

## Annual general meeting Novo Nordisk 22 March 2018

Thank you for the floor.

My name is Claus Berner Møller, and I represent ATP

I would like to begin by thanking for the report.

The performance in 2017 for sales growth measured in local currencies was in line with the outlook from the beginning of the year.

However, 2017 was a year with very different developments in the two divisions of Novo Nordisk. We saw an acceptable growth in the Diabetes Care and Obesity division with 7% sales increase in local currencies, but Biopharmaceuticals sales declined by 16% in local currencies. Also, in 2018 we expect a negative sales development in Biopharmaceuticals.



*Claus Berner Møller  
Vice President · Danish Equities  
ATP Pensions & Investments*

This illustrates the lack of innovation height in the Biopharmaceutical division over several years. We have seen too few new inventions and a rather slow development of these.

In order for Novo Nordisk to become successful in Biopharmaceuticals over the coming decade, the company needs to expand leadership in haemophilia and other therapeutic areas.

I am glad to experience the new more aggressive attitude in R&D, with more focus on collaborations with and utilisation of external expertise, as described in the annual report.

But even more important in the short run is the focus on acquisitions, exemplified by the proposed acquisition of Ablynx. This deal failed, but it underlines the new more open-minded attitude.

I would like to get more information on how and when we should expect a more positive development especially regarding the financial results in Biopharmaceuticals?

Later today the Board of Directors propose changes to the Remuneration Principles. The Long-term incentive programme should in the future operate with a yearly maximum share allocation for the CEO equal to 18 months fixed salary including pension, instead of 12 months. This allocation can be increased or reduced by up to 30% depending on average sales growth.

I think the chosen Key Performance Indicators are the right ones for Novo Nordisk, considering us as shareholders, but we expect the bar for getting the maximum long-term incentive to be a stretch target and the median should reflect a good and satisfactory performance.

When we calculate the maximum salary for the CEO, after the new proposal, it is lower than the salary Novo Nordisk paid some years ago which is in line with the shorter term of the current CEO.

Therefore, we will vote for the proposal but remind the Board of Directors that it is a very high salary and that the internal social cohesion in Novo Nordisk should not be damaged.

Another proposal today is the increase of compensation to the Board of Directors. The fee to the Board of Directors has increased remarkably through the last years, but on the other side the responsibility and expected time used as a Board Member has also increased. We expect that all Board Members' attention to the Novo Nordisk Board reflects this. We therefore support the proposal.

After today, the salary to the CEO and the fee to the Board of Directors are at the top in Scandinavia and other countries in Northern part of Europe. I know that the fees in the US and Switzerland are much higher, but ATP often votes against the salary, both for the CEO and Board of Directors, in these countries. These countries have a different business culture and Novo Nordisk should not be benchmarked against such countries.

The Chairman of the Board of Directors, Göran Ando, has decided not to seek re-election. I would use this opportunity to say thank you for your dedication to Novo Nordisk through more than 10 years, the last five years as Chairman. Göran Ando, you have been an important part of the successful development of Novo Nordisk. Thank you!

I would also like to support the proposal of Helge Lund as the new Chairman.

Finally, I believe, if the right corrective actions come into place, Novo Nordisk will have a great future and shareholders will be rewarded.

I just want to wish Novo Nordisk and their employees all the best for 2018.

Thank you.

*The question was commented on by the Chairman of the Board/The CEO.*

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