



Board self-evaluation
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Examples of entities in the Novo Group using Board self evaluation

- The Novo Nordisk Foundation
 - Foundation with corporate interests
- Novo Nordisk A/S
 - Listed company
 - Both the Board and the Board committees
- Novo Nordisk A/S wholly owned subsidiaries with external board members
 - Previously
 - NNIT A/S
 - IPO March 2015
 - Steno Diabetes Center A/S
 - Activities transferred to Region Hovedstaden January 2017
 - Currently
 - NNE A/S
- Novo Nordisk A/S wholly owned subsidiary without external board members
 - Novo Nordisk Pharmatech A/S

Potential approaches to self-assessment

Facilitator	Method(s)	Distribution of results
Simple method	<ul style="list-style-type: none"> No questionnaire provided in advance Questionnaire (Paper/electronic): Sent to members before board meeting 	<ul style="list-style-type: none"> Free discussion at the board meeting Questionnaire answered at the board meeting
Chairman / Vice chair / SID / internal facilitator	<ul style="list-style-type: none"> Questionnaire (Paper/electronic): Sent to members before interview/board meeting Questionnaire: Answered in advance of the interview/board meeting Interviews of the board members 	<ul style="list-style-type: none"> Chairman/facilitator present orally the results* Consolidated report* provided with all or consolidated results compared with last year: Presented by Chair or facilitator and discussed in plenum Individual feedback*: 1-to-1 between Chair and member
External facilitator	<ul style="list-style-type: none"> Questionnaire (Paper/electronic): Sent before interview Questionnaire: Answered in advance of the interview/board meeting Interviews of the board members, the executives and board/committee secretaries Participate as observer in board/committee meetings and review board material 	<ul style="list-style-type: none"> Consolidated report* provided with all or consolidated results compared with best practice: Presented by Chair or facilitator and discussed in plenum Individual feedback*: 1-to-1 between Chair/facilitator and member

Low

Complexity

High

*All material can be anonymised or non-anonymised

Potential external facilitators and internal IT tools

Potential external facilitators

- Executive search
 - Spencer Stuart
 - Egon Zenhder
 - Odgers Berndtson
 - Heidrick & Struggles
 - Amrop
- Specialists
 - Boardroom Review by Dr Tracy Long, London
 - Independent Board Evaluation by Ffion Hague, London
 - Lintstock Ltd, London
 - Board Advisor by Beverly Behan, New York
- Danish specialist
 - People's bestyrelsevalueringer
 - (CfL/Boardmeter)

Potential IT tools for internal use

- Word/PDF/Excel
- Survey Monkey
- Nasdaq Directors desk
- Nasdaq Board advantage

Potential focus for a self-assessment of **the bodies**

Themes for self-assessment

- Board dynamics
- Board agenda and discussions
- Strategy
- Culture
- Executive succession
- Board composition
- Board succession
- Board training

Bodies in scope for self-assessment

- The Board
- Board/Executive Management collaboration
- Executive Management
- The Chairman
- The Board Committees
- The Board secretariat

Potential focus for individual assessment

Themes for self-assessment

- Performance (rating and one piece of a good advice)
- Over-boarding
- Competences/skills

Potential use of the feedback

- Assessment of potential over-boarding
- Assessment and disclosure of skills matrix
- Continued development of board members
- Replacement/renewal

Annual wheel for self-assessment

Activities in Nov and onwards

- Implement actions agreed

Activities in Oct

- Individual feedback in 1-to-1s between chairman and members of BoD and ExecMgmt.
- Discuss results with BoD and ExecMgmt. in plenum at BoD meeting and agree on actions

Activities in Sep

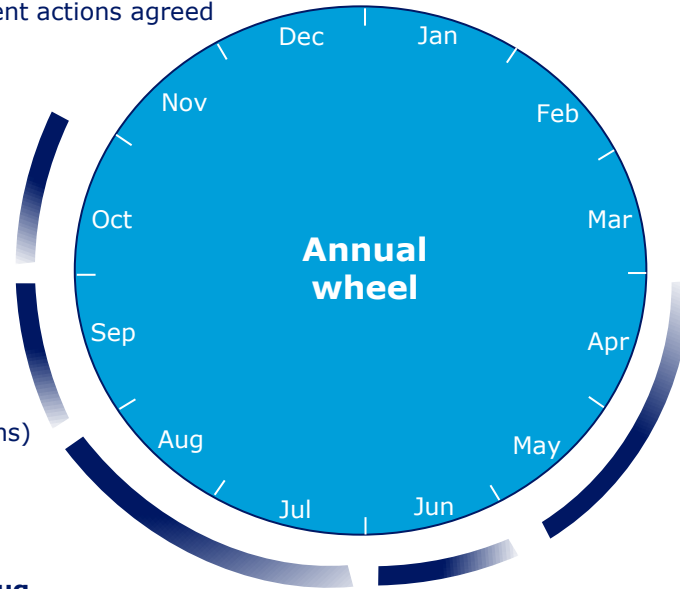
- Receive questionnaires (internal)
- Consolidate and analyse results
- Discuss draft report (results and actions) with chairman

Activities in Jul/Aug

- Send questionnaire to BoD and ExecMgmt. (internal/external)
- Interviews by consultant (external)

Activities in Jun










- Evaluate status on last year's actions
- BoD decide on process (internal/external)
- Prepare questionnaire (internal)
- Engage consultant (external)



Activities in Apr/May

- Chairman and BoD secretariat to discuss this year's process (e.g. internal or external)
- Schedule 1-to-1s btw chairman, BoD members and ExecMgmt in October

Reporting of self-assessment results

NN / RGC*	Annual Report	Annual General Meeting - notice	Annual General Meeting – chairman’s speech	Website
General approach to board self-assessment	 / X	/	 / X	 / X
Approach used last time	 / X	/	 / X	 / X
Result from self-assessment	 / X	/	 / X	 / X
Changes implemented as a response to the results	/	/	/	/

*Recommendations for good corporate governance

Reporting in the Annual Report 2017

General approach

The Board of Directors conducts a self-assessment every year. The self-assessment includes all members of the Board of Directors and Executive Management. The chairman has overall responsibility for conducting the self-assessment. The self-assessment is facilitated every third year by external consultants, who interview all members of the Board of Directors and Executive Management as well as the secretaries to the Board and the board committees. For the subsequent two years, the self-assessment is facilitated by the secretary of the Nomination Committee and is based on written questionnaires to all members of the Board of Directors and Executive Management. The process, whether it is facilitated internally or by

external consultants, evaluates topics such as board dynamics, board agenda and discussions, strategy, culture, executive succession, board composition, succession and training. In addition, each individual member of the Board of Directors and Executive Management is provided with feedback from all other board members and executives on their individual performance. The self-assessment is conducted on an anonymous basis. Ratings and comments to individuals are only shared with that individual and the chairman in an anonymised version, while the remaining ratings and comments are consolidated and shared with the board members and executives in an anonymised version.

Approach used last time & result from assessment

In 2017, the self-assessment was facilitated by external consultants and, in general, revealed a good performance by the Board of Directors as well as good collaboration between the Board of Directors and Executive Management. The process also resulted in increased focus on the process for strategy development, development of the company culture, executive succession and future board competences.

Reporting on www.novonordisk.com

General approach

Assessment criteria

The self-assessment process includes all members of the Board of Directors and Executive Management. The chairman has the overall responsibility for conducting the yearly self-assessment. The self-assessment is facilitated every third year by external consultants, who interview all members of the Board of Directors and Executive Management as well as the secretaries to the Board and the board committees. For the subsequent two years, the self-assessment is facilitated by the secretary of the Nomination Committee and is based on written questionnaires to all members of the Board of Directors and Executive Management. The process, whether it is facilitated internally or by external consultants, evaluates topics such as board dynamics, board agenda and discussions, strategy, culture, executive succession, board composition, succession and training. In addition, each individual member of the Board of Directors and Executive Management is provided with feedback from all other board members and executives on their individual performance. The self-assessment is conducted on an anonymous basis. Ratings and comments to individuals are only shared with that individual and the chairman in an anonymised version, while the remaining ratings and comments are consolidated and shared with the board members and executives in an anonymised version.

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Reporting in Chairman's speech at AGM 2018*

Let me start by putting a few words on the collaboration in the Board. I find that we in the Board have a very good and open dialogue where we draw on our different competences and experiences. In addition we have a very good collaboration with Executive Management

General approach

The Board of Directors conducts a self-assessment every year to see how we then perform. The self-assessment includes all members of the Board of Directors and of Executive Management.

Approach used last time

In 2017, the self-assessment was facilitated by external consultants and evaluated topics such as board dynamics, strategy, executive succession and board composition. In addition, each individual member of the Board of Directors and Executive Management is provided with feedback from all other board members and executives on their individual performance.

Result from assessment

The self-assessment revealed in general a good performance by the Board of Directors as well as good collaboration between the Board of Directors and Executive Management. The process also resulted in increased focus on the process for strategy development, on further development of the company culture, on executive succession and on what would be the need for future board competences.

* Drafted by secretariat, not approved by chairman yet

