Remuneration Policy

1. Introduction

This remuneration policy ("Policy") concerns the remuneration of the members of the Board of Directors (collectively "Board of Directors" or "Board" and individually a "Board Member") of Novozymes A/S – part of the Novonesis Group ("Novonesis") and the members of Novonesis' Executive Management registered at any time with the Danish Business Authority (collectively "Executive Management" and individually an "Executive"). This Policy has been drawn up in accordance with sections 139 and 139a of the Danish Companies Act, and complies with the recommendations on Corporate Governance, issued in December 2020 by the Danish Committee on Corporate Governance.

Summary of changes

The Policy is a continuation of the policy adopted at the extraordinary general meeting held on March 30, 2023. On January 29, 2024, the merger between Chr. Hansen Holding A/S ("Chr. Hansen"), CVR no.- 28 31 86 77, and Novozymes A/S ("Novozymes") with Novozymes as the continuing entity (the "Merger"), was completed as the final registration of the merger with the Danish Business Authority took place. The Policy has been restructured to provide a more transparent overview of remuneration in Novonesis and the following substantive changes have been made to reflect the new combined business of Novozymes and Chr. Hansen in Novonesis:

Remuneration Policy for the Board of Directors

- The Chair and Vice Chair of the Board of Directors are allowed to receive supplementary fees as members of the Nomination and Remuneration Committee, if elected to the Nomination and Remuneration Committee. This is in line with general market practice and introduced to ensure market competitive remuneration relative to comparable Danish C25 companies and relevant European companies in the same industries, size, and complexity.
- In connection with the Merger, an interim Integration Committee has been established to review and oversee the integration of Novozymes and Chr. Hansen into the combined company Novonesis. In addition to the base fee, the chair of the interim Integration Committee is allowed to receive a supplementary fee of 1.0 times the base fee, and members of the interim Integration Committee shall each receive a supplementary fee of 0.5 times the base fee.

Remuneration Policy for the Executive Management

- To ensure a market relevant remuneration of the Executive Management relative to comparable Danish C25 companies and relevant European companies in the same industries, size, and complexity, the following short-term incentive ("STI") and long-term incentive ("LTI") maximum and target opportunities are introduced at differentiated levels for the Chief Executive Officer ("CEO") and the other members of Executive Management ("EM"):
  - CEO STI: the maximum opportunity has been adjusted from 79% of the annual base salary to 150% of the annual base salary. The target opportunity has been adjusted from 51% of the annual base salary to 100% of the annual base salary.
  - CEO LTI: the maximum opportunity has been adjusted from 158% of the annual base salary to 180% of the annual base salary. The target opportunity has been adjusted from 103% of the annual base salary to 120% of the annual base salary.
  - EM STI: the maximum opportunity has been adjusted from 79% of the annual base salary to 97.5% of the annual base salary. The target opportunity has been adjusted from 51% of the annual base salary to 65% of the annual base salary.
  - EM LTI: the maximum opportunity has been adjusted from 158% of the annual base salary to 135% of the annual base salary. The target opportunity has been adjusted from 103% of the annual base salary to 90% of the annual base salary.

2. Remuneration Policy for the Board of Directors

The remuneration of the Board of Directors comprises fixed fees and benefits and is not incentive based. This ensures that the Board of Directors safeguards the company's long-term interests without taking into consideration what this may mean in terms of the value of incentive-based remuneration.

Employee-elected Board members may be eligible to participate in ordinary share- and bonus programs as employees in the Novonesis Group.

The Board of Directors fee is set at a level that conforms to the market and reflects the competencies and efforts required of the role, given the complexity of the Novonesis Group, the scope of the work, and the number of Board meetings.

Board remuneration

Composition	a) A fixed base fee and a multiplier of base fee for members of the Board committees. b) Benefits; payment of social charges, travel and accommodation, and relevant insurance.
Benchmarking	To ensure market-competitive Board remuneration, an annual evaluation is made by the Board of Directors based on recommendations from the Nomination and Remuneration Committee. In making its recommendation, the Committee is guided by relevant market data representing both comparable Danish C25 companies, and relevant European companies in the same industries, size and complexity.

Fixed fee and benefits

Purpose	The fixed fees reflect the actual responsibility of the individual Board Member. The structure supports the overall purpose of the Board of Directors to focus on corporate strategy, purpose, supervision, organization, and governance.
Base fee	Board Members receive a fixed base fee, while the Chair receives a fee that is 3.0 times the base fee, higher and the Vice Chair 2.0 times the base fee.
Supplementary committee fees	In addition to the Base fee, the **chair** of the Audit Committee, the Nomination and Remuneration Committee, the Innovation Committee, and the interim Integration Committee, each receive a supplementary fee of 1.0 times the base fee. **Members** of the Audit Committee, the Nomination and Remuneration Committee, the Innovation Committee, and the interim Integration Committee each receive a supplementary fee of 0.5 times the base fee.
Fee for ad hoc tasks	The Board of Directors may decide to grant an additional fee to individual Board Members (including the Chair and the Vice Chair of the Board of Directors) for extraordinary Novonesis Board work that can reasonably be considered outside the scope of the ordinary Board work and the work in the existing Board committees or for work in new Board committees established by and as decided by the Board of Directors. In each such case, the Board of Directors shall determine a fixed fee for the work conducted related to those tasks up to a total maximum of 0.5 times the base fee per member per annum (or an extra 1.0 times base fee for chairing any new committees or groups). The fixed fee will be disclosed in the remuneration report and presented for approval at the next annual general meeting.
Travel & accommodation	Travel, accommodation, and other reasonable expenses related to Board work and/or meetings, including expenses associated with relevant training, are paid on submission of receipts.
Social security tax	The company pays statutory contributions to social security and similar taxes and charges that the company is obligated to pay according to applicable law concerning a Board Member's position as a member of the Board.
Directors & officers' liability	Finally, to be able to attract and retain qualified Board Members, it is the company's policy to take out appropriate and customary directors' and officers' liability insurance for the Board Members. If the insurance coverage is insufficient, the company shall, to the fullest extent permitted by law, indemnify the Board Members against claims that a Board Member may personally incur, provided that such claims are not caused by a Board Member's fraud, gross negligence, or willful misconduct or in respect of criminal sanctions against the Board Member. The terms and conditions of the Scheme (cf. above and as set out in article 14 of the articles of association of Novonesis) apply correspondingly to the Board Members. Further, the terms and conditions of the transaction-specific indemnification in connection with the merger of Novozymes and Chr. Hansen (cf. above and as set out in article 14a of the articles of association of Novonesis) apply correspondingly to the Board Members.

3. Remuneration Policy for the Executive Management

Novonesis remuneration Policy for Executive Management is built to provide a simple, market-competitive, performance-based remuneration package that supports sustainable value creation for our shareholders. The components are structured to provide strong alignment between the interests of Executives and shareholders, including a focus on delivering Novonesis' key strategic objectives.

Executive remuneration

Composition	a) A fixed remuneration base salary plus pension., b) Variable remuneration in the form of an annual short-term incentive (STI) cash program and a long-term incentive (LTI) share-based program. c) Benefits, other customary elements such as car, health check, and insurances.
Benchmarking	To ensure market-competitive Executive remuneration an annual evaluation is made by the Board of Directors based on recommendations from the Nomination and Remuneration Committee. In making its recommendations, the committee is guided by relevant market data representing both comparable Danish C25 companies, and relevant European Companies in the same industries, size, and complexity.

Fixed compensation

Purpose	Ensuring a market-competitive fixed compensation and pension contribution allowing Executives to take short- and long-term decisions regardless of short- and long-term incentive considerations.
Base salary	Policy Base salaries are set based on the role, responsibilities, and experience of the individual. Salaries are reviewed annually to ensure that they are at the right level. Any increases in base salary will normally be aligned with the range of increases awarded to other employees. Increases may be above this level or applied more frequently or at different times in certain circumstances where the Board of Directors deems relevant. Alignment with strategy, long-term interest, and sustainability A competitive base salary is paid to attract and retain high-performing and experienced Executives and to provide appropriate remuneration for their important role in Novonesis. This is required to support the recruitment and retention of Executives of the caliber required to implement Novonesis' strategy and drive the performance of the Novonesis.
Pension	Policy Pension schemes are based on a defined contribution and are in line with the schemes offered to other employees in the same location. Alignment with strategy, long-term interest, and sustainability Ensuring Executives have an opportunity to build up income for retirement provided to attract and retain high-performing and experienced Executives.

Variable remuneration (incentive programs)

Purpose	The variable remuneration is designed to align pay and performance supporting the company's strategy. To enable this both a short- and long-term incentive program is offered with pay-out based on several targets which must be achieved before the incentive is released to the Executive. Targets are set to support the short- and long-term objectives and strategy. This is to ensure that the long-term interests and the sustainability of the company are considered by the Executive.
Short-term incentive (STI)	Policy Annual cash bonus, the size of which depends on the degree of fulfillment of targets set by the Board of Directors. Targets reflect a combination of Company and individual targets. Further details below. Alignment with strategy, long-term interest, and sustainability The purpose of the STI is to enable the alignment of pay with performance by incentivizing year-on-year delivery of rigorous short-term financial, strategic, and operational objectives selected to support Novonesis annual business strategy and the ongoing enhancement of shareholder value. The STI encourages and focuses the Executives efforts on the delivery of Novonesis strategic priorities for the relevant financial year and rewards the Executive for achieving stretch performance objectives.

Long-term incentive (LTI)	Policy Annual awards of share-based incentive schemes of performance shares and or share options are linked to the fulfillment of targets set by the Board of Directors. The Board of Directors can annually decide on the distribution between performance shares and share options. Share awards vest after three years, subject to the achievement of challenging performance targets linked to Novonesis' business strategy, long-term goals, and sustainability. Share options may be exercised between four and nine years after the grant. If deemed appropriate by the Board of Directors for administrative or other relevant reasons, the stock-based incentive program can fully or partly be substituted with a similar long-term incentive program based on cash. Alignment with strategy, long-term interest, and sustainability The purpose of the LTI is to enable the alignment of pay with performance, with an emphasis on long-term shareholder value. This is done by focusing the Executives' efforts on the achievement of sustainable long-term value creation, including through the appropriate management of business risks. The LTI also supports retention of the Executives through the three-year performance period and the four-year vesting period for earlier granted share options. It aligns the long-term interests of the Executives and our shareholders.

Other benefits

Purpose	Other relevant benefits are offered to support the Executive in being effective and ensure a benefits package that is aligned with the market.
Other benefits	Policy Members of the Executive Management may have work-related benefits at their disposal, such as company car, health check, and insurances. These benefits are aligned with the local market. Executives relocating or commuting internationally may if relevant receive benefits such as personal tax return preparation, expatriate allowances and compensation for transportation, housing, relocation, consultation and health insurance, and tuition for the Executive and his/her relatives. In addition to the above, Novonesis may pay the cost of or compensate for social security and social contributions as well as taxes imposed by foreign authorities. Alignment with strategy, long-term interest, and sustainability In general, ensuring a market-aligned package attracting the relevant Executives and when required supporting international mobility, and global recruitment opportunities of executive talent.

Variable compensation program details

Short-term incentive

Performance period	Target opportunity	Max opportunity
Based on the financial year	CEO: 100% of annual base salary Others in Executive Management: 65% of annual base salary	CEO: 150% of annual base salary Others in Executive Management: 97.5% of annual base salary

Targets

Targets are set annually at the beginning of the performance year by the Board of Directors based on a recommendation from the Nomination and Remuneration Committee. Targets are set to define both threshold, target, and maximum pay-out. Performance above threshold is required for pay-out of bonus. Target pay-out is based on achieving the ambitious set targets for the year. Maximum payouts require significant overperformance compared to expectations at the beginning of the year.

Corporate targets

Performance measures and targets are selected to align Novonesis' performance targets with the overall business strategy objectives and set to support the short-term performance outlooks. Novonesis' primary business objective is to create value sustainably. The performance measures focus management on the delivery of a combination of top-line revenue growth, profit and/or economic profit, and other measures as defined by the Board of Directors.

Individual targets

For the individual Executive individual targets will be set by the Board of Directors. These targets are set to support the overall strategic direction and are linked to the sustainable value creation in Novonesis.

Long-term incentive

Performance period	Target opportunity	Max opportunity
Three financial years for performance	CEO: 120% of annual base salary	CEO: 180% of annual base salary

shares	Others in Executive Management: 90% of annual base salary	Others in Executive Management: 135% of annual base salary

Performance shares

Targets

Targets are set annually at the beginning of the three-year performance period by the Board of Directors based on recommendations from the Nomination and Remuneration Committee. Targets are set to define both threshold, target, and maximum payout. Performance above the threshold is required for the payout of the bonus. Target payout is based on achieving the ambitious set targets for the performance. Maximum pay-out requires significant overperformance compared to expectations at the beginning of the performance period.

The targets are 100% corporate.

Corporate targets

Performance measures and targets are selected to align with the Novonesis long term triple bottom line, and set to support the long-term performance outlooks supporting financial, non-financial and employee targets. Novonesis primary business objective is to create value sustainably. The performance measures focus management on the delivery of a combination of revenue growth, profit, and other measures as defined by the Board of Directors.

Sustainability is at the core of Novonesis' business and therefore the long-term incentive program contains performance measures reflecting sustainability through non-financial targets aiming for a weight around 20%.

Details of program

The total value of the program is at conditional grant converted into an amount of conditionally granted performance shares based on the average market price of the Novonesis B share five trading days following the release of the annual report for the financial year before the start of the three-year performance period.

The performance shares are conditionally granted to the Executive and locked up for three years. After the three years, the number of shares is adjusted by the performance during the three-year performance period before they vest in Novonesis B Shares to the Executives.

If the Executive resigns during the vesting period, the Executive's conditionally granted shares will be forfeited, unless the Board of Directors based on a recommendation from the Nomination and Remuneration Committee determines otherwise. No dividends are paid on conditionally granted shares in the vesting period and the conditionally granted shares are administered as part of Novonesis' holding of treasury shares.

Share-options

Targets

The targets are set according to the same principles as for performance shares.

Details of the program

The total value of the program is at conditional grant converted into a number of share options following the Black & Scholes model. The exercise price, set at grant, is based on the average market price of the Novonesis B share five trading days following the release of the annual report for the financial year before the start of the three-year performance period. The number of options is following the three-year performance period adjusted based on the achieved performance.

Share options may be exercised between four and nine years from the conditional grant. If the Executive resigns during the vesting period, the Executive's unvested share options will be lost and forfeited, unless the Nomination and Remuneration Committee determines otherwise.

Share options may only be exercised within the trading windows laid down in Novonesis' internal rules in force at any time governing trading in Novonesis' listed shares or in accordance with any exemptions that may arise from these rules. If the rules in force at any time governing trading in securities, rules for issuers and/or the company's internal rules for trading in the company's shares, may prevent exercise of stock options in the specified period, the exercise period shall be deferred by decision of the Board of Directors such that exercise of stock options may take place in accordance with the current rules governing trading in securities.

Maximum value of the program

To ensure that the share-based portion of the total remuneration does not reach unintended levels, the Board of Directors may reduce the scope of an LTI grant such that the total value at the end of the program does not exceed the maximum value, at the date of conditional grant multiplied by two. The program is considered to be concluded with respect to performance targets, when the Board of Directors approves the financial statements for the last year in the program's three-year performance period.

The total value of performance shares is based on the number of performance shares awarded multiplied by the average closing share price of the five days following the publication of the annual report of the last performance year.

The total value of granted share options is based on the number of share options multiplied by the difference between the average closing share price of the five days following the publication of the annual report of the last performance year and the exercise price.

Clawback, malus & discretion of incentive programs

Clawback & malus provisions	The program rules contain authority for the Board of Directors to withhold or claw back variable pay if the payment is based on misstated results, there was an error in the calculation or gross misconduct by the Executive.
Discretion	The Nomination and Remuneration Committee will operate the incentive schemes per the rules of the respective schemes and the discretions contained therein. This includes a discretionary power to vary the pay-out under the annual bonus or the level of vesting of a long-term incentive award if the Board of Directors determines that exceptional circumstances exist such that the formulaic vesting level does not reflect underlying financial or individual performance.

Other employment terms

Notice & termination	The members of the Executive Management have contracts of employment containing standard conditions for executive officers of Danish-listed companies. In general, notices of termination given by Novonesis to Executives cannot exceed 12 months, and the notice of termination to be given by Executives cannot exceed 6 months. All executive service contracts with Executives contain clauses that set out that when an Executive's contract of employment is terminated by the company without any misconduct on the part of the Executive, the Executive has a notice period of 12 months and subsequently up to 12 months' severance consisting of base pay plus pension. Executive service contracts may contain non-compete clauses applicable for a period after termination provided that the contract has been terminated by the Executive without material breach by the company. As compensation for the non-competition clause for the period the clause is effective, Novonesis may pay the Executive an amount of no more than the Executive's most recent annual remuneration excluding incentives under the long-term incentive program (LTIP). Treatment under the long-term incentive program (LTIP) is determined on the basis of the program's rules. Normally, any outstanding awards (unvested or unexercised programs) will lapse on the date of cessation of employment when the contract is terminated by the Executive. However, under the rules of the plans, in certain circumstances, such as death, disability, mutually agreed retirement, or other circumstances at the discretion of the Board of Directors, 'good leaver' status can be applied. In these circumstances, a participant's awards may continue to vest as determined by the Board of Directors. The Board of Directors may change or wind up the remuneration package in case of resignation or dismissal of a member of the Executive Management, a take-over in whole or in part, significant acquisitions, significant divestments, demerger, merger, changes to the capital structure, certain dividend distributions or other material events (e.g., agree on an earlier payout date).
Share ownership requirements	To align an Executive's interest in Novonesis more closely with that of its shareholders, the Executive must hold Novonesis B shares corresponding to the Executive's annual base salary excluding pension. For promoted or externally hired Executives this holding can be built up over a period as determined by the Board of Directors for up to 5 years. Until the Executive reaches the minimum holding it is required that the Executive keeps at least 50% of any vested shares and shares corresponding to 50% of the value of exercised options stemming from LTI governed by this Policy – net of tax. After meeting the minimum requirement, the Executive must retain this position until release of duty to perform services for Novonesis. The shareholding will be valued at the end of each calendar year based on (i) the then current base salary, (ii) shareholding at the end of the calendar year, and (iii) the average share price during that calendar year. Unvested shares and non-exercised options part of the LTI program or sign-on bonus are not calculated as included in the holding.

Directors & officers liability	To be able to attract and retain qualified Executives, it is the company's policy to take out appropriate and customary directors' and officers' liability insurances for the Executives. If the insurance coverage is insufficient, the company shall, to the fullest extent permitted by law, indemnify the Executives against claims that an Executive may personally incur, provided that such claims are not caused by an Executive's fraud, gross negligence, or willful misconduct or in respect of criminal sanctions against the Executive. The company's indemnification scheme implies that Novonesis shall indemnify and hold harmless the Executives from and against any losses incurred by such Executive arising out of any actual or potential claims, including any costs and potential tax liabilities associated therewith, raised by any third parties (other than companies of the Group) against an Executive arising out of such Executive's discharge of his/her duties as Executive (the "Scheme"). No third party shall be entitled to rely on, derive any benefits from the Scheme, or have any recourse against the company on account of the Scheme. Excluded from indemnification under the Scheme are: a) Potential claims if and to the extent covered by insurance taken out by the Group. b) Potential claims raised against an Executive arising out of such Executive's breach of his/her fiduciary or otherwise statutory duties towards Novonesis. c) Any claims raised against an Executive arising out of such Executive's fraud, willful misconduct, or gross negligence. d) Potential claims raised against an Executive arising out of any criminal offense committed by the Executive. e) Potential claims, if and to the extent it would be inconsistent with statutory laws to offer the benefits of the Scheme to the Executive.; and f) Potential claims if and to the extent covered by the transaction-specific indemnification in connection with the merger of Novozymes and Chr. Hansen as adopted in article 14a of the articles of association. Novonesis shall, for the avoidance of doubt, not indemnify Executives for any liability according to applicable law or otherwise related to the merger of Novozymes and Chr. Hansen or the related issuance of new shares as merger consideration, if such liability is incurred for services performed for any other party than the Group. For the avoidance of doubt, Novo Holdings A/S and its non-Novonesis Group affiliates shall be deemed a third party of the Group and i.e., not a member of the Group. The indemnity by Novonesis shall also cover (i) reasonable fees properly incurred by such Executive in connection with investigating, preparing, or defending against any claims and (ii) any adverse tax consequences for Executives arising from the fact that coverage is provided by way of the indemnity and not through D&O liability insurance. Novonesis' obligation to indemnify Executives is made for the sole benefit of such Executives and no third parties, including any creditors of such Board Members and/or Executives, shall be entitled to rely on the indemnity provided for herein.
Extraordinary Awards	The Board of Directors may in individual cases, as determined by the Board of Directors, for recruitment or retention purposes decide to award a one-off bonus or extraordinary incentive-based remuneration, e.g., sign-on bonus, relocation payment, retention bonus or other schemes. Such extraordinary awards may consist of cash or share-based remuneration, or a combination thereof. The total value of such extraordinary awards for an Executive cannot at the time of the agreement on the arrangement exceed an amount corresponding to 100% of the Executive's total annual maximum remuneration.

Relativity of rewards elements

With variable remuneration being up to maximum 330% of the annual base salary for the CEO (235% for other Executives) a significant part of the remuneration is linked to performance, which ensures focus on delivering on both short- and long-term performance.

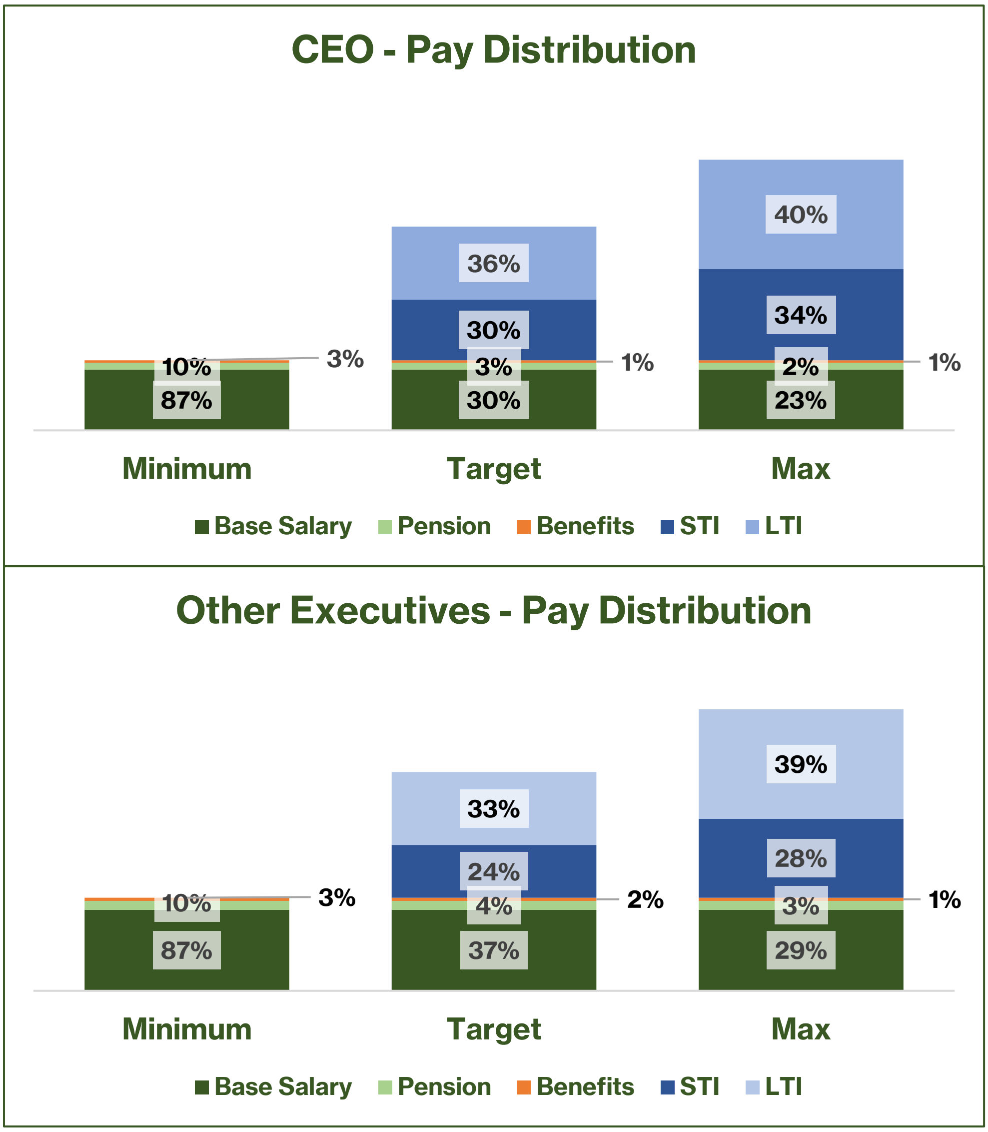
Base salary accounts for between 23% and 87% of the total remuneration, in different performance scenarios, allowing the Executive to also focus on sound business decisions to support the company vision.

Below is an example of the desired pay mix at various performance levels:

1) Below performance threshold => Minimum pay-out,

2) On-target performance => Target pay-out,

3) At or above maximum performance targets => Max pay-out.



4. Governance and link to business strategy

Governance

The Board of Directors determines the employment and termination of Executives, including their remuneration within the frame of this Policy. The Board of Directors has established a Nomination and Remuneration Committee which consists of members of the Board of Directors, and which is responsible for the oversight of nominations and remuneration of the Board of Directors and the Executive Management.

A majority of the members must be considered independent under the Danish Recommendations on Corporate Governance. All members must possess the relevant qualifications and competencies. No Executives may serve on the Nomination and Remuneration Committee as a member. The Nomination and Remuneration Committee has responsibility for advising the Board of Directors in respect of the remuneration of Board Members, Board committee members, and members of the Executive Management. The Nomination and Remuneration Committee meets as necessary, but at least two times a year. The Charter of the Remuneration and Nomination Committee can be found on the Novonesis website www.Novonesis.com.

Conflict of interest

The Board of Directors shall approve any agreements made between a Board member, or a member of the Executive Management and Novonesis, or one of its subsidiaries, as well as any agreements entered into between Novonesis or its subsidiaries and a third party, in which a Board member or a member of the Executive Management is deemed to have an interest, which may be contrary to the interests of Novonesis or its subsidiaries.

A Board member or a member of the Executive Management shall not be entitled to be present during discussions in the Board of Directors or in the Nomination and Remuneration Committee of disputes where, on the one part, said Board member or member of the Executive Management and, on the other part, Novonesis or its subsidiaries are counterparts, nor in the consideration of any other material issue in connection with which the Board member or the member of the Executive Management, in the opinion of the other Board or committee members, is deemed to have interests, which may be contrary to the interests of Novonesis.

The Board of Directors and the Nomination and Remuneration Committee do not consult with the same external advisers as the Executive Management concerning matters relating to remuneration.

Alignment with employee pay

The Nomination and Remuneration Committee is briefed on and considers prevailing market conditions, the competitive environment, and the positioning and relativities of pay and employment conditions across the wider Novonesis workforce. The Committee considers the annual base salary increases for the Novonesis employee population in the same location as the Executive Management when determining any change in Executive Management's base salary.

The performance measures used to determine variable pay outcomes for the Executive Management and all other employees are linked to the delivery of Novonesis' strategy and behaviors that are aligned to the company values.

Further, recommendations for Novonesis' Remuneration Policy, including revisions thereof, and final decisions on revisions of Executive Management's remuneration are made by the Board of Directors. As the Board of Directors includes employee-elected Board Members, this allows perspectives on executive remuneration from employee representatives to be discussed in connection with such recommendations and decisions.

Shareholder perspectives

As part of the Board of Directors' commitment to good corporate governance, the Nomination and Remuneration Committee also considers shareholder views, together with those of the wider community, when setting the remuneration policy for the Executive Management. The Board of Directors is committed to engaging and communicating with shareholders regularly and, as our shareholders are spread across the globe, we are proactive with our engagement on remuneration and governance matters with institutional shareholders and investor representative organizations. Feedback from shareholders and investors is shared with and used as input into decision-making by the Board of Directors and the Nomination and Remuneration Committee in respect of our Remuneration Policy and its application. The Nomination and Remuneration Committee considers that this approach provides a robust mechanism to ensure that Board Members have a good understanding of current shareholder views and can formulate policy and make decisions as appropriate. We encourage shareholders to always make their views known to the Nomination and Remuneration Committee by directly contacting our Investor Relations team (contact details available on our website at www.Novonesis.com).

Link to business strategy and sustainability.

Novonesis seeks to generate financial, environmental, and social value. This is the triple bottom line approach we have always taken, and which is ingrained in our purpose, strategy, and long-term targets. The triple bottom line approach ensures that business decisions balance financial, environmental, and social considerations, always keeping in mind the best interests of all our stakeholders.

Our Policy is designed with this in mind with the majority of remuneration linked to company performance through short- and long-term incentives, and with an overweight of this variable remuneration weighted towards the long-term, in-line with our strategic focus and mirroring the long-term nature of our investments in the business.

The short- and long-term incentive programs are designed to incentivize performance against selected financial and operational key performance indicators (KPIs) and personal objectives, which are linked to Novonesis' business strategy, and to incentivize long-term value creation and alignment with the long-term interests of shareholders, customers, and other stakeholders.

We offer a fixed remuneration comprising base salary, pension, and benefits to attract and retain Executives of the experience and quality required to deliver our strategy, recognizing the market value of an Executive's role, skills, responsibilities, performance, and experience.

5. Effect, deviations, and approval

Effect

This Remuneration Policy takes effect for remuneration in relation to the financial year 2024 and later, following its adoption at the annual general meeting in April 2024.

Deviations from the Remuneration Policy

In addition to the above, the Board of Directors may in extraordinary circumstances, in which it is deemed necessary to serve the long-term interests of Novonesis, as further determined by the Board of Directors, for recruitment or retention purposes, decide to grant extraordinary benefits and/or special exit conditions.

Approval

The change of this Remuneration Policy was adopted by the Board of Directors on April 8, 2024, and approved by the annual general meeting on April 30, 2024.