



The Competence Profile of the Board of Directors

The Company

Founded in 1923, Novo Nordisk is a global healthcare company with 95 years of innovation and leadership in diabetes care. This heritage has given Novo Nordisk experience and capabilities that also enable the company to help people defeat obesity, haemophilia, growth disorders and other serious chronic diseases. Headquartered in Denmark, Novo Nordisk employs more than 40,000 people in more than 75 countries and markets its products in more than 170 countries resulting in sales of more than 100 bn DKK.

It is Novo Nordisk's ambition to drive change to defeat diabetes and other serious chronic diseases. Novo Nordisk aims to lead in all disease areas in which the company is active. The key contribution is to discover and develop innovative biological medicines and make them accessible to patients throughout the world. Growing business and delivering competitive financial results is what allows Novo Nordisk to help patients live better lives, offer an attractive return to the shareholders and contribute to the communities. Its business philosophy is one of balancing financial, social and environmental considerations – called 'The Triple Bottom Line'.

The company is managed according to the *Novo Nordisk Way*, which describes the company's ambitions, strategic priorities and the values that characterise the company.

To remain successful, Novo Nordisk must successfully deal with three major challenges over the coming years: innovation of new medicines, increasing competition and globalisation.

Through its holding company Novo Holdings A/S, which holds all the A shares in the company, the Novo Nordisk Foundation is Novo Nordisk's controlling shareholder. The company's B shares, which are listed on the stock exchanges of Copenhagen (Nasdaq Copenhagen) and New York (NYSE), are widely held.

Tasks of the Board of Directors

The Board of Directors of Novo Nordisk is accountable to all the company's shareholders and stakeholders for the way the company conducts its business. The composition of the Board of Directors must therefore be such that the consolidated competences of its members enable it to inspire, guide and oversee the company's development and diligently address and resolve the issues and problems faced by the company at any time.

The Board of Directors shall ensure that Novo Nordisk has an appropriate organisational structure, management team, general management processes and organisational competences in place to deal with the company's business challenges and opportunities, thus maximising the likelihood of achieving its mission.

The Board of Directors further oversees the financial development of Novo Nordisk and the related planning and reporting systems, including risk management. Together with Novo Nordisk's Executive Management, the Board of Directors develops the company's overall strategies and monitors their implementation.

The Board of Directors ensures that Novo Nordisk is managed in accordance with the Novo Nordisk Way.

Election of the Board of Directors

The members of Novo Nordisk's Board of Directors are elected in two ways:

- The shareholders elect the chairman, the vice chairman and 2-8 other members of the Board of Directors at the Annual General Meeting based on nomination by the current Board of Directors.
- The employees of Novo Nordisk A/S elect among themselves a number of Board members corresponding to half of the total number of Board members elected by the shareholders.

General competences of the Board members

In order to support continued fulfilment of Novo Nordisk's vision and the Novo Nordisk Way, all Board members should possess the following personal characteristics: integrity, accountability, fairness, financial literacy, commitment, desire for innovation and a corporate social responsible mindset.

In addition, the qualifications of members of Novo Nordisk's Board of Directors should include personal direct experience from the management of major companies which develop, manufacture and market their products and services globally. Additionally, the following experience should be represented:

Global business management, strategic operations and governance

- Significant experience from executive management positions in a major international company. Having been significantly involved in strategic planning and development. Experience with the governance of a public board.

Healthcare industry and market access

- Having experience from healthcare, pharmaceuticals, biotech or medtech industry – or from a payer organisation, regulatory authorities or public government.

Research and development, technology and digitalisation

- Experience from functional areas such as research/discovery, development/clinical, regulatory, drug safety and production development. Having significant insights into innovative technologies.

M&A and external innovation sourcing

- Possess significant experience within M&A and external innovation sourcing including sale or acquisition of companies and assets, in- or out-licensing, management of partnerships and joint ventures and alliance management.

People leadership and change management

- Having profound experience with organisational, leadership and talent development, with change management, with organisational effectiveness and cultural transformations and with value-based leadership.

Finance and accounting

- Significant experience with financial and accounting practices such as general accepted accounting principles (GAAP), accounting, auditing, risk-management, financial statements and internal control systems.

To ensure that discussions and decisions of the Board reflect the complex global environment Novo Nordisk is operating in, it is in the company's interest that the Board members represent a diversity of genders and nationalities. It is consequently Novo Nordisk's aspiration that the composition of the Board of Directors is diverse in gender and nationality.

Membership of Novo Nordisk's Board is demanding in terms of expected contributions, frequency of meetings, preparation for meetings and the need to continuously keep abreast of developments in the pharmaceutical industry.

General circumstances relating to the shareholder-elected Board members:

In order to ensure that Novo Nordisk and its controlling shareholder share common vision and goals, it is desirable to have a number of Board members representing the majority shareholder. However, in order to get an outside perspective on Novo Nordisk's business, it is also desirable to have a number of Board members who do not represent the majority shareholder.

In nominating candidates, the Nomination Committee shall seek to achieve a balance between renewal and continuity. A person cannot be nominated for election or re-election if such person has reached the age of 70 at the time of the General Meeting. Further, it is Novo Nordisk's aspiration that a person is not nominated for election or re-election, if such Board member has been a Novo Nordisk Board member for 12 years at the time of the General Meeting.

It is Novo Nordisk's aspiration that at least half of its shareholder-elected Board members should be independent in accordance with the Danish Code on Corporate Governance.

Further, it is the aim that by 2020 the Board consists of at least two shareholder-elected Board members with Nordic nationality and at least two shareholder-elected Board members with another nationality than Nordic - and at least three shareholder elected Board members of each gender.

All shareholder-elected Board members should have a good command of the English language.

Special competences relating to the chairman and vice chairman

Special competences relating to the chairman and vice chairman include:

- Experience with and ability to facilitate discussions at Board meetings and outline decisions
- Proactively engage with Executive Management to oversee performance and development

Special competences relating to the employee-elected Board members

Special competences represented by the employee-elected Board members are expected to include:

- Experience and broad knowledge of how the company conducts its business
- Strong knowledge of what employees in the company are occupied with and pay attention to
- Ability to communicate opinions on how the company conduct its business
- Ability to advise on appropriate forms of communication between the company and the employees
- A good command of the English language.

It is in the company's interest that the employee-elected Board members represent a diversity of experience, backgrounds, gender and origin – thereby reflecting the composition of the company's staff.