

Remuneration Policy 2024

© Juan Pablo Villaseñor lives with obesity and cardiovascular disease. Until recently, Juan struggled with stigma and often blamed himself for not being able to lose weight. Today, he exercises regularly and spends quality time with his son.

1. Context for the policy

This Remuneration Policy¹ describes the principles for the remuneration of the members of the Board of Directors (the Board) and of the members of Executive Management (the executives) of Novo Nordisk A/S, who have been registered as executives with the Danish Business Authority.

The Remuneration Policy is designed to attract, retain and motivate the Board members and the executives at a competitive level. Remuneration is designed to align the interests of the executives with those of the shareholders.

Summary of changes

The Remuneration Policy has been revised to incorporate input received from shareholders and the Board's general review of remuneration.

The Policy is a continuation of the policy adopted at the annual general meeting in March 2023, including the change adopted by the Board on 1 November 2023, with the following substantive differences:

- The multipliers for the Research & Development Committee have been increased from 0.5 to 0.75 times the annual base fee for the chair and from 0.25 to 0.5 times the annual base fee for other committee members in light of the strategic importance of the committee.
- The wording of the board and executive indemnification scheme has been changed to align it with the opinion provided by the Danish Business Authority.
- The maximum payout under the short-term incentive programme (STIP) has been increased from 9 months' base salary to 12 months' base salary for the executive vice presidents to improve current market positioning relative to the Nordic general industry peer group and the European Pharma peer group reflecting the Company's growth as well as for retention reasons.
- The maximum payout under the long-term incentive programme (LTIP) has been increased from 26 months' base salary to 30 months' base salary for the chief executive officer and from 19.5 months' base salary to 24 months' base salary for the executive vice presidents to improve current market positioning relative to the Nordic general industry peer group and the European Pharma peer group reflecting the Company's growth as well as for retention reasons.
- The Board's authorisation to grant a cash bonus in exceptional circumstances to one or more executives for an extraordinary performance has been capped and may not exceed 250% of the annual base salary for the executive in question to align the approach with market practice.
- For LTIPs established in 2024 onwards, the requirement on executives to hold shares allocated for two years following the three-year performance period has been reduced from 50% to 40% of the shares allowing executives to sell shares to cover taxes.
- The shareholding requirements have been increased from 2 to 3 times the annual base salary for the chief executive officer and from 1 to 1.5 times the respective annual base salary for the executive vice presidents to reflect the increased long-term incentive pay-out opportunity from 2024 onwards.
- To ensure a higher degree of alignment with the Danish Corporate Governance Recommendations and reflect a historical practice, the total value of the remuneration for the notice period, including the severance payment, should not exceed two years' total remuneration, including all remuneration components.
- The Board's authorisation to deviate from Section 3 of this Remuneration Policy in exceptional circumstances has been further specified and it is now expressly stated that the evaluation must be based on valid, verifiable, and objective criteria in addition to the existing criteria.

¹ The Remuneration Policy complies with the requirements defined in sections 139 and 139a of the Danish Companies Act, implementing the amendments to the EU Directive on shareholder rights (Directive (EU) 2017/828 of the European Parliament and of the Council of 17 May 2017 amending Directive 2007/36/EC as regards the encouragement of long-term shareholder engagement), and also complies with the recommendations in Section 4 of the Danish Recommendations on Corporate Governance, issued in December 2020 by the Committee on Corporate Governance. The Remuneration Policy is issued by Novo Nordisk A/S (CVR no. 24256790). The Remuneration Policy is published in English and in Danish. In the event of any discrepancies, the English version shall prevail.

2. Remuneration Policy for the Board of Directors

Board remuneration

Composition

The remuneration of the Board comprises a base fee, a multiplier of the base fee for the members of the Board committees, a travel allowance and fees for ad hoc tasks.

Board members are not offered stock options, warrants or participation in other incentive schemes, except for employee elected Board members, who may be eligible to participate in ordinary share programmes as employees in Novo Nordisk.

Purpose

The Board remuneration is based on fixed fees linked to the actual role and responsibility of the individual Board member. This remuneration structure aims to support the main focus of the Board on corporate strategy, supervision, organisation and governance. To ensure the implementation of the company strategy in a sustainable way taking the long-term interest of Novo Nordisk into consideration the Board members do not receive variable remuneration based on performance.

Benchmark

Board remuneration is evaluated annually against relevant benchmarks such as Nordic general industry companies as well as European pharma companies similar to Novo Nordisk in size, complexity and market capitalisation.

Board remuneration

Fees and benefits

Fees:

Base fee:

- Each Board member shall receive an annual base fee. The chair and the vice chair constitute the Chair Committee and receive a multiple thereof: the chair receives 4 times the base fee and the vice chair receives 2 times the base fee.
- Base fee levels are determined taking into account the nature of the individual role, individual considerations, the market positioning and remuneration conditions at Novo Nordisk. Potential annual percentage increases are aligned with those of employees in general, except in specific circumstances.

Board committee fee:

- The members of the other Board committees receive an annual Board committee fee.
- The Audit Committee chair receives 1.0 times the annual base fee and the other Audit Committee members receive 0.5 times the annual base fee.
- The Nomination Committee and Remuneration Committee chairs receive 0.5 times the annual base fee and the other committee members receive 0.25 times the annual base fee.
- The Research & Development Committee chair receives 0.75 times the annual base fee and the other Research & Development Committee members receive 0.5 times the annual base fee.

Fee for ad hoc tasks:

- Individual Board members may take on specific ad hoc tasks outside their normal duties assigned by the Board. In each such case the Board shall, based on a recommendation from the Remuneration Committee, determine a fixed fee (e.g. per diem) for the work carried out related to those tasks. The fee for ad hoc tasks will be disclosed in the Remuneration Report and presented for approval by the shareholders at the Annual General Meeting.

Travel allowance:

- All Board members receive a fixed travel allowance when travelling to Board meetings or committee-related meetings. When no travel is required to attend such meetings, no travel allowance is received.

Benefits:

Social security tax:

- Novo Nordisk pays contribution to social security taxes imposed by foreign authorities in relation to all Board remuneration components.

Expenses:

- Reasonable expenses for travel and accommodation in relation to Board meetings and committee-related meetings as well as relevant education are reimbursed.

Other benefits:

- Professional fees in connection with assistance on tax-related matters incurred by Board members based outside of Denmark are reimbursed.
- The chair is provided with an office and secretarial support at Novo Nordisk's headquarters in Bagsværd, Denmark, and receives a contribution to secretarial support in the chair's home country as appropriate.

Payout and clawback

Remuneration is paid out quarterly for the preceding quarter; however, the remuneration is only finally determined at the Annual General Meeting. The company may subject to applicable law recover or claw back remuneration paid to the Board members.

Directors' and officers' liability

It is Novo Nordisk's policy to take out directors' and officers' liability insurance (D&O Insurance) on such terms and conditions as the company considers appropriate from time to time. It is further the company's policy to supplement a D&O Insurance with a scheme which allows for indemnification of current, former, and future Board members (jointly referred to as Board members).

Novo Nordisk's general meeting has consequently approved a scheme of indemnification (the Scheme) pursuant to which Novo Nordisk undertakes to indemnify and hold harmless each Board member from and against losses (including any costs, expenses and potential tax liabilities associated therewith) incurred by such Board member and arising out of such person's discharge of his/her duties as a director of Novo Nordisk.

The Scheme will cover claims arising out of circumstances or events having occurred after 21 March 2024 and no later than 1 July 2028. Claims made after 21 March 2024 but arising out of circumstances or events having occurred on or prior to 21 March 2024 shall be covered by the scheme adopted by the Annual General Meeting on 25 March 2021.

The Scheme is adopted for the benefit of the individual Board member and no third party shall be entitled to rely on or derive any benefits from the Scheme or have any recourse against Novo Nordisk on account of the Scheme.

Excluded from coverage under the Scheme are losses, etc., derived from:

- (a) Any claims if and to the extent covered by insurance taken out by Novo Nordisk, including any applicable D&O Insurance, it being understood that the indemnification may also cover claims not covered in whole or in part by any such insurance;
- (b) Any claims raised against a Board member arising out of such Board member's willful misconduct, gross negligence or improper acts or omissions (in Danish "utilbørlige dispositioner");
- (c) Any claims raised against the Board member by Novo Nordisk or a Novo Nordisk subsidiary;
- (d) Any sanctioned offence under applicable criminal law committed by a Board member, to the extent such losses, etc., constitute penal sanctions, including fines, or related defence costs; and
- (e) Any other claims, if and to the extent it would be inconsistent with applicable law to offer the benefits of the Scheme to the Board member.

The Board of Directors shall administer and implement the Scheme, including by laying down the detailed terms and conditions and defining monetary thresholds and other limits to the scope of coverage, in each case consistent with the resolution approved by the Annual General Meeting on 21 March 2024. The individual Board Member is covered by the Scheme only to the extent provided for in such detailed terms and conditions communicated to the Board Member. The Board of Directors is further authorised to take any decisions in relation to the Scheme. In this context, the Board of Directors may determine whether a claim is comprised by the Scheme and/or refer such determination and/or any other specific decisions related to the Scheme to a third-party expert or independent committee.

Term

Shareholder-elected Board members are elected at the Annual General Meeting for a term of one year. Employee-elected Board members are elected for four-year terms.

3. Remuneration Policy for Executive Management

Executive remuneration

Composition

The remuneration package consists of a base salary, a pension contribution, a short-term cash-based incentive, a long-term share-based incentive and other benefits.

Benchmark

Executive remuneration is evaluated annually against relevant benchmarks such as Nordic general industry companies as well as European pharma companies similar to Novo Nordisk in terms of size, complexity and market capitalisation.

Fixed remuneration

Purpose

The fixed remuneration enables the executives to take decisions with a long-term perspective in mind without undue considerations for short- or long-term incentives.

Variable remuneration

Purpose

The variable remuneration is designed to promote performance in line with the company's strategy. The variable remuneration is based on a number of targets which must be achieved before the incentive is released to the executive. Targets are aligned with short- and long-term strategic priorities in the corporate strategy and thereby ensure that the long-term interests and the sustainability of the company are considered. The variable remuneration is provided as STI and LTI, cf. below.

Fixed remuneration

	Policy:	Alignment with strategy, long-term interest and sustainability:
Base salary	<ul style="list-style-type: none"> Base salary levels are determined taking into account the nature of the individual role, individual considerations, the market positioning and remuneration conditions at Novo Nordisk. Potential annual percentage increases are aligned with those of employees in general, except in specific circumstances. In addition, the base salary is reviewed annually to ensure that it is set at the right level. 	<ul style="list-style-type: none"> The base salary is provided for the executives at a competitive level and to ensure a reliable base income supporting decision making at an appropriate balance between risk and opportunity, short- and long-term perspective as well as a sustainable development required of a pharmaceutical company.
Pension	<ul style="list-style-type: none"> Pension is based on defined contribution pension schemes and should be aligned with those available to the employees locally. 	<ul style="list-style-type: none"> Pension provides an opportunity for executives to build up an income for retirement having the same perspectives in mind as for base salary.
Benefits	<ul style="list-style-type: none"> Executives receive non-monetary benefits such as company car, phone etc. aligned with local practice. Executives domiciled and working in different countries or relocating internationally may receive special allowances and benefits to support their international mobility. Such allowances and benefits are approved by the Board by delegation of powers to the Remuneration Committee. The Remuneration Committee informs the Board of the process and outcome. In addition, executives receive monetary benefits such as anniversary bonuses and they may participate in customary employee benefit programmes, e.g. employee share programmes. 	<ul style="list-style-type: none"> Other benefits are granted reflecting local practice.

Variable remuneration

	Policy:	Alignment with strategy, long-term interest and sustainability:
Short-term incentive (STI)	<ul style="list-style-type: none"> STI is a one-year short-term cash-based incentive linked to the degree of achievement of a number of predefined targets for each executive. The STI is comprised of corporate targets and individual targets. See below for additional details. 	<ul style="list-style-type: none"> STI is designed to incentivise executives for short-term achievements in line with company needs and for individual performance within their functional area. Targets are closely aligned with Novo Nordisk's strategy and will typically include financial targets, research and development targets, commercial targets, sustainability targets and organisational targets.
Long-term incentive (LTI)	<ul style="list-style-type: none"> LTI is a share-based long-term incentive linked to the achievement of a number of predefined targets. LTI will have a three-year performance period and a subsequent two-year holding period. See below for additional details. 	<ul style="list-style-type: none"> LTI is designed to promote the collective performance of Executive Management and to further align the interests of executives and shareholders. With rolling programmes linked to both financial and business performance the LTIP supports a long-term sustainable development of the company.

Short-term cash-based incentive programme (STIP)

Targets are set at the beginning of the year and includes determination of threshold, on-target level of performance and level of performance to achieve maximum payout. Payout, if any, takes place at the beginning of the subsequent financial year and is typically based on the salary in December in the performance year.

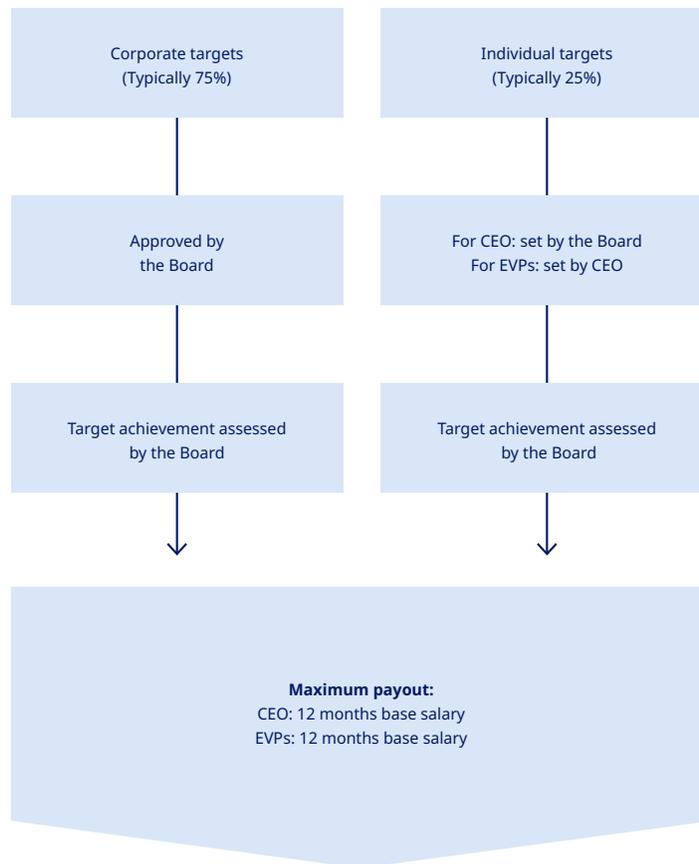
Corporate targets typically weigh 75% of the potential incentive and typically reflect areas such as purpose & sustainability, innovation & therapeutic focus, commercial execution and financial focus.

Individual targets typically weigh 25% of the potential incentive and typically reflect performance against predefined individual and functional targets relating to the executive and the executive's functional area.

The STIP cannot exceed an amount equal to 12 months' base salary per year for the chief executive officer and the executive vice presidents.

The Board may (acting fairly and reasonably) waive or adjust a target in case the target during the year has become obsolete or not appropriate due to events which could not be taken into account at the beginning of the year, such as strategy changes, acquisitions/divestments etc.

The Board may in exceptional circumstances, based on a recommendation by the Remuneration Committee, grant a cash bonus to one or more executives for an extraordinary performance, which could not be taken into account when setting the targets at the beginning of the year. Such cash bonus may not exceed 250% of the annual base salary for the executive in question.



Long-term share-based incentive programme (LTIP)

Targets are set at the beginning of the year and includes determination of threshold, on-target level of performance and level of performance to achieve maximum pay-out. The maximum share allocation is 30 months' base salary for the chief executive officer and 24 months' salary for the executive vice presidents, hence the LTIP is capped at a number of shares at the time of grant. Share allocation, if any, takes place at the beginning of the subsequent financial year after the three-year performance period and is typically based on the executive's individual base salary in April in the first performance year. The Executives are required to hold 50% of the shares for two years following the three-year performance period. However, executives are required to hold 40% of the shares under LTIPs established in 2024 onwards. During the two-year holding period no further performance measures apply.

Targets set by the Board typically consist of targets within commercial execution such as sales growth and within financial outlook such as operating profit growth. In addition, measures typically consist of purpose & sustainability and innovation & therapeutical focus.

Once the Board has decided the number of months of base salary that 'on target' performance should correspond to, the cash amount of 'on target' performance and maximum performance is converted into Novo Nordisk A/S B shares at market price. The market price is calculated as the average trading price for Novo Nordisk A/S B shares on Nasdaq Copenhagen in the open trading window following the release of financial results for the year prior to the relevant performance period; i.e. in the open trading window immediately following the Board's approval of the specific LTI.

Actual performance will be determined by the Board at the end of the three-year performance period against the degree of achievement of the performance targets, and the number of shares, if any, will be adjusted in accordance with the performance and released to the executives.



The Board may (acting fairly and reasonably) waive or adjust a target in case the target during the three-year performance period has become obsolete or not appropriate due to events which could not be taken into account at the beginning of the performance period, such as strategy changes, acquisitions/divestments etc.

A description of the performance targets will be disclosed at the end of the three-year performance period. Disclosing the targets before the end of the three-year performance period would give substantial insight into Novo Nordisk's confidential strategies and could place Novo Nordisk at a competitive disadvantage.

In the three-year performance period and the two-year holding period, the market value of the allocated shares per executive will change dependent upon the development in the Novo Nordisk B share price, aligning the interests of the executives with those of shareholders.

No dividends are paid or accrued on allocated shares in the three-year performance period.

As part of the transition from the four-year duration of the 2020 LTIP to the five-year duration of the 2021 LTIP the holding requirement in the second holding year of the 2021 LTIP is reduced from 50% to 25% to enable a cash-out from a LTIP in 2025.

Size and relativity of the components

The aggregate maximum amount that may be granted as incentive for a given year is equal to 42 months' base salary for the chief executive officer and 36 months' base salary for the executive vice presidents.

This split between fixed and variable remuneration is intended to result in a reasonable part of the salary being linked to performance, while at the same time promoting sound business decisions to achieve the company's vision.

For the chief executive officer, the base salary accounts for approximately 20% to 40% of the total value of the remuneration package. The interval states the span between 'maximum performance' and 'on-target-performance'.

Remuneration component	Relative size at minimum	Relative size at on-target performance	Relative size at maximum performance
Base salary	90%	39%	22%
Pension	9%	4%	2%
Short-term cash-based incentive (STI)	0%	19%	22%
Long-term share-based incentive (LTI)	0%	37%	54%
Other benefits	1%	1%	0%
Total	100%	100%	100%

Other terms

Shareholding requirements for Executive Management

To further align the interests of the shareholders and Executive Management, the chief executive officer should hold Novo Nordisk A/S B shares corresponding to 3 times his/her annual base salary and the executive vice presidents should hold shares corresponding to 1.5 times their respective annual base salary. Only shares owned by the executive are taken into consideration while e.g. allocated unvested shares under an LTIP or allocated but not granted shares under a sign-on arrangement cannot be taken into account.

For executives being promoted or employed from outside of Novo Nordisk, the shareholding requirement is built up over a period of five years.

The Board may in addition grant an exemption to this requirement to an executive in extraordinary circumstances.

As part of the transition from the shareholding requirement under the 2019 Remuneration Principles to the shareholding requirement under this Remuneration Policy the build-up period is six years from promotion or employment for executives promoted or employed before 2020.

The shares held during the LTIP holding period (cf. under 'Long-term share-based incentive (LTIP)' above) are included when calculating the number of shares held by the executive.

Recruitment arrangements

When recruiting new executives externally, the Board may grant a sign-on arrangement in the form of cash payment, shares or a share incentive programme. Novo Nordisk will seek to minimise the use of sign-on arrangements. If a sign-on arrangement is deemed necessary

in order to attract talented executives, the terms for such arrangement will be determined on a case-by-case basis and take into consideration that (a significant part of) the arrangement should be payable in shares and depend on the executive staying in the company for a defined period of time potentially combined with a performance requirement. The sign-on arrangement should be aligned (or capped) with a previous incentive forfeited in another company – and a specific number of shares (or amount in cash) would be agreed to cap it.

Term

Executive service contracts are entered into for an indefinite period of time.

Termination of employment

Novo Nordisk may terminate the employment of an executive by giving 12 months' notice. Executives may terminate their employment by giving Novo Nordisk six months' notice.

In determining overall termination arrangements, Novo Nordisk will distinguish between types of leaver and the circumstances of their leaving.

The executive is in principle eligible for all remuneration components during the notice period.

In the event that the employment is terminated by Novo Nordisk and the termination is not due to a material breach by the executive the executive shall as a main rule retain all potential rights to all LTIP shares vesting following the end of the notice period.

In case of a termination by Novo Nordisk due to a material breach by the executive the executive shall as a main rule lose the right to a notice period and the Board may decide that the executive has no rights to incentives, including non-vested LTIP shares.

In case of termination by the executive, unless due to retirement, the executive has as a main rule no rights to LTIP shares vesting following the end of the notice period.

In case of termination by the executive due to retirement, the executive retains as a main rule all potential rights to LTIP shares vesting following the end of the notice period.

In the event of an executive's death or if the executive suffers severe disabilities, the Remuneration Committee determines appropriate remuneration in a fair and reasonable manner.

Executive service contracts may contain non-competition clauses applicable for a period of up to 12 months after termination provided that the contract has been terminated by the executive without material breach by Novo Nordisk.

Severance payment

In the event of termination – whether by Novo Nordisk or by the individual – due to a merger, acquisition or takeover of Novo Nordisk, executives are, in addition to the notice period, entitled to a severance payment of 24 months' base salary plus pension contribution.

In case of termination by Novo Nordisk for other reasons and the termination is not due to a material breach by the executive, the severance payment is three months' base salary plus pension contribution per year of employment as an executive and taking into account previous employment history; in no event, however, less than 12 or more than 24 months' base salary plus pension contribution.

The severance payment may be reduced if the executive has or takes up new employment after the expiry of the notice period. A reduction has among other things to take into consideration the size of severance

payment and the remuneration related to the new employment. Severance payment under contracts entered into before 2017 with members of the Management Board may, however, not be reduced. The Management Board consists of all members of Executive Management and senior vice presidents.

For executive service contracts entered into with a new member of the Executive Management after the date of adoption of this Remuneration Policy, the total value of the remuneration for the notice period, including the severance payment, cannot exceed two years' total remuneration, including all remuneration components.

Clawback and malus

Subject to applicable law the Board may decide to recover or 'claw-back' STI and LTI, provided that (i) the incentive was paid on the basis of data which proved to be misstated, (ii) the prerequisites as defined by Danish law for reclaiming amounts due to breach of implied conditions are met, or (iii) to the extent too high an incentive was paid or released due to circumstances about which the recipient was in bad faith. Claw-back in relation to the STI is possible up to 12 months after the actual payment of the cash-based incentive to the executive. Claw-back in relation to the LTI is possible up to 12 months after the actual release of the shares to the executive (i.e. four years after the establishment of the programme).

Moreover, Novo Nordisk shall recover such erroneously awarded compensation from the executives as described in section 10-D of the US Securities Exchange Act of 1934.

In case of exceptional circumstances, the Board may use its discretion to override the formulaic outcome under the STIP and LTIP and adjust the incentive to an appropriate level.

Directors' and officers' liability

It is Novo Nordisk's policy to take out directors' and officers' liability insurance (D&O Insurance) on such terms and conditions as the company considers appropriate from time to time. It is further the company's policy to supplement a D&O Insurance with a scheme which allows for indemnification of current, former, and future executives (jointly referred to as executives).

Novo Nordisk's general meeting has consequently approved a scheme of indemnification (the Scheme) pursuant to which Novo Nordisk undertakes to indemnify and hold harmless each executive from and against losses (including any costs, expenses and potential tax liabilities associated therewith) incurred by such executive and arising out of such person's discharge of his/her duties as an executive in Novo Nordisk.

The Scheme will cover claims arising out of circumstances or events having occurred after 21 March 2024 and no later than 1 July 2028. Claims made after 21 March 2024 but arising out of circumstances or events having occurred on or prior to 21 March 2024 shall be covered by the scheme adopted by the Annual General Meeting on 25 March 2021.

The Scheme is adopted for the benefit of the individual executive and no third party shall be entitled to rely on or derive any benefits from the Scheme or have any recourse against Novo Nordisk on account of the Scheme.

Excluded from coverage under the Scheme are losses, etc., derived from:

(a) Any claims if and to the extent covered by insurance taken out by Novo Nordisk, including any applicable D&O Insurance, it being understood that the indemnification may also cover claims not covered in whole or in part by any such insurance;

- (b) Any claims raised against an executive arising out of such executive's willful misconduct, gross negligence or improper acts or omissions (in Danish "utilbørlige dispositioner");
- (c) Any claims raised against the executive by Novo Nordisk or a Novo Nordisk subsidiary;
- (d) Any sanctioned offence under applicable criminal law committed by an executive, to the extent such losses, etc., constitute penal sanctions, including fines, or related defence costs; and
- (e) Any other claims, if and to the extent it would be inconsistent with applicable law to offer the benefits of the Scheme to the executive.

The Board of Directors shall administer and implement the Scheme, including by laying down the detailed terms and conditions and defining monetary thresholds and other limits to the scope of coverage, in each case consistent with the resolution approved by the Annual General Meeting on 21 March 2024. The individual executive is covered by the Scheme only to the extent provided for in such detailed terms and conditions communicated to the executive. The Board of Directors is further authorised to take any decisions in relation to the Scheme. In this context, the Board of Directors may determine whether a claim is comprised by the Scheme and/or refer such determination and/or any other specific decisions related to the Scheme to a third-party expert or independent committee.

4. Governance & considerations

Review of Remuneration Policy

The Board has the overall responsibility for reviewing the Remuneration Policy. The Remuneration Committee has the responsibility for reviewing and proposing changes to the Remuneration Policy to the Board. The Remuneration Committee is established by the Board and consists solely of Board members.

Periodically and at least once annually the Remuneration Committee reviews the Remuneration Policy and recommends to the Board any amendments to be proposed by the Board for adoption by the Annual General Meeting. The Annual General Meeting finally approves the Remuneration Policy.

Currently the individual Board members and the executives hold less than 1% of the votes at the Annual General Meeting and thus cannot influence the outcome of the voting materially.

According to the Rules of Procedure of the Board, a member of the Board or of Executive Management may not participate in the consideration of matters where such member has a material interest therein, whether directly or indirectly, which may conflict with the interests of the company. This also applies to remuneration of specific individual Board members (e.g. ad hoc tasks) and executive remuneration; however, it does not apply to the recommendation of the general Board remuneration to the Annual General Meeting.

Review of Board remuneration

The Remuneration Committee reviews annually the actual remuneration of the Board for the preceding year and the remuneration level for the following year and recommends to the Board any changes to be proposed by the Board for adoption by the Annual General Meeting.

The remuneration of the Board members for the preceding year is disclosed in the Remuneration Report.

The Annual General Meeting finally approves the actual remuneration of the Board for the preceding year and the remuneration level for the following year as a separate agenda item.

Review of executive remuneration

Within the parameters set by the Annual General Meeting in this Remuneration Policy, the remuneration decision authorisation levels can be summarised as follows:

Board of Directors	→	Overall responsible for executive remuneration. Approving actual base salary, pension contribution, corporate STIP targets, individual STIP targets for the CEO, corporate and individual STIP target fulfilment, LTIP targets and target fulfilment – based on recommendations from the Remuneration Committee and the Chair Committee, respectively.
Remuneration Committee	→	Responsible for reviewing overall remuneration, including base salary, pension, severance and other terms and for proposing changes to the Board. In addition, monitoring the administration of executive remuneration.
Chair Committee	→	Responsible for proposing corporate STIP targets and individual STIP targets for the CEO, reviewing target fulfilment for CEO and EVP STIP as well as proposing targets and reviewing target fulfilment for LTIP.
CEO	→	Responsible for setting individual STIP targets for the EVPs.

Stakeholder considerations

Shareholder considerations

At the Annual General Meeting in March 2023, the proposed amendments to the Remuneration Policy were supported by more than 99% of the votes and more than 96% of the share capital represented at the meeting.

In connection with the Annual General Meeting in 2023 shareholders expressed a focus on the following matters:

- The level of the multiplier for the Research & Development Committee could be increased due to the committee's importance for the company.
- The executive remuneration level seems to be too high.
- The pay structure for executive remuneration could potentially be simplified.
- The Board's authorisation to grant discretionary bonuses to the executives seems to be too broad.
- The company could re-consider the reuse of targets across STIP and LTIP and the use of one-year non-financial targets in LTIP instead of three-year targets.

In drafting the changes to this Remuneration Policy, the Board has reflected on such shareholder input, which has been taken into consideration or will be taken into consideration when deciding on the future remuneration of the executives and the changes to this Remuneration Policy.

Employee consideration

In drafting this Remuneration Policy and the individual executive service contracts, the Board considers the pay and employment conditions of the company's employees.

Apart from the long-term incentive programme, which is offered to mid to senior manager levels only, the executive remuneration components are

in principle applicable to all employees with deviations due to job roles, local practices and requirements.

In reviewing the base salaries of executives, the Remuneration Committee considers the overall level of salary increases being awarded to employees in the executive's local market in the relevant year. Pension contribution is aligned with local practices both for executives and other employees.

The framework for target setting and performance appraisal in the STIP for executives is similar to the framework applicable to other employee groups, however, certain employee groups have other terms due to the nature of their position, collective agreements etc.

The targets and performance appraisal in the LTIP for executives are similar to the targets and performance appraisal applicable to the other managers enrolled in the LTIP.

Other employment terms are to a large extent based on local practices and requirements and those of the executives are aligned with those of the other employees.

Connections to business and underlying principles

Strategy and long-term interest

Based on a strong legacy the purpose of Novo Nordisk is clear: Novo Nordisk wants to drive change to defeat diabetes and other serious chronic diseases. The key contribution is to discover and develop innovative medicines and make them accessible to patients throughout the world. At the same time, Novo Nordisk does business in a sustainable and responsible manner and does this the Novo Nordisk Way.

Discovering and developing medicines takes time, is costly and includes a significant risk of not being able to eventually sell the products due to e.g. efficacy or safety issues. If successful, Novo Nordisk may be able to sell

such products for several years, or even decades. Thus, the company's long-term interests revolve around the continuous ability to discover and develop medicine in a long-term perspective, i.e. allowing for extensive discovery and development periods and resulting in long-lasting competitive products for the market.

Novo Nordisk ensures sustainability of its business by having a long-term perspective and continuously supporting short-term risk-taking and decisions that form the basis for reaching long-term ambitions.

The Remuneration Policy aims to ensure that the remuneration of the Board members and the executives reflects their success in implementing the corporate strategy in a sustainable way taking the long-term interest of Novo Nordisk into consideration. In particular, LTIP targets within research & development and commercial business areas are designed to support this and thus enforce the corporate strategy.

Underlying principles

The Remuneration Policy is designed to attract, retain and motivate the members of the Board and the executives; it should furthermore align the interests of the Board members and the executives with those of the shareholders and support the corporate strategy, Novo Nordisk's values and the long-term interests of the company. Remuneration should also be seen in the context of the remuneration of the employees of Novo Nordisk and in the context of the external environment.

For the Board, remuneration is based on fixed fees at a competitive level. No variable remuneration is provided. For executives, there should be a reasonable balance between fixed and variable remuneration to promote risk taking while at the same time ensuring a long-term healthy development of the company. We strive for a balanced mix of fixed and variable compensation components geared to each employee's position and management responsibility.

5. Effect, approval and deviation

This Remuneration Policy is applicable to remuneration in relation to the calendar year 2024 and later as well as to agreements on remuneration entered into, extended or changed following its adoption at the annual general meeting on 21 March 2024.

In order to serve the long-term interests and sustainability of Novo Nordisk as a whole or to assure its viability the Board may, based on a recommendation from the Remuneration Committee, in exceptional circumstances and based on valid, verifiable, and objective criteria temporarily in relation to specific executives deviate from Section 3 of this Remuneration Policy on executive remuneration. Any such temporary deviation including the reasoning by the Board must be described in the Remuneration Report following the deviation.

The change of this Remuneration Policy was adopted by the Board of Directors on 30 January 2024 and approved by the Annual General Meeting on 21 March 2024.

