


MEETING DATE	Thu, 26 Mar 2020 14:00	TYPE	AGM	ISSUE DATE	Mon, 16 Mar 2020
MEETING LOCATION	Bella Center, Center Boulevard 5, DK-2300 Copenhagen S, Denmark				
CURRENT INDICES	FTSE EuroFirst				
SECTOR	Pharmaceuticals				

PROPOSALS		ADVICE
1	Board of Directors' oral report on the Company's activities in the past financial year Non-voting agenda item.	Non-Voting
2	Receive the Annual Report Disclosure is adequate. The financial statements were made available sufficiently before the meeting and have been audited and certified.	For
3.1	Receive Remuneration Report 2019 Non-voting agenda item.	Non-Voting
3.2a	Approve Fees Paid to the Board of Directors in 2019 Total board remuneration fees for 2019 were 19.4 DKK million, which is a 12.8% increase from 17.2 DKK million in 2018. Although this would normally be deemed excessive, it accounts for a new director to the board and additional committee memberships, an adequate breakdown of the fees is provided. Support is recommended.	For
3.2b	Approve Fees Payable to the Board of Directors in 2020 It is proposed to increase the amount payable to the Board of Directors by 2.9%, thus making the base fee level DKK 720,000. As this is less than a 10% increase, it is within guidelines. Support is recommended	For
3.3	Approve Remuneration Policy It is proposed to approve the remuneration policy. Variable remuneration appears to be consistently capped, although the pay-out may exceed 200% of the fixed remuneration for the highest paid director. There are claw back clauses in place over the entirety of the variable remuneration, which is welcomed. However, the Company has not disclosed quantified targets or performance criteria for its variable remuneration component, which may lead to overpayment against underperformance. Triodos opposes this resolution.	Oppose
3.4	Amend Articles Re: Voting on the Company's Remuneration Report at Annual General Meetings It is proposed to amend the Company's by-laws to comply with new laws/regulations. For the financial year 2020 and the following financial years, Novo Nordisk will prepare a Remuneration Report and submit it for an advisory vote at the Annual General Meeting in accordance with the new requirements of section 139b of the Danish Companies Act. The first vote will take place at the 2021 Annual General Meeting. This is welcomed, as it is considered best practice for shareholders to have the ability to vote on the remuneration report.	For
4	Approve the Dividend The Board proposes a dividend of DKK 5.35 for each Novo Nordisk A or B share of DKK 0.20, bringing the total dividend for 2019 to DKK 8.35. The dividend is covered by earnings. Acceptable proposal.	For
5.1	Reelect Helge Lund as Director and Chair Non-Executive Chair of the Board.	For

5.2	Reelect Jeppe Christiansen as Director and Deputy Chair Non-Executive Director. Not considered independent as they are a member of the board of directors of Novo Holdings A/S which holds a significant stake of the company's issued share capital. There is sufficient independent representation on the Board. There are concerns over the director's potential aggregate time commitments, however the director has attended all board and committee meetings.	For
5.3a	Reelect Brian Daniels as Director Independent Non-Executive Director.	For
5.3b	Reelect Laurence Debroux as Director Independent Non-Executive Director.	For
5.3c	Reelect Andreas Fibig as Director Independent Non-Executive Director.	For
5.3d	Reelect Sylvie Gregoire as Director Independent Non-Executive Director.	For
5.3e	Reelect Liz Hewitt as Director Independent Non-Executive Director.	For
5.3f	Reelect Kasim Kutay as Director Non-Executive Director. Kasim Kuttay is not considered to be independent as he is CEO of Novo Holdings A/S, the controlling shareholder. There is sufficient independent representation on the Board. Although there are concerns over the director's potential aggregate time commitments the director has attended all board and committee meetings during the year under review.	For
5.3g	Reelect Martin Mackay as Director Independent Non-Executive Director.	For
6	Ratify PricewaterhouseCoopers as Auditors PwC proposed. Non-audit fees represented 57.69% of audit fees during the year under review and 58.67% on a three-year aggregate basis. This level of non-audit fees raises major concerns about the independence of the statutory auditor. The current auditor has been in place for more than ten years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor. Triodos opposes this resolution. As opposition is not a valid voting outcomes on this resolution, Triodos abstains of this resolution.	Abstain
7.1*	Reduce Share Capital The board proposes that the Company's B share capital is reduced by 2.68% from DKK 372,512,800 to DKK 362,512,800 by cancellation of part of the company's own holding of B shares at a nominal value of DKK 10,000,000 divided into 50,000,000 B shares of DKK 0.20 each. The purpose of the reduction of the Company's share capital is to distribute funds to the shareholders by way of the Company repurchasing shares in accordance with the authorisations granted to the Board of Directors at previous Annual General Meetings. The Board of Directors' proposal to reduce the Company's B share capital is made in order to maintain capital structure flexibility. Triodos supports this resolution.	For
7.2	Authorise Share Repurchase It is proposed to authorise the Board to purchase Company's shares for 10% and until the next AGM. Triodos supports this resolution.	For
7.3a*	Approve Creation of Pool of Capital for the Benefit of Employees The Board of Directors proposes to extend authorisation for a period of two years until 21 March 2021 (totalling a five year period) without granting any pre-emptive rights to the shareholders. The Board proposes to increase the share capital in one or more stages by issuing B shares of up to a total nominal value of DKK 2,000,000 for the authorisation which corresponds to roughly 0.5% of the total current share capital. Shares will be offered to employees of the Group at a price which is lower than the market price of the B shares. A support vote is recommended.	For

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| 7.3b* | Issue Shares with Pre-emption Rights
It is proposed to issue new shares with pre-emptive rights. The proposed authority is less than 50% of the current share capital lasts for 24 months Meets guidelines. Support is recommended. | For |
| 7.3c* | Approve Creation of Pool of Capital without Preemptive Rights
The Board of Directors proposes to extend authorisations for a period of two years until 21 March 2022 The Board proposes to increase the share capital in one or more stages without pre-emptive rights by up to a total nominal amount of DKK 47,000,000 which corresponds to roughly 9.79% of the total current share capital which is deemed acceptable. Support is recommended. | For |
| 7.4 | Approve Donation to the World Diabetes Foundation
The board proposes to replace the remaining five years of the current donation with a new five-year donation for the period 2020 to 2024 and to calculate the yearly donations under this as 0.085% of the total diabetes net sales. Current cap is MDKK 90 per year and it is proposed to increase incrementally by MDKK 1 per year, starting at MDKK 91 in 2020 and MDKK 95 in 2024 and to maintain the overall donation cap of 15% of Novo Nordisk's taxable income. In the annual report it is stated that through these donations, the company supports large-scale diabetes capacity building in low resource setting. The amendment to the donation policy is proposed due to it previously being based on net insulin sales, which has declined in the past few years and thus the amount donated has not been what the company had hoped. No serious governance concerns have been identified and support is recommended. | For |
| 8 | Shareholder Proposal: Disclosure of the Ratio between Executive and Employee Remuneration in the Annual Reports
It is proposed by shareholders that going forward in the Annual Reports disclose the ratio between (i) the Chief Executive Officer's remuneration and the remuneration of an average employee and the median remuneration, and (ii) the Executive Management's average remuneration and the remuneration of an average employee and the median remuneration, respectively. The Board states that Novo Nordisk's remuneration report provides detailed information on executive remuneration, including on the ratio between the Chief Executive Officer's and the employees' remuneration during the past five years. In the opinion of the Board of Directors, no further information is needed to be included in the Annual Report. While it is considered that CEO to employee pay ratios are a positive item for a Company to disclose, it is recommended to oppose the resolution, as the Company already discloses this information. | Oppose |
| 9 | Transact Any Other Business
Shareholders should receive sufficient notice of proposals brought forward by either management or other shareholders. As such, any other proposition brought forward in the meeting would provide insufficient time for an informed assessment. Opposition is recommended. | Oppose |

* = *Special resolution*

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