Dear Reader,

Novartis Pharma AG and its affiliates in all EFPIA countries are making their annual disclosure of payments and other transfers of value made to Health Care Professionals (HCPs) and Health Care Organizations (HCOs) in 2016. In line with the EFPIA Disclosure Code and its local transpositions, we have encouraged HCPs (and HCOs where applicable) to consent, as part of their commitment to medical integrity, to individual disclosure of payments or transfers of value which they received. Where we did not succeed in obtaining consent, and transparency regulations are not in place, we have reported the respective amounts spent in the aggregate in order to respect the privacy rights of the HCPs.

As planned, Novartis has established a single and consistent transparency standard for disclosing transfers of value in Europe, going beyond the EFPIA Disclosure Code's requirements. EFPIA requires disclosures of prescription only pharmaceuticals by companies that are EFPIA members. However, we have decided to disclose transfers of value related to all of our activities in all EFPIA countries, including those made by country organizations that are not EFPIA members in that country. Therefore our disclosure includes information related to prescription only pharmaceuticals from the Innovative Medicines (Pharmaceuticals and Oncology), Sandoz and Alcon Divisions, as well as over-the-counter products and food supplements from Sandoz. In addition, this year we also disclose data with respect to Alcon Surgical and Vision Care products (including the over-the-counter portfolio).

Novartis has in place a comprehensive program to help the relevant Novartis Group companies collect, track and report all relevant transfers of value to HCPs and HCOs. We have invested substantial effort and resources in this program and expect it will continue to improve the completeness and accuracy of our disclosures over time.

We believe that openly communicating payments and transfers of value related to interactions with Health Care Professionals and Health Care Organizations helps foster trust with patients, government officials and the public, and supports our commitment to high ethical business standards.

Joseph Jimenez  
Chief Executive Officer Novartis

Basel, June 20, 2017
EFPIA Disclosure Code - 2017 Self-Certification Scheme

Healthcare professionals (HCPs) and healthcare organisations (HCOs) with whom Novartis Pharma AG works provide the Pharmaceutical Industry with valuable, independent and expert knowledge derived from their clinical and management experience. As owners of scientific knowledge and experts in medicinal products, pharmaceutical companies can be a unique resource to the healthcare systems and providers, which will ultimately benefit the patients.

Throughout the medicines life cycle pharma companies work with scientists and healthcare professionals. These collaborations are essential in addressing patient needs. Industry and healthcare professionals collaborate in a range of activities from clinical research to sharing best clinical practice and exchanging information on how new medicines fit into the patient pathway.

EFPIA and its member associations have adopted codes and guidelines to ensure that the interactions of their member companies with healthcare professionals and organisations meet the high standards of integrity and transparency. Building greater transparency to the relationships between pharma companies and HCPs/HCOs aims to building understanding of the collaboration and recognition of its value to patient care.

Except in countries where disclosure is prescribed by laws, Novartis Pharma AG hereby confirms that its disclosures of transfers of value (ToVs) to HCPs and HCOs made in 2016 have been reported in application of the EFPIA Disclosure Code following key principles:

Disclosure quality

Novartis Pharma AG certifies that:
- Its disclosures are made in each country where it operates;
- Its disclosures include direct and indirect ToVs, as defined in the codes and associated guidance issued by EFPIA;
- Its Methodological Note describes the process it has followed in order to compile the data hereby disclosed.

Methodology used for the collection and organisation of ToVs is in line with the EFPIA Disclosure Code’s requirements and applicable codes

Novartis Pharma AG certifies that:
- Data collection complies with the requirements of the EFPIA Disclosure Code;
- Actions were taken to seek consent from HCPs and HCOs (each as defined in the EFPIA Disclosure Code), where applicable.
Aggregate disclosures are limited to Research and Development ToVs and such ToVs that cannot be disclosed on an individual basis for legal reasons

Novartis Pharma AG certifies that aggregate disclosure is limited to the following topics:
- Research and Development Transfers of Value (as defined in the EFPIA Disclosure Code);
- Transfers of Value to Recipients that have opposed to the publication on grounds of the protection of their private data;
- If an HCP or HCO (where applicable) has provided consent to individual disclosure only in respect of part of the Transfers of Value he/she/it received, all Transfers of Value to such HCP or HCO (where applicable) are being disclosed in the aggregate.

**Seeking the consent of Recipients**

Novartis Pharma AG certifies that it has used all reasonable steps for the purpose of obtaining consent to individual disclosure where such consent is required by applicable law.

Date: 9/6/17

Name of signatory:
Joseph Jimenez

Position in the Company:
Chief Executive Officer Novartis

Signature: