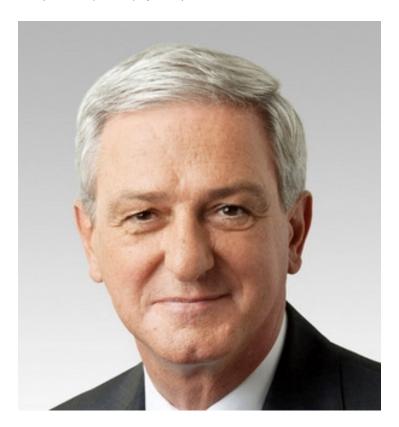


## Novartis to pay \$4mn to incoming chairman

25 April 2013 | News | By BioSpectrum Bureau



**Singapore:** Novartis revealed that it would pay Dr Joerg Reinhardt, the firm's incoming chairman of the board (effective August 1, 2013), a total annual compensation valued at \$4.02 million (CHF 3.8 million). The total compensation is comprised of equal cash and share components, including cash compensation of \$2.01 million (CHF 1.9 million) (gross) per year and share compensation equal to \$2.01 million (CHF 1.9 million) of unrestricted Novartis shares. Novartis also pointed out the prorated compensation for the current chairman ad-interim, Dr Ulrich Lehner.

Dr Reinhardt will be eligible for pension and insurance benefits according to the standard Novartis benefit plans. There is no variable or other component to his regular compensation unless provided for in the applicable rules and regulations of Novartis.

Dr Reinhardt will also receive compensation for lost entitlements at his former employer, with a total value of \$3.39 million (EUR 2.6 million). Payments will be staggered based on the vesting period at his former employer and extend over the period from 2014 until 2016, provided that he remains in office as the Novartis chairman at the respective due dates.

Prof Dr Ulrich Lehner will receive a pro-rated total annual compensation comprised of equal cash and share components valued at \$2.01 million (CHF 1.9 million) for his tenure as chairman ad-interim, which took effect February 22, 2013, after the company's annual general meeting, and ends on July 31, 2013. The total compensation for this period will be approximately \$835,624 (CHF 790,000) (gross). There is no variable or other component to Prof Dr Lehner's compensation.

Following completion of his tenure as chairman ad-interim, the compensation of Prof Dr Lehner will revert to the ordinary compensation for a member of the Novartis board of directors as disclosed in the Novartis annual report. Novartis expects to make further disclosures relating to Dr Daniel Vasella at a future point ahead of the disclosures required for the 2013 annual report.