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Spain

Novo Nordisk A/S Remuneration Report 2018

Remuneration Report 2018*

This Remuneration Report includes information on the total remuneration received by each member of the Board of Directors and the Executive Management of Novo Nordisk A/S from 2016 to 2018. The information included is based on the information and tables relating to actual remuneration included in the Annual Reports for the financial years 2017 and 2018.

The information on the total remuneration in 2018 and 2017 is included in the information and tables from the annual report for 2018. The information on the total remuneration in 2017 and 2016 is included in the information and tables from the annual report for 2017.

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* This remuneration report is prepared in accordance with the Recommendations on Corporate Governance issued in November 2017 by the Committee on Corporate Governance.

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Remuneration: Board of Directors 2017 and 2018 (p. 53 in the AR2018)

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Remuneration: Board of Directors

At the Annual General Meeting in March 2018 it was decided to increase the fixed base fee to DKK 700,000, while leaving the composition of the remuneration of the Board of Directors unchanged.

Remuneration composition

The remuneration of Novo Nordisk's Board of Directors comprises a fixed base fee, a multiplier of the fixed base fee for the Chairmanship and members of the board committees, fees for ad hoc tasks and a travel allowance. The board fees are evaluated against relevant benchmarks of Danish and other Nordic companies as well as

European pharmaceutical companies similar to Novo Nordisk in size, complexity and market capitalisation. In March 2018 the Annual General Meeting approved that the level for the fixed base fee for 2018 should be increased by DKK 100,000 from DKK 600,000 to DKK 700,000. The fee for ad hoc tasks depends on the nature of the task. Further information on the remuneration of the Board of Directors is available at novonordisk.com/about_us.

Travel and expenses

All Board members are paid a fixed travel allowance per board meeting and per board committee meeting of 5,000 euros per meeting in the member's home country involving travel of 5 hours or more, 5,000

euros per meeting outside the member's home country, but on the home country continent, and 10,000 euros per meeting in a country outside the member's home continent.

Expenses such as travel and accommodation in relation to board meetings as well as those associated with continuing education are reimbursed and paid in addition to the travel allowance. Novo Nordisk also pays social security taxes imposed by foreign authorities. Further information on travel and expenses is available at novonordisk.com/about_us.

Incentive programmes

Board members are not offered stock options, warrants or participation in other incentive schemes.

The company's remuneration principles provide guidance for the remuneration of the Board of Directors and Executive Management. These principles are available at novonordisk.com/about-novo-nordisk/corporate-governance/remuneration.html.

Board and committee fee levels 2018

	Board		Audit Committee		Nomination Committee		Remuneration Committee		R&D Committee	
	Multiplier	DKK	Multiplier	DKK	Multiplier	DKK	Multiplier	DKK	Multiplier	DKK
Chair	3.00	2,100,000	1.00	700,000	0.50	350,000	0.50	350,000	0.50	350,000
Vice chair	2.00	1,400,000	-	-	-	-	-	-	-	-
Member	1.00	700,000	0.50	350,000	0.25	175,000	0.25	175,000	0.25	175,000

Actual board remuneration

DKK million	2018				2017			
	Fixed base fee	Fee for ad hoc tasks and committee work	Travel allowance	Total	Fixed base fee	Fee for ad hoc tasks and committee work	Travel allowance	Total
Helge Lund ^{1, 3} (BC and NC)	1.7	0.4	0.6	2.7	0.5	0.3	0.6	1.4
Jeppe Christiansen (BV and RC)	1.4	0.3	0.1	1.8	1.2	0.3	0.2	1.7
Brian Daniels (RDM and RM)	0.7	0.3	0.4	1.4	0.6	0.1	0.5	1.2
Andreas Fibig ¹ (AM)	0.5	0.3	0.1	0.9	—	—	—	—
Sylvie Grégoire (AM, NM and RDM)	0.7	0.6	0.3	1.6	0.6	0.4	0.5	1.5
Liz Hewitt (AC and RM)	0.7	0.8	0.3	1.8	0.6	0.7	0.4	1.7
Mette Bøjer Jensen ¹ (NM)	0.5	0.2	0.1	0.8	—	—	—	—
Kasim Kutay ¹ (NM)	0.7	0.2	0.1	1.0	0.5	0.2	0.2	0.9
Anne Marie Kverneland (RM)	0.7	0.2	0.1	1.0	0.6	0.2	0.1	0.9
Martin Mackay ¹ (RDC)	0.5	0.3	0.4	1.2	—	—	—	—
Thomas Rantzaau ¹ (RDM)	0.5	0.2	0.1	0.8	—	—	—	—
Stig Strøbæk (AM)	0.7	0.3	0.1	1.1	0.6	0.3	0.2	1.1
Göran Ando ²	0.4	0.2	0.1	0.7	1.8	0.6	0.6	3.0
Liselotte Hyvele ²	0.2	—	—	0.2	0.6	0.2	0.1	0.9
Søren Thuesen Pedersen ²	0.2	—	—	0.2	0.6	0.1	0.3	1.0
Former members ²	—	—	—	—	0.5	0.1	0.2	0.8
Total	10.1	4.3	2.8	17.2⁴	8.7	3.5	3.9	16.1⁴

BC = Board chairman, BV = Board vice chairman, AC = Audit Committee chairman, AM = Audit Committee member, NC = Nomination Committee chairman, NM = Nomination Committee member, RC = Remuneration Committee chairman, RM = Remuneration Committee member, RDC = R&D Committee chairman, RDM = R&D Committee member.

1. Kasim Kutay and Helge Lund were first elected in March 2017. Andreas Fibig, Mette Bøjer Jensen, Martin Mackay and Thomas Rantzaau were first elected in March 2018. 2. Göran Ando, Liselotte Hyvele and Søren Thuesen Pedersen resigned as of March 2018. Former members also includes fees to Bruno Angelici and Mary Szela, who resigned in 2017. 3. Novo Nordisk provides secretarial assistance to the chairman in Denmark and Norway. 4. Excluding social security taxes paid by Novo Nordisk amounting to less than DKK 1 million (less than DKK 1 million in 2017).

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Remuneration: Executive Management 2017 and 2018 (pp. 54-57 in the AR2018)

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Remuneration: Executive Management

In 2018, the cash bonus for the members of Executive Management under the short-term cash-based incentive programme was 84% of the maximum cash bonus. The members of Executive Management were allocated 70% of their respective maximum share allocation under the long-term share-based incentive programme.

2018 Performance

In 2018, Novo Nordisk exceeded the target for economic value creation by 4.4%, primarily driven by higher operating profit, a lower effective tax rate and partly offset by an unfavourable net impact from currencies. Sales were 1.0% above the target level in local currencies. For strategic reasons, one of the non-financial targets within R&D was cancelled, and the weight was re-allocated to other R&D related targets. All of the remaining non-financial targets were reached in 2018. On this basis, 70% of the maximum share allocation will be allocated to the participants in the long-term share-based incentive programme. Thus, shares equalling 12.6 months' fixed base salary plus pension contribution will be allocated to the chief executive officer, whereas shares equalling 9.4 months' fixed base salary plus pension contribution will be allocated to the executive vice presidents. The shares allocated have a three-year vesting period. The amount of shares allocated may be reduced or increased by up to 30%, depending on whether the average sales growth per year in the three-year vesting period deviates from a target set by the Board of Directors.

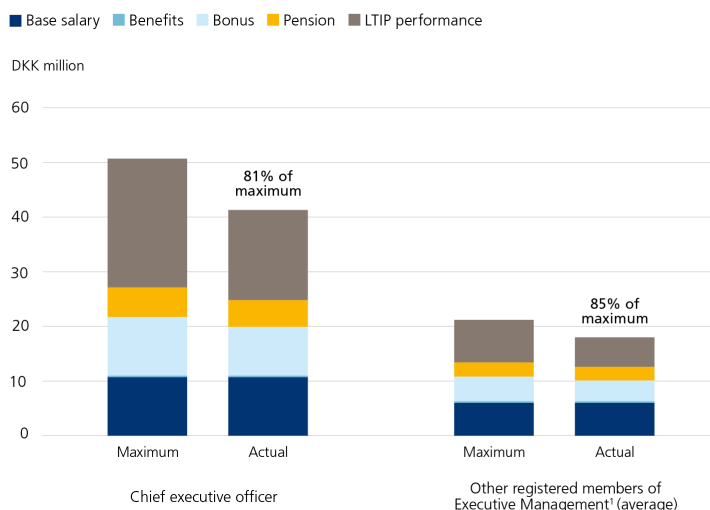
In 2018, the achievement of the predefined functional and individual business targets for the short-term cash-based incentive programme by each executive was assessed. Based on this assessment the average cash bonus for members of Executive Management was determined to be 84% of the maximum cash bonus. Consequently, the cash bonus for the chief executive officer for 2018 was 10 months' fixed base salary plus pension contribution, while the average cash bonus for the executive vice presidents was 7.5 months' fixed base salary plus pension contribution.

Long-term incentive – performance 2018

	Performance	Incentive impact	Months of base salary equivalent	
			CEO	EVPs
Long-term incentive target basis (index 100)			4.5	3.4
Economic value creation ¹ (50% of total target allocation)	104.4%	44%	2.0	1.5
A. Incentive performance based on economic value creation			6.5	4.9
Long-term incentive target basis (index 100)			4.5	3.4
Sales growth adjustment ² (50% of total target allocation)	101%	35%	1.6	1.2
B. Incentive performance based on sales performance			6.1	4.5
A. + B. Total incentive based on financial targets			12.6	9.4
C. Non-financial targets achievement ³	100%	-	-	-
Total incentive performance (A+B adjusted for C)			12.6	9.4
Maximum performance			18	13.5
Performance as percentage of maximum			70%	70%
Performance as percentage of target			140%	140%

1. ±10% incentive impact for each percentage point performance above/below 100% until max 110% and min 90%.
2. ±33% incentive impact for each percentage point performance above/below 100% until max 103% and min 97%.
3. Shortfall, if performance is below 85%, deducted from incentive performance.

Total remuneration composition and performance overview for CEO and EVPs – 2018



1. Includes executives who have been registered with the Danish Business Authority in 2018 for the full year.

Remuneration composition

Novo Nordisk's Remuneration Principles provide the framework for the remuneration of the Executive Management. Remuneration has been designed to align the interests of the executives with those of the shareholders.

Executive remuneration is evaluated annually against relevant benchmarks of Danish and other Nordic companies as well as European pharmaceutical companies similar to Novo Nordisk in terms of size, complexity and market capitalisation.

Based on benchmark data, the Board of Directors decided to maintain the overall structure of the remuneration packages for Executive Management in 2018. Remuneration packages for executives comprise a fixed base salary, a cash-based incentive, a long-term share-based incentive, a pension contribution and other benefits. The split between fixed and variable remuneration is intended to result in a reasonable part of the salary being linked to performance, while promoting sound business decisions to meet the company's objectives. As such remuneration is designed to promote short- and long-term achievement in line with the company's strategy. All incentives are subject to claw-back, if it is subsequently determined that payment was based on information that was manifestly misstated.

In March 2018, the Annual General Meeting approved changes in the structure of the long-term share-based incentive programme by increasing the maximum share allocation for the chief executive officer and the executive vice presidents and introducing a possibility to reduce or increase the number of shares allocated depending on the average sales growth in the vesting period. Further, the ability to fully or partially reduce the severance payment, if an executive has taken or takes up new employment after the expiry of the notice period, was introduced. The remuneration principles are available at novonordisk.com/about-novo-nordisk/corporate-governance/remuneration.html.

Fixed base salary

The base salary is intended to attract and retain executives with the professional and personal competences required to drive the company's performance. The base salary of the chief executive officer was phased in over a two-year period ending in 2018.

Cash-based incentive

The short-term cash-based incentive is designed to incentivise individual performance. The incentive is dependent on the achievement of predefined short-term financial, process, people and customer targets relating to the executive's functional area and on the achievement of personal targets relating to the individual executive.

The Chairmanship evaluates the degree of achievement for each member of Executive Management, based on input from the chief executive officer.

For 2018, the Board of Directors determined that the bonus would be a maximum of 12 months' fixed base salary plus pension contribution for the chief executive officer, and a maximum of 9 months' fixed base salary plus pension contribution for executive vice presidents.

Share-based incentive

The long-term share-based incentive programme is designed to promote the collective performance of Executive Management and align the interests of executives and shareholders. Share-based incentives are linked to both financial and non-financial targets.

The allocation of shares is based on the degree of achievement of the planned economic value creation and on the degree of achievement of the planned level of sales growth. The allocation of shares may be reduced (but not increased) if certain non-financial targets are not met. Non-financial targets are determined on the basis of an assessment of the objectives regarded as particularly important for the fulfilment of the company's long-term performance. The non-financial targets are mainly linked to the company's strategy within the categories of research and development, quality/compliance, people and sustainability. Targets within research and development are related to specific milestones, such as achievement of marketing authorisations, submission of product files to the regulatory authorities in the US and Europe within a certain time frame, successful achievements of milestones in clinical trials and a defined number of product candidates to enter development from discovery. Targets within quality and compliance are related to the number of actual recalls and to quality compliance. Targets within people are related to succession management across the organisation.

For 2018 the Board determined that the maximum share allocation would be up to 18 months' fixed base salary plus pension contribution for the chief executive officer and up to 13.5 months' fixed base salary plus pension contribution for the executive vice presidents. If the targets for economic value creation and sales growth are met, and at least 85% performance is reached for non-financial targets, the allocation of shares will correspond to 9 months' base salary plus pension contribution for the chief executive officer and 6.75 months' base salary plus pension contribution for the executive vice presidents. The amount of shares allocated may be reduced or increased by up to 30%.

Remuneration package components

Remuneration	Board of Directors	Executive Management	Comments relating to Executive Management
Fixed fee/base salary	✓	✓	Accounts for approximately 15–35% of the total value of the remuneration package.*
Fee for committee work	✓	✗	
Fee for ad hoc tasks	✓	✗	
Cash-based incentive	✗	✓	Up to 12 months' fixed base salary + pension contribution per year, typically based on the base salary at the end of the year.
Share-based incentive	✗	✓	Up to 18 months' fixed base salary plus pension contribution for the chief executive officer and up to 13.5 months' fixed base salary plus pension contribution for the executive vice presidents.
Pension	✗	✓	Up to 25% of the fixed base salary and cash-based incentive.
Travel allowance and other expenses	✓	✗	
Other benefits	✗	✓	Executive Management receives non-monetary benefits such as company cars, phones etc. Executives on international assignments may receive relocation benefits.
Severance payment	✗	✓	Up to 24 months' fixed base salary + pension contribution. Executive Management contracts entered into before 2008 exceed the 24-month limit, but will not exceed 36 months' fixed base salary plus pension contribution.

* The interval 15–35% denotes the span between 'maximum performance' and 'on-target performance'.

depending on whether the average sales growth per year in the three-year vesting period deviates from a target set by the Board of Directors.

Pension

The pension contribution is up to 25% of the fixed base salary, including bonus.

Severance payment

Novo Nordisk may terminate employment by giving executives 12 months' notice. Executives may terminate their employment by giving Novo Nordisk 6 months' notice. In addition to the notice period, executives are entitled to a severance payment as described in the overview of the executive remuneration package components. The

employment contracts for executives allow severance payments of up to 24 months' fixed base salary plus pension contribution in the event of a merger, acquisition or take-over of Novo Nordisk. For each individual executive the total value of the remuneration relating to the notice period and of the severance payment does not exceed two years of remuneration, including all components of the remuneration. However, employment contracts entered into prior to 2008 allow for severance payments of up to 36 months' fixed base salary plus pension contribution (i.e. a deviation from the 24 months above).

Shareholding requirement

To further align the interests of the shareholders and Executive Management, the

chief executive officer should hold Novo Nordisk B shares corresponding to two times the annual base salary plus pension contribution, and the executive vice presidents should hold shares corresponding to the annual base salary plus pension contribution. For executives being promoted or employed from outside Novo Nordisk, the shareholding requirement is built up over a period of 5 years after promotion and employment, respectively. All executives met the shareholding requirement as of 31 December 2018.

Further information on the remuneration of Executive Management is available at novonordisk.com/about_us.

Remuneration of Executive Management and other members of the Management Board

DKK million	2018						2017					
	Fixed base salary ⁷	Cash bonus	Pension	Benefits	Share-based incentive ⁸	Total	Fixed base salary ⁷	Cash bonus	Pension	Benefits	Share-based incentive ⁸	Total
Executive Management												
Lars Fruergaard Jørgensen	10.7	8.9	4.9	0.3	16.5	41.3	8.5	9.2	4.4	0.3	9.4	31.8
Jesper Brandgaard ¹	7.1	4.7	3.0	0.3	6.4	21.5	6.3	4.6	2.8	0.3	3.6	17.6
Lars Green	5.0	3.2	2.1	0.3	4.6	15.2	2.2	1.3	0.9	0.2	2.7	7.3
Karsten Munk Knudsen ²	4.0	2.6	1.6	0.3	4.6	13.1	-	-	-	-	-	-
Camilla Sylvest	5.0	3.2	2.1	0.3	4.6	15.2	1.1	0.6	0.4	0.1	1.3	3.5
Mads Krogsgaard Thomsen	7.1	4.7	3.0	0.3	6.4	21.5	6.3	4.6	2.8	0.3	3.6	17.6
Henrik Wulff	5.7	3.3	2.3	0.3	5.2	16.8	5.1	3.8	2.2	0.3	2.9	14.3
Non-registered members of Executive Management ³	12.2	10.8	3.6	0.8	10.4	37.8	9.5	6.2 ⁴	3.5	0.5	5.0	24.7
Former members of Executive Management: Former non-registered members of Executive Management ⁵	-	-	-	-	-	-	2.8	1.2	1.5	0.2	-	5.7
Executive Management in total	56.8	41.4	22.6	2.9	58.7	182.4	41.8	31.5	18.5	2.2	28.5	122.5
Other members of the Management Board in total ⁶	81.5	36.6	28.3	24.6	45.4	216.4	79.5	31.7	26.8	21.7	34.1	193.8

1. In October 2018 Novo Nordisk announced that Jesper Brandgaard will retire from Novo Nordisk as of April 2019. During the period until April 2020 Jesper Brandgaard will continue to provide certain services for Novo Nordisk. Severance payment of DKK 27.7 million, to be paid in April 2020, is not included in the table above. 2. On 15 February 2018, Novo Nordisk's Executive Management was expanded to include Karsten Munk Knudsen. Amounts in the table include remuneration from 15 February 2018. 3. Includes remuneration for Maziar Mike Doustdar and Doug Langa (Doug Langa: effective from 1 March 2017). Amounts for 2017 include taxes paid by Novo Nordisk for Maziar Mike Doustdar due to his international employment terms. In addition, Maziar Mike Doustdar received benefits in accordance with Novo Nordisk's International Assignment Guidelines, such as accommodation, children's school fees, international health insurance and other types of insurance, spouse allowance and tax-filing support, all offered net of tax to the assignee. The benefits received in 2018 not included in the above table amounted to DKK 0.9 million (DKK 2.6 million in 2017). 4. Following the release of the Annual Report 2017, an additional cash bonus of DKK 2.2 million was granted to a non-registered member of Executive Management. 5. Effective from 1 March 2017, Jakob Riis decided to leave Novo Nordisk. Remuneration for Jakob Riis for 2017 is included in the table above. In addition, Jakob Riis received benefits in accordance with Novo Nordisk's International Assignment Guidelines, such as accommodation, international health insurance and other types of insurance, spouse allowance and tax-filing support, all offered net of tax to the assignee. Including tax paid by Novo Nordisk, the benefits received in 2017 not included in the above table amount to DKK 1.2 million. 6. The total remuneration for 2018 includes remuneration of 37 Senior Vice Presidents (33 in 2017). The 2018 remuneration for the Senior Vice Presidents is included in the table above, whereas severance payments to five Senior Vice Presidents of DKK 56.0 million (two Senior Vice Presidents of DKK 13.0 million in 2017) are not included. 7. Excluding social security taxes paid amounting to DKK 1.2 million (DKK 0.3 million in 2017) for Executive Management and DKK 3.0 million (DKK 2.6 million in 2017) for other members of the Management Board. 8. The shares are locked up for three years before they are transferred to the participants employed at the end of the three-year period. The value is the cash amount of the share bonus granted in the year using the grant-date market value of Novo Nordisk B shares. For shares allocated for the 2018 performance, the amount of shares may potentially be reduced or increased depending on whether the average sales growth per year in the three-year vesting period deviates from a target set by the Board of Directors. The amount excludes share-based incentive of DKK 11 million assigned to retired Management Board members.

External board remuneration: Jesper Brandgaard serves as chairman of the board of SimCorp A/S, from which he received remuneration of DKK 1,049,385 in 2018 (DKK 1,092,305 in 2017), and as a member of the board of Chr. Hansen A/S, from which he received remuneration of DKK 572,380 in 2018 (no remuneration received in 2017). Lars Green serves as a member of the board of Novozymes A/S, from which he received remuneration of DKK 1,000,000 in 2018 (DKK 1,000,000 in 2017). Camilla Sylvest serves as a member of the board of Danish Crown A/S, from which she received remuneration of DKK 350,000 in 2018 (no remuneration received in 2017). Mads Krogsgaard Thomsen serves as chairman of the board of the University of Copenhagen, from which he received remuneration of DKK 256,897 in 2018 (DKK 209,902 in 2017) and as a member of the board of Symphogen A/S, from which he received remuneration of DKK 125,000 in 2018 (no remuneration in 2017). Henrik Wulff serves as a member of the board of AMBU A/S, from which he received remuneration of DKK 400,000 in 2018 (DKK 300,000 in 2017).

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Management's Holdings of Novo Nordisk Shares 2018 (p. 57 in the AR2018)

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Management's long-term incentive programme

The shares allocated to the members of Executive Management were released to the individual participants subsequent to approval of the Annual Report 2018 by the Board of Directors and the announcement of the full-year financial result for 2018 on 1 February 2019. Based on the share price at the end of 2018, the value of the released shares is as follows:

Value as of 31 December 2018 of shares released on 1 February 2019	Number of shares ¹	Market value ² (DKK million)
Executive Management		
Lars Fruergaard Jørgensen	17,650	5.3
Jesper Brandgaard	21,768	6.5
Lars Green	8,679	2.6
Karsten Munk Knudsen	7,763	2.3
Camilla Sylvest	2,500	0.7
Mads Krogsgaard Thomsen	21,768	6.5
Henrik Wulff	11,687	3.5
Non-registered members of Executive Management	11,279	3.3
Executive Management in total³	103,094	30.7
Other members of the Management Board in total³	113,802	33.9

1. Comprises 378,421 shares released from the joint pool for 2015 to the individual participants for the Management Board and 5,100 shares released to members of Executive Management who were not included in the joint pool for 2015 for the Management Board. 2. The market value of the shares released in 2019 is based on the Novo Nordisk B share price of DKK 297.90 at the end of 2018. 3. In addition, 166,625 shares (market value: DKK 49.6 million) were released to retired Executive Management and Management Board members.

Management's holding of Novo Nordisk shares

The internal rules for trading in Novo Nordisk securities by board members, executives and certain employees only permit trading in the 15-calendar-day period following each quarterly announcement.

Management's holding of shares

	At the beginning of the year ¹	Additions during the year	Sold/transferred during the year	At the end of the year	Market value ² DKK million
Helge Lund	3,000			3,000	0.9
Jeppe Christiansen	23,779			23,779	7.1
Brian Daniels	2,100			2,100	0.6
Andreas Fibig	—			—	—
Sylvie Grégoire	1,875			1,875	0.6
Liz Hewitt	3,350			3,350	1.0
Mette Bøjer Jensen	1,340			1,340	0.4
Kasim Kutay	—			—	—
Anne Marie Kverneland	9,920		(200)	9,720	2.9
Martin Mackay	—	2,000		2,000	0.6
Thomas Rantzeu	632			632	0.2
Stig Strøbæk	2,050			2,050	0.6
Board of Directors in total	48,046	2,000	(200)	49,846	14.9
Lars Fruergaard Jørgensen	120,762	11,866		132,628	39.5
Jesper Brandgaard	186,305	16,054	(28,554)	173,805	51.8
Lars Green	132,333	6,429	(36,429)	102,333	30.5
Karsten Munk Knudsen	47,002			47,002	14.0
Camilla Sylvest	195	1,938		2,133	0.6
Mads Krogsgaard Thomsen	297,720	16,054	(90,639)	223,135	66.5
Henrik Wulff	87,575	8,659	(38,659)	57,575	17.2
Non-registered members of Executive Management	16,000	8,429	(7,125)	17,304	5.1
Executive Management in total	887,892	69,429	(201,406)	755,915	225.2
Other members of the Management Board	262,954	100,661	(68,566)	295,049	87.9
Outstanding shares for Executive Management and other members of the Management Board ³	617,435	371,809	(128,435)	860,809 ⁴	256.4
Total	1,816,327	543,899	(398,607)	1,961,619	584.4

1. Following the change in the Board of Directors and the retirement of members of Executive Management and the Management Board, the holding of shares at the beginning of the year has been updated compared with the Annual Report 2017. For new members shareholdings are included from the day they became members of the Board of Directors and Executive Management, respectively. 2. Calculation of market value is based on the quoted share price of DKK 297.90 at the end of the year. 3. The annual share allocation to Executive Management and other members of the Management Board is locked up for three years before it is transferred to the participants employed at the end of each three-year period. Based on the split of participants when the shares were allocated, 51% of the shares will be allocated to the members of Executive Management and 49% to other members of the Management Board. In the lock-up period, the number of allocated shares may potentially be reduced in the event of lower-than-planned value creation in subsequent years. 4. The outstanding shares include the 2015 programme released on 1 February 2019, but exclude 367,905 shares assigned to retired Executive Management and Management Board members.

Annual Report 2017

Remuneration: Board of Directors 2017 and 2016 (p. 50 in the AR2017)

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REMUNERATION: BOARD OF DIRECTORS

At the Annual General Meeting in March 2017, it was decided to leave all components of the remuneration of Novo Nordisk's Board of Directors unchanged.

REMUNERATION COMPOSITION

The remuneration of Novo Nordisk's Board of Directors comprises a fixed base fee, a multiplier of the fixed base fee for the Chairmanship and members of the board committees, fees for ad hoc tasks and a travel allowance. In March 2017, the Annual General Meeting approved that the level for the fixed base fee for 2017 should be DKK 600,000. The fee for ad hoc tasks depends on the nature of the task. Further information on the remuneration of the Board of Directors is available at novonordisk.com/about_us.

TRAVEL AND EXPENSES

All Board members are paid a fixed travel allowance per board meeting and per board

committee meeting of 5,000 euros per meeting in the member's home country involving travel of 5 hours or more, 5,000 euros per meeting outside the member's home country but on home country continent and 10,000 euros per meeting in a country outside the member's home continent.

Expenses such as travel and accommodation in relation to board meetings as well as those associated with continuing education are reimbursed and paid in addition to the travel allowance. Novo Nordisk also pays social security taxes imposed by foreign authorities. Further information on travel and expenses is available at novonordisk.com/about_us.

INCENTIVE PROGRAMMES

Board members are not offered stock options, warrants or participation in other incentive schemes.

The company's remuneration principles provide guidance for the remuneration of the Board of Directors and Executive Management. These principles are available at novonordisk.com/about-novo-nordisk/corporate-governance/remuneration.html.

BOARD AND COMMITTEE FEE LEVELS 2017

	BOARD		AUDIT COMMITTEE		NOMINATION COMMITTEE		REMUNERATION COMMITTEE		R&D COMMITTEE ¹	
	Multiplier	DKK	Multiplier	DKK	Multiplier	DKK	Multiplier	DKK	Multiplier	DKK
Chair	3.00	1,800,000	1.00	600,000	0.50	300,000	0.50	300,000	0.50	300,000
Vice chair	2.00	1,200,000	-	-	-	-	-	-	-	-
Member	1.00	600,000	0.50	300,000	0.25	150,000	0.25	150,000	0.25	150,000

1. The Research & Development Committee is temporary and is expected to exist for 18–24 months.

ACTUAL BOARD REMUNERATION 2017

	2017				2016			
DKK million	Fixed base fee	Fee for ad hoc tasks and committee work	Travel allowance	Total	Fixed base fee	Fee for ad hoc tasks and committee work	Travel allowance	Total
Göran Ando ³ (BC, NC and RDC)	1.8	0.6	0.6	3.0	1.8	0.5	0.5	2.8
Jeppe Christiansen (BV, RC)	1.2	0.3	0.2	1.7	1.2	0.4	0.2	1.8
Brian Daniels ¹ (RDM)	0.6	0.1	0.5	1.2	0.5	-	0.3	0.8
Sylvie Grégoire (AM and RDM)	0.6	0.4	0.5	1.5	0.6	0.3	0.4	1.3
Liz Hewitt (AC and NM)	0.6	0.7	0.4	1.7	0.6	0.7	0.4	1.7
Liselotte Hyveled (RDM)	0.6	0.2	0.1	0.9	0.6	0.2	0.1	0.9
Kasim Kutay ¹ (NM and RM)	0.5	0.2	0.2	0.9	-	-	-	-
Anne Marie Kverneland (RM)	0.6	0.2	0.1	0.9	0.6	-	0.1	0.7
Helge Lund ¹ (AM and NM)	0.5	0.3	0.6	1.4	-	-	-	-
Søren Thuesen Pedersen (NM)	0.6	0.1	0.3	1.0	0.6	0.1	0.1	0.8
Stig Strøbæk (AM)	0.6	0.3	0.2	1.1	0.6	0.3	0.1	1.0
Bruno Angelici ²	0.2	-	0.1	0.3	0.6	0.2	0.3	1.1
Mary Szela ²	0.3	0.1	0.1	0.5	0.6	0.2	0.4	1.2
Former members ²	-	-	-	-	0.2	-	0.1	0.3
Total	8.7	3.5	3.9	16.1⁴	8.5	2.9	3.0	14.4⁴

BC = Board chairman, BV = Board vice chairman, AC = Audit Committee chairman, AM = Audit Committee member, NC = Nomination Committee chairman, NM = Nomination Committee member, RC = Remuneration Committee chairman, RM = Remuneration Committee member, RDC = R&D Committee chairman, RDM = R&D Committee member.

1. Brian Daniels was first elected in March 2016. Kasim Kutay and Helge Lund were first elected in March 2017. 2. Bruno Angelici resigned as of March 2017, and Mary Szela resigned as of May 2017. Former members also includes fees to Thomas Paul Koestler and Evind Kolding, who resigned as of March 2016. 3. Novo Nordisk provides secretarial assistance to the chairman in Denmark and the UK. 4. Excluding social security taxes paid by Novo Nordisk amounting to less than DKK 1 million (less than DKK 1 million in 2016).

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Remuneration: Executive Management 2017 and 2016 (pp. 51-53 in the AR2017)

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REMUNERATION: EXECUTIVE MANAGEMENT

In 2017, the cash bonus for the members of Executive Management under the short-term cash-based incentive programme was 100% of the maximum cash bonus, while it was adjusted for executives being promoted to Executive Management in second half of 2017. The members of Executive Management received 69% of their respective maximum share allocation under the long-term share-based incentive programme.

2017 PERFORMANCE

In March 2017, the Annual General Meeting approved a change in the structure of the long-term share-based incentive programme by increasing the importance of sales growth. The specific targets for 2017 were established by the Board of Directors in February 2017. The targets and structure of the programme have not been changed subsequently.

In 2017, Novo Nordisk exceeded the planned incentive target for economic value creation, with 4.8%, primarily due to higher operating profit, lower than planned net operating assets and a lower than planned effective tax rate and partly offset by an unfavourable net impact from currencies. Sales were 0.8% above the target level in local currencies. Two of the non-financial targets were not met: Novo Nordisk did not receive a label update in 2017 in the US for Tresiba® based on the SWITCH data and obtained a lower than targeted reputation score amongst key stakeholders. This will, however, not result in any deduction of the share allocation since at least 85% of non-financial targets have been met. On this basis, 69% of the maximum share allocation will be granted to the participants in the long-term share-based incentive programme. Thus, the chief executive officer will receive shares equalling 8.2 months' fixed base salary plus pension contribution, whereas executive vice presidents will receive shares equalling 6.2 months' fixed base salary plus pension contribution. The two executives being promoted to executive vice president after 1 July 2017 will receive shares equalling 5.5 months' fixed base salary plus pension contribution based on their previous status as senior vice president.

In 2017, the achievement of the predefined functional and individual business targets for the short-term cash-based incentive programme by each executive has been assessed. Consequently, the cash bonus for the chief executive officer for 2017 was 100% of the maximum cash bonus equalling 12 months' fixed base salary plus pension contribution. The cash bonus for the executive vice presidents was 100% of their maximum cash bonus equalling 8.5 and 8 months' fixed base salary plus pension contribution respectively, while it was adjusted for executives being promoted to Executive Management in second half of 2017.

LONG-TERM INCENTIVE – PERFORMANCE 2017

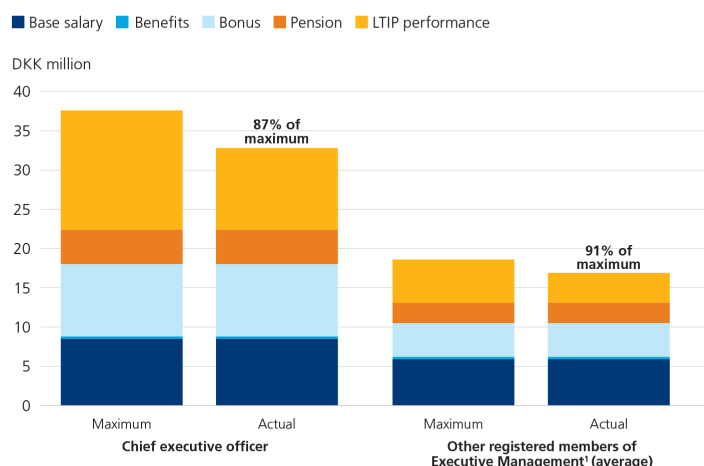
	Performance	Incentive impact	Months of base salary equivalent	
			CEO	EVPs
Long-term incentive target basis (index 100)			3.0	2.3
Economic value creation ¹ (50% of total target allocation)	104.8%	48%	1.5	1.1
A. Incentive performance based on economic value creation			4.5	3.3
Long-term incentive target basis (index 100)			3.0	2.3
Sales growth adjustment ² (50% of total target allocation)	100.8%	26%	0.8	0.6
B. Incentive performance based on sales performance			3.8	2.8
A. + B. Total incentive based on financial targets			8.2	6.2
C. Non-financial targets achievement ³	85%	-	-	-
Total incentive performance (A+B adjusted for C)			8.2	6.2
Maximum performance			12	9
Performance as percentage of maximum			69%	69%
Performance as percentage of target			137%	137%

1. ±10% incentive impact for each percentage point performance above/below 100% until max 110% and min 90%.

2. ±33% incentive impact for each percentage point performance above/below 100% until max 103% and min 97%.

3. Shortfall, if performance is below 85%, deducted from incentive performance.

TOTAL REMUNERATION COMPOSITION AND PERFORMANCE OVERVIEW FOR CEO AND EVPs – 2017



1. Includes executives who have been registered with the Danish Business Authority in 2017 full year.

REMUNERATION COMPOSITION

Novo Nordisk's Remuneration Principles provide the framework for the remuneration of the Executive Management. Remuneration has been designed to align the interests of the executives with those of the shareholders.

Based on benchmark data, the Board of Directors decided to maintain the structure of the remuneration packages for Executive Management in 2017. Remuneration packages for executives comprise a fixed base salary, a cash-based incentive, a long-term share-based incentive, a pension contribution and other benefits. The split between fixed and variable remuneration is intended to result in a reasonable part of the salary being linked to performance, while promoting sound business decisions to meet the company's objectives. All incentives are subject to claw-back if it is subsequently determined that payment was based on information that was manifestly misstated. The remuneration principles are available at novonordisk.com/about-novo-nordisk/corporate-governance/remuneration.html.

FIXED BASE SALARY

The fixed base salary is intended to attract and retain executives with the professional and personal competences required to drive the company's performance. Based on a review of benchmark data from European pharmaceutical companies which are similar in size and complexity to Novo Nordisk, the Board decided to increase the fixed base salary for Danish based members of Executive Management effective as of November 2017. Furthermore, the Board decided that the fixed base salary for Danish based members of Executive Management promoted in 2017 is to be phased in over a period of time and that the phase-in period for the chief executive officer is two years.

CASH-BASED INCENTIVE

The short-term cash-based incentive is designed to incentivise individual performance. The incentive is dependent on the achievement of predefined short-term financial, process, people and customer targets relating to the executive's functional area and linked to the company's Balanced Scorecard and the achievement of personal targets relating to the individual executive. The Chairmanship evaluates the degree of achievement for each member of Executive Management, based on input from the chief executive officer.

In February 2017, the Board of Directors determined that the 2017 maximum bonus would be a maximum of 12 months' fixed base salary plus pension contribution for the chief executive officer, a maximum of 8.5 months' fixed base salary plus pension contribution for executives on international assignments and a maximum of 8 months' fixed base salary plus pension contribution

for the remaining executive vice presidents based in Denmark.

SHARE-BASED INCENTIVE

The long-term share-based incentive programme is designed to promote the collective performance of Executive Management and align the interests of executives and shareholders. Share-based incentives are linked to both financial and non-financial targets.

The allocation of shares is based on the degree of achievement of the planned economic value creation and on the degree of achievement of the planned level of sales growth. The allocation of shares may be reduced (but not increased) if certain non-financial targets are not met. Non-financial targets are determined on the basis of an assessment of the objectives regarded as particularly important for the fulfilment of the company's long-term performance. The non-financial targets are linked to the company's Balanced Scorecard within the categories of research and development, quality/compliance, people and sustainability. Targets within research and development related to specific milestones, such as submission of product files to the regulatory authorities in the US and Europe within a certain time frame, achievement of marketing authorisations, execution of trials and a defined number of product candidates to enter development from discovery. Targets within quality and compliance related to number of actual recalls, to quality compliance and to customer complaint rate. Targets within people related to certain activities to build capabilities for future growth and targets within sustainability related to the emissions of CO₂ from energy consumption for production and company reputation.

In February 2017, the Board determined that the 2017 maximum share allocation would

be up to 12 months' fixed base salary plus pension contribution for the chief executive officer and up to 9 months' fixed base salary plus pension contribution for the executive vice presidents. If the targets for economic value creation and sales growth are met, and at least 85% performance is reached for non-financial targets, the allocation of shares will correspond to 6 months' base salary plus pension contribution for the chief executive officer and 4.5 months' base salary plus pension contribution for the executive vice presidents.

PENSION

The pension contribution is up to 25% of the fixed base salary including bonus.

SEVERANCE PAYMENT

Novo Nordisk may terminate employment by giving executives 12 months' notice. Executives may terminate their employment by giving Novo Nordisk 6 months' notice. In addition to the notice period, executives are entitled to a severance payment as described in the overview of the executive remuneration package components.

SHAREHOLDING REQUIREMENT

To further align the interests of the shareholders and Executive Management, the chief executive officer should hold Novo Nordisk B shares corresponding to two times the annual gross salary, and the executives should hold shares corresponding to one time the annual gross salary. For executives being promoted or employed from outside Novo Nordisk, the shareholding requirement is built up over a period of 5 years after promotion and employment respectively. All executives met the shareholding requirement as of 31 December 2017.

Further information on the remuneration of Executive Management is available at novonordisk.com/about_us.

REMUNERATION PACKAGE COMPONENTS

Remuneration	Board of Directors	Executive Management	Comments relating to Executive Management
Fixed fee/base salary	✓	✓	Accounts for approximately 25–50% of the total value of the remuneration package.*
Fee for committee work	✓	✗	
Fee for ad hoc tasks	✓	✗	
Cash-based incentive	✗	✓	Up to 12 months' fixed base salary + pension contribution per year.
Share-based incentive	✗	✓	Up to 12 months' fixed base salary + pension contribution per year typically based on base salary at the end of the year.
Pension	✗	✓	Up to 25% of fixed base salary and cash-based incentive.
Travel allowance and other expenses	✓	✗	
Other benefits	✗	✓	Executive Management receives non-monetary benefits such as company cars, phones etc. Executives on international assignments may receive relocation benefits.
Severance payment	✗	✓	Up to 24 months' fixed base salary + pension contribution. Executive Management contracts entered into before 2008 exceed the 24-month limit, though will not exceed 36 months' fixed base salary plus pension contribution.

* The interval 25–50% states the span between 'maximum performance' and 'on-target performance'.

REMUNERATION OF EXECUTIVE MANAGEMENT AND OTHER MEMBERS OF THE MANAGEMENT BOARD

DKK million	2017						2016					
	Fixed base salary ⁷	Cash bonus	Pension	Benefits	Share-based incentive ⁸	Total	Fixed base salary ⁷	Cash bonus	Pension	Benefits	Share-based incentive ⁸	Total
Executive Management												
Lars Fruergaard Jørgensen	8.5	9.2	4.4	0.3	-	22.4	5.5	1.8	1.8	0.3	-	9.4
Jesper Brandgaard	6.3	4.6	2.8	0.3	-	14.0	6.1	2.0	2.0	0.3	-	10.4
Lars Green ¹	2.2	1.3	0.9	0.2	-	4.6	-	-	-	-	-	-
Camilla Sylvest ¹	1.1	0.6	0.4	0.1	-	2.2	-	-	-	-	-	-
Mads Krosgaard Thomsen	6.3	4.6	2.8	0.3	-	14.0	6.2	2.0	2.0	0.3	-	10.5
Henrik Wulff ³	5.1	3.8	2.2	0.3	-	11.4	4.9	1.7	1.6	0.3	-	8.5
Non-registered members of Executive Management ^{1,2}	9.5	6.2	3.5	0.5	-	19.7	6.2	2.8	2.9	0.4	-	12.3
Former members of Executive Management:												
Lars Rebién Sørensen ³	-	-	-	-	-	-	11.9	6.0	4.5	0.3	-	22.7
Jakob Riis ⁴	-	-	-	-	-	-	3.6	1.8	1.4	0.2	-	7.0
Former non-registered members of Executive Management ⁵	2.8	1.2	1.5	0.2	-	5.7	8.3	4.1	3.4	0.4	-	16.2
Share-based incentive	-	-	-	-	28.5	28.5	-	-	-	-	11.4	11.4
Executive Management in total	41.8⁷	31.5	18.5	2.2	28.5	122.5	52.7⁷	22.2	19.6	2.5	11.4	108.4
Other members of the Management Board in total^{5,6}	79.5⁷	31.7	26.8	21.7	34.1	193.8	77.7⁷	22.5	25.2	20.1	15.0	160.5

1. In 2017, Novo Nordisk's Executive Management was expanded to include three new members, Doug Langa (effective 1 March 2017), Lars Green (effective 1 July 2017) and Camilla Sylvest (effective 1 October 2017), of whom Lars Green and Camilla Sylvest are registered with the Danish Business Authority as members of Executive Management of Novo Nordisk A/S. Respective amounts in the table include remuneration from the effective dates in 2017. Remuneration for Doug Langa is included within Non-registered members of Executive Management. 2. Includes remuneration for Maziar Mike Doustard and for the period March to December 2017 for Doug Langa. Amounts include taxes paid by Novo Nordisk to Maziar Mike Doustard due to his international employment terms. In addition, Maziar Mike Doustard received benefits in accordance with Novo Nordisk's International Assignment Guidelines, such as accommodation, children's school fees, international health insurance and other types of insurance, spouse allowance and tax-filing support, all offered net of tax to the assignees. Including tax paid by Novo Nordisk, the benefits received in 2017 not included in the above table amount to DKK 2.6 million (DKK 2.6 million in 2016). 3. As of 31 December 2016, President and CEO Lars Rebién Sørensen retired from Novo Nordisk. The remuneration of Lars Rebién Sørensen for 2016 is included in the table above, whereas the severance payment of DKK 65.7 million, including participation in the share-based incentive programme for 2017, is not included. 4. Effective 1 September 2016, Jakob Riis was appointed executive vice president and head of North America Operations. Amounts in the table for 2016 include remuneration from January to August 2016, whereas remuneration for September to December 2016 is included within Former non-registered members of Executive Management. 5. Effective 1 March 2017, Jakob Riis decided to leave Novo Nordisk. Remuneration for Jakob Riis is included in the table above. In 2016, Jerzy Gruhn and Jesper Høiland stepped down from the Executive Management of Novo Nordisk A/S. Respective amounts in the table include remuneration for January to August 2016. Remuneration for September to December 2016 is included as part of Other members of the Management Board. In addition, Jakob Riis, Jerzy Gruhn and Jesper Høiland received benefits in accordance with Novo Nordisk's International Assignment Guidelines, such as accommodation, children's school fees, international health insurance and other types of insurance, spouse allowance and tax-filing support, all offered net of tax to the assignees. Including tax paid by Novo Nordisk, the benefits received in 2017 not included in the above table amount to DKK 1.2 million (DKK 5.0 million in 2016). 6. The total remuneration for 2017 includes remuneration of 33 senior vice presidents (33 in 2016), 2 of whom have retired or left the company (four in 2016). The 2017 remuneration for the retired senior vice presidents is included in the table above, whereas severance payments of DKK 13.0 million (DKK 69.0 million in 2016) are not included. 7. Excluding social security taxes paid amounting to DKK 0.3 million (DKK 1.9 million in 2016) for Executive Management and DKK 2.6 million (DKK 2.2 million in 2016) for other members of the Management Board. 8. The shares are locked up for three years before they are transferred to the participants employed at the end of the three-year period. The value is the cash amount of the share bonus granted in the year using the grant-date market value of Novo Nordisk B shares. During the lock-up period, the amount of shares may potentially be reduced in the event of lower-than-planned value creation in subsequent years.

MANAGEMENT'S LONG-TERM INCENTIVE PROGRAMME

The shares allocated to the members of Executive Management were released to the individual participants subsequent to approval of the Annual Report 2017 by the Board of Directors and the announcement of the full-year financial result for 2017 on 1 February 2018. Based on the share price at the end of 2017, the value of the released shares is as follows:

Value as of 31 December 2017 of shares released on 1 February 2018	Number of shares ¹	Market value ² (DKK million)
Executive Management		
Lars Fruergaard Jørgensen	11,866	4.0
Jesper Brandgaard	16,054	5.4
Lars Green	6,429	2.2
Camilla Sylvest	1,938	0.6
Mads Krosgaard Thomsen	16,054	5.4
Henrik Wulff	8,659	2.9
Non-registered members of Executive Management ⁴	8,429	2.8
Executive Management in total³	69,429	23.3
Other members of the Management Board in total³	100,196	33.5

1. Includes 293,542 shares released from the joint pool for 2014 to the individual participants for the Management Board and 3,938 shares released to members of Executive Management who was not included in the joint pool for 2014 for the Management Board. 2. The market value of the shares released in 2018 is based on the Novo Nordisk B share price of DKK 334.50 at the end of 2017. 3. In addition, 127,855 shares (market value: DKK 42.8 million) were released to retired Executive Management and Management Board members. 4. Not registered with the Danish Business Authority as members of the Executive Management of Novo Nordisk A/S.

External board remuneration: Jesper Brandgaard serves as chairman of the board of SimCorp A/S, from which he received remuneration of DKK 1,092,305 in 2017 (DKK 1,035,257 in 2016); as chairman of the board of NNIT A/S until March 2017, from which he received remuneration of DKK 137,671 in 2017 (DKK 750,000 in 2016) and as board member of Chr. Hansen A/S (no remuneration received in 2017). The NNIT remuneration is included in the remuneration of Executive Management presented above. Lars Green serves as board member of Novozymes A/S, from which he received remuneration of DKK 1,000,000 in 2017. Camilla Sylvest serves as board member of Danish Crown A/S (no remuneration received in 2017). Mads Krosgaard Thomsen serves as chairman of the board of the University of Copenhagen, from which he received remuneration of DKK 209,902 in 2017 (DKK 82,215 in 2016). Henrik Wulff serves as board member of AMBU A/S, from which he received remuneration of DKK 300,000 in 2017 (DKK 300,000 in 2016).

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Management's Holdings of Novo Nordisk Shares 2017 (p. 95 in the AR2017)

PART OF MANAGEMENT'S REVIEW

NOT AUDITED

MANAGEMENT'S HOLDING OF SHARES | 95

MANAGEMENT'S HOLDINGS OF NOVO NORDISK SHARES

The internal rules for trading in Novo Nordisk securities by board members, executives and certain employees only permit trading in the 15-calendar-day period following each quarterly announcement.

MANAGEMENT'S HOLDING OF SHARES	At the beginning of the year ¹	Additions during the year	Sold/transferred during the year	At the end of the year	Market value ² DKK million
Göran Ando	15,000			15,000	5.0
Jeppe Christiansen	8,279	15,500		23,779	8.0
Brian Daniels	1,200	900		2,100	0.7
Sylvie Grégoire	875	1,000		1,875	0.6
Liz Hewitt	2,725	625		3,350	1.1
Liselotte Hyveled	5,955	473	(2,040)	4,388	1.5
Kasim Kutay	—			—	—
Anne Marie Kverneland	10,289		(369)	9,920	3.3
Helge Lund	3,000			3,000	1.0
Søren Thuesen Pedersen	1,815	150		1,965	0.7
Stig Strøbæk	2,050			2,050	0.7
Board of Directors in total	51,188	18,648	(2,409)	67,427	22.6
Lars Fruergaard Jørgensen	110,125	10,637		120,762	40.4
Jesper Brandgaard	186,305	14,392	(14,392)	186,305	62.3
Lars Green	132,333			132,333	44.3
Camilla Sylvest	195			195	0.1
Mads Krogsgaard Thomsen	297,720	14,392	(14,392)	297,720	99.6
Henrik Wulff	87,575	5,708	(5,708)	87,575	29.3
Non-registered members of Executive Management	31,080	1,785	(16,865)	16,000	5.3
Executive Management in total	845,333	46,914	(51,357)	840,890	281.3
Other members of the Senior Management Board	489,057	89,944	(144,012)	434,989	145.5
Pool for Executive Management and other members of the Senior Management Board ³	560,223	293,689	(126,044)	727,868 ⁴	243.4
Total	1,945,801	449,195	(323,822)	2,071,174	692.8

1. Following the change in the Board of Directors and the retirement of members of Executive Management and the Senior Management Board, the holding of shares at the beginning of the year has been updated compared with the Annual Report 2016. For new members shareholdings are included from the day they became member of Executive Management.

2. Calculation of market value is based on the quoted share price of DKK 334.50 at the end of the year.

3. The annual allocation to the pool is locked up for three years before it is transferred to the participants employed at the end of each three-year period. Based on the split of participants when the pool was established, approximately 38% of the pool will be allocated to the members of Executive Management and approximately 62% to other members of the Senior Management Board. In the lock-up period, the pool may potentially be reduced in the event of lower-than-planned value creation in subsequent years.

4. The pool includes the 2014 programme released on 1 February 2018, but excludes 367,648 shares assigned to retired Executive Management and Senior Management Board members.