

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 three to five 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 chairman of the Board and chief executive officer (the “Chairman/CEO”) may attend the meetings as guest. 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/CEO 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 its membership consists of persons with sufficiently diverse backgrounds.
5. Determine the criteria for selection of the Chairman/CEO, Board members and Board committee members.
6. With the participation of the Chairman/CEO, 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. Prepare and annually review succession plans for the Chairman/CEO in case of resignation, retirement, or death.
9. With the Chairman/CEO 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

10. With the Chairman/CEO, periodically review the Regulations and the charters and composition 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.
11. With the Chairman/CEO, recommend to the Board persons to be members of Board committees.
12. Ensure that each Board committee is composed of members suitable for the tasks of the committee and 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

13. Review directorships and consulting agreements of Board members for conflicts of interest.
14. 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 CGNC delegates the authority to clear other actual and potential conflicts of interest a Board member may have to the Chairman/CEO upon proposal of the secretary to the CGNC. The secretary to the CGNC reports to the CGNC regularly on decisions taken by the Chairman/CEO.
15. 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

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

Effective: 22 April 2009