorporated significant changes into our Executive Committee compensation system, as described in detail in our 2023 Compensation Report.

These changes were strongly supported by shareholders as evidenced by the voting outcomes at the 2024 AGM. Considering this strong endorsement, both the ECN Compensation system as well as the structure of 2024 Compensation Report remain unchanged, providing shareholders with continued transparency in our compensation philosophy and practices.

As outlined in our 2024 Compensation Report, our Executive Committee compensation system is designed to reflect our commitment to aligning pay with performance and driving long-term shareholder value. The payout of both Annual Incentive and Long-Term Incentive is directly tied to achieving ambitious business goals established at the beginning of the performance period, ensuring that rewards are earned through measurable results and exceptional leadership. This well-balanced approach emphasizes both financial performance and strategic milestones, demonstrating our focus on incentivizing sustainable growth while maintaining accountability to our shareholders.

For more details, please see our 2024 Compensation Report.

# **We reimagine medicine to improve and extend people's lives.**

We use science-based innovation to address some of society's most challenging healthcare issues. We discover and develop breakthrough treatments and find new ways to deliver them to as many people as possible. We also aim to provide a shareholder return that rewards those who invest their money, time and ideas in our company.