

## INCENTIVE PROGRAM FOR EXECUTIVE MANAGEMENT

March 2, 2011

### New share-based incentive program for Executive Management

Following approval of the new guidelines for the remuneration of the Board of Directors and Executive Management at the Annual Shareholders' Meeting (guidelines also published on Novozymes' homepage), Novozymes has today announced the introduction of a new long-term share-based incentive program for Executive Management, to be implemented effective January 1, 2011.

The incentive program is a three-year share-based program and covers the period 2011–2013, with shares to be released in January 2014.

The program is based on achievement of cumulative economic profit in the three-year period. Using economic profit as the target for the program will ensure that Novozymes' Executive Management focuses on delivering on the company's long-term expectations of annual sales growth of more than 10% in the period, EBIT margin of more than 20% in the period, and a ROIC that is higher than 22% at the end of the period. Economic profit gathers all three targets under one definition. The WACC used for the calculation is 8.5%.

- If DKK 1.5 billion or less of economic profit is achieved in the three-year period, no shares will be granted
- If Novozymes delivers DKK 3 billion of economic profit, which is roughly what would be achieved by meeting the long-term expectations mentioned above, 67% of the share-based incentive program will be granted
- If DKK 3.75 billion or more of economic profit is achieved, 100% of the program will be granted
- In the case of achievement of economic profit between DKK 1.5 billion and DKK 3.75 billion, the number of shares granted will be proportionate to the achieved level of economic profit

The recent acquisition of EMD/Merck Crop BioScience is included in the economic profit target, whereas other potential acquisitions will be adjusted for in the calculation.

The underlying number of shares granted is decided at the beginning of the period, and the program will be released and transferred to Executive Management in connection with the approval of the 2013 financial results (January 2014). The share price used in calculating the number of shares in the program is based on the average of the closing rates on NASDAQ OMX Copenhagen for the five trading days following the publication of the 2010 annual report.

If the cumulative intrinsic value of the total share program granted exceeds DKK 216 million on the date of release (January 2014), a maximum clause allows the Board of Directors to restrict the value of the program down to DKK 216 million. The share price used to calculate the intrinsic value of the program is the average of the closing rates on NASDAQ OMX Copenhagen for the five trading days leading up to the approval of the 2013 annual report.

The final evaluation of the incentive program, and hence a decision on the number of shares to be granted, will be carried out in January 2014, when the Board of Directors approves the annual report for 2013.

The maximum value of the program with respect to 2011 is approximately DKK 36 million. The share program will be accrued and expensed over three years, equivalent to the program's service period. The maximum value of the three-year program is approximately DKK 108 million.

You can read more about Novozymes' guidelines for incentive-based payments for the Board of Directors and Executive Management at [www.novozymes.com/en/investor/corporate-governance](http://www.novozymes.com/en/investor/corporate-governance).

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## About Novozymes

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