

**MEDIA RELEASE • COMMUNIQUE AUX MEDIAS • MEDIENMITTEILUNG****Novartis shareholders approve all resolutions proposed by Board of Directors**

- *Shareholders approve 19<sup>th</sup> consecutive dividend increase to CHF 2.70 (+4%) per share for 2015*
- *Dr. Joerg Reinhardt confirmed by shareholders as Chairman of the Novartis Board of Directors as well as all other members who have stood for re-election; Ton Buechner and Elizabeth Doherty elected as new members of the Board*
- *Shareholders authorize the Board of Directors to execute share buybacks within the framework of a seventh share repurchase program that will allow Novartis to repurchase shares for cancellation up to a maximum of CHF 10 billion*
- *Shareholders approve all other proposals of the Board of Directors, including the 2015 compensation report as well as future Board and Executive Committee compensation*

**Basel, February 23, 2016** — More than 97% of Novartis shareholders today followed the Board of Directors' recommendations for all proposed resolutions at the Group's Annual General Meeting. A total of 1,776 shareholders were present at the meeting held in Basel, representing approximately 61.6% of the issued shares of Novartis.

Shareholders approved the nineteenth consecutive dividend increase per share since the creation of Novartis in 1996, with an increase of 4% to CHF 2.70 for 2015 compared to CHF 2.60 for 2014. Payment for the 2015 dividend will be made with effect from February 29, 2016.

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

Shareholders approved in two separate binding votes the total maximum amount of compensation for the members of the Board of Directors covering the period from the 2016 AGM to the 2017 AGM and the total maximum amount of compensation in respect of 2017 for the members of the Executive Committee. Furthermore, shareholders endorsed in an advisory vote the 2015 Compensation Report.

**Annual re-election and election of Members of the Board**

A large majority of shareholders re-elected Dr. Joerg Reinhardt as Chairman of the Board of Directors and each member of the Board of Directors who stood for re-election for one year. Further, shareholders elected Ton Buechner and Elizabeth Doherty as new members of the Board of Directors. Dr. Verena Briner decided not to stand for re-election. The Board of Directors thanks her for her services and commitment to Novartis as a Director and member of the Board of Director's Risk Committee.

In addition, shareholders re-elected the following members of the Board of Directors to the Compensation Committee for one year: Srikant Datar, Ph.D., Ann Fudge, Enrico Vanni, Ph.D. and William T. Winters. The Committee will be chaired by Enrico Vanni and each member will serve until the end of the next Annual General Meeting.

Furthermore, in line with the Board of Director's recommendation, shareholders also approved the cancelation of 49,878,180 shares repurchased on the second trading line under the sixth share repurchase program in the financial year 2015 and to reduce the share capital accordingly by CHF 24,939,090, from CHF 1,338,496,500 to CHF 1,313,557,410.

For a detailed listing of all resolutions presented at the 2016 Annual General Meeting, please visit: <https://www.novartis.com/sites/www.novartis.com/files/2016-novartis-agm-notice.pdf>

### **Disclaimer**

The foregoing release contains forward-looking statements that can be identified by terminology such as "authorize," "will," "recommendations," "advisory," "recommendation," or similar expressions, or by express or implied discussions regarding the potential future impact on Novartis of the matters described in this release, including matters involving the seventh share repurchase program and involving compensation of the Board of Directors and the Executive Committee. You should not place undue reliance on these statements. Such forward-looking statements reflect the current views of management regarding future events, and involve known and unknown risks, uncertainties and other factors that may cause actual results to be materially different from any future results, performance or achievements expressed or implied by such statements. There can be no guarantee as to the ultimate outcome of the matters described in this release. In particular, management's expectations regarding these matters could be affected by, among other things, unexpected impacts of these matters on Novartis, including on its management and on its financial results; the potential impact of these matters on the competitiveness of Novartis or competition in general; the public reaction to these matters; the impact that the foregoing factors could have on the values attributed to the Novartis Group's assets and liabilities as recorded in the Group's consolidated balance sheet, and other risks and factors referred to in Novartis AG's current Form 20-F on file with the US Securities and Exchange Commission. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those anticipated, believed, estimated or expected. 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 provides innovative healthcare solutions that address the evolving needs of patients and societies. Headquartered in Basel, Switzerland, Novartis offers a diversified portfolio to best meet these needs: innovative medicines, eye care and cost-saving generic pharmaceuticals. Novartis is the only global company with leading positions in these areas. In 2015, the Group achieved net sales of USD 49.4 billion, while R&D throughout the Group amounted to approximately USD 8.9 billion (USD 8.7 billion excluding impairment and amortization charges). Novartis Group companies employ approximately 119,000 full-time-equivalent associates. Novartis products are available in more than 180 countries around the world. For more information, please visit <http://www.novartis.com>.

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