

“General guidelines for incentive payment for the board of management in Novozymes A/S

Pursuant to section 69 b of the Danish Public Companies Act the board of directors in a listed company must specify the general guidelines for the company's incentive pay for the board of directors and the board of management prior to making agreements on incentive payments with a member of the board of directors or the board of management. The general guidelines must be reviewed and approved by the company's shareholders' meeting before they can be applied in specific agreements with the relevant persons.

Novozymes A/S (“Novozymes”) has made use of incentive programs for the company's board of management and employees for many years. The board of directors is only paid a fixed fee and thus does not receive incentive payments.

The general guidelines concern incentive programs (variable payments) for the board of management in Novozymes; this payment is the part of the total fee that is not known in advance. In the following “the board of management” means Novozymes' managers, registered as such, with the Danish Commerce and Companies Agency.

1. General principles for the board of management's fee

The total fee for the board of management must be competitive compared with other large Danish and foreign companies within the same area of business. The board of directors wishes to provide incentives to the board of management to ensure the continued positive development in Novozymes and thus ensure that increased value is created for the benefit of the shareholders in Novozymes. It is the opinion of the board of directors that the best results are achieved when a relatively large part of the total fee for the board of management is dependent on the fulfillment of the managers' individual goals and Novozymes' social, environmental and financial goals.

2. The total fee

The board of management's total fee consists of:

- (i) a fixed fee (basic pay and pension contribution) and a company car as well as certain other employee benefits);
- (ii) a cash bonus (as described in paragraph 3 below); and
- (iii) a share option program (as described in paragraph 4 below).

The board of directors has set a level for the fixed fee for the board of management which is below the average for a section of larger comparable Danish companies. To ensure that the total fee for the board of management is competitive, the board of directors has decided that the variable part of the total fee (cash bonus and share option program) must be relatively large.

3. Guidelines for payment of cash bonus for the board of management

The individual members of the board of management can obtain a cash bonus equal to up to 5 months' fixed fee. A cash bonus can be obtained in different ways. The aim of a cash bonus for the board of management is to create an increased focus on the set goals. The general guidelines are as follows:

- a. Who is included in the program?

Only the board of management.

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- b. What does the incentive entail?

Payment of an annual cash bonus for the individual members of the board of management in Novozymes.

- c. What are the principal conditions for the payment of a cash bonus under the program?

Two forms of cash bonus are used to remunerate the board of management.

Firstly, the manager receives an annual cash bonus, the size of which depends on the degree of fulfillment of the goals which the manager has agreed upon with the company's managing director. The individual goals of the managing director are agreed upon with the chairman of the board of directors. The size of this bonus cannot exceed an amount equivalent to 3 months' fixed fee calculated on the basis of the fixed fee, which the relevant manager received at the end of the previous calendar year.

Secondly, the manager receives an annual cash bonus for an amount of up to 2 months' fixed fee calculated on the basis of the fixed fee, which the relevant manager received at the end of the previous calendar year. The precondition for this is that in the previous calendar year Novozymes has met the budget for result of primary operations ("EBIT") with reference to the budget drawn up by the group management and approved by the board of directors. Provided that the EBIT condition is met, the bonus amount is calculated by multiplying the said amount (2 months' fixed fee) with the rate of fulfillment whereby the company in the opinion of the board of directors has met the goals concerning Novozymes' environmental and social responsibility set out in the latest annual report.

- d. Estimated maximum present value of the program

The entire board of management can receive a cash bonus for an amount of up to 5 months' fixed fee and the cash bonus for 2007 can therefore not exceed DKK 8.1 million. This maximum amount is regulated annually in line with the development in the board of management's fixed fee. If none of the set goals are met, no cash bonus will become payable.

- e. The timeframe of the program

The abovementioned cash bonus is paid annually.

4. Guidelines for assignment of share-based fee (share options)

With effect from January 1, 2007, the board of management participates in an incentive program covering a period of 4 years, which contains the possibility of cost-free annual assignments of share options in Novozymes. The assignment of share options to the board of management for the vesting year 2007 is not dependent on the approval of these general guidelines since the provision in Section 69 b of the Danish Public Companies Act does not enter into force for individual companies until after their first shareholders' meeting following July 1, 2007. The aim of the incentive program is to create an increased interest for the directors to generate value for the company's shareholders. The general guidelines are as follows:

- a. Who is included in the incentive program?

Only the board of management.

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b. What does the incentive program entail?

The incentive program is a share-based compensation program, whereby once a year the board of management receives rights to acquire a number of shares in Novozymes. Thus, the incentive program is a share option plan.

c. What are the principal conditions for an assignment under the incentive program?

The primary condition for continuation of the program from year to year is that the board of directors at the end of a financial year assesses that the budget prepared by the board of management for the following financial year is sufficiently ambitious and realistic as to contribute to the completion of Novozymes' main ambition regarding a growth in turnover. This primary ambition is the so-called "10 in 10" ambition: to reach a turnover of DKK 10 billion in 2010. Only if this primary condition is fulfilled will the incentive program continue.

The number of possible share options is calculated on the basis of the so-called Black & Scholes formula at the beginning of a vesting year (2007, 2008, 2009 and 2010) considering partly the fixed fee, etc. in a 12-month period calculated on the basis of what the board of management received at the end of the previous calendar year plus full cash bonus to the board of management, and partly the listed price of the company's shares, see clause 4 f. below.

The final number of share options assigned is calculated in connection with the approval of the annual report for the vesting year and is decided according to the rate of fulfillment of Novozymes' financial, social and environmental goals.

Unless otherwise agreed, to exercise his share options, the manager must remain as a registered manager in the company until the expiry of the 3-year vesting period for the share options in question.

The managing director of the company will receive 50 percent more share options than the other group directors.

d. Estimated present value of the incentive program

The estimated present value of the incentive program is calculated based on the Black & Scholes formula and in compliance with the International Financial Reporting Standards (IFRS).

The annual assignment of share options to the board of management cannot exceed an amount corresponding to the total fixed fee, etc. in a 12-month period calculated based on what the board of management received at the end of the preceding calendar year plus full cash bonus to the board of management. The assigned share-based compensation for the board of management may thereby not exceed DKK 29.9 million for 2008. This maximum amount is adjusted annually in line with the development in the total fixed fee of the board of management.

The number of share options assigned to the board of management depends, as mentioned above, on the degree of fulfillment of Novozymes' financial and non-financial goals. The present value of the share options which can be expected to be assigned to the board of management in the 4-year share option program to the extent all the fixed financial and non-financial goals are met is estimated at approximately DKK 113 million including the calculated value of the assigned share options for 2007.

In each of the following relevant annual reports, the number of the assigned share options, including the value, will be stated for the financial year in question. Hereby transparency is secured.

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To secure that the share-based part of the total fee does not reach an unintended level, the board of directors has the right to reduce the extent of the share-based part of the total fee in connection with its approval of the annual report for 2010, if the total intrinsic value of the assigned share options for the period 2007-2010 turns out to amount to more than DKK 200 million. In this case, the board of directors may reduce the total intrinsic value of the assigned share options of this incentive program to a maximum amount of DKK 200 million.

e. The timeframe of the incentive program

The incentive program will be effective from January 1, 2007 and is a 4-year incentive program. The share options cannot be exercised earlier than 3 years from the time of assignment and must be exercised no later than 8 years from the time of assignment.

f. Miscellaneous

The exercise price is decided annually. The exercise price is calculated based on the average of the closing price for the company's shares in the 5 following days of listing on the Copenhagen Stock Exchange after the public announcement of the annual report for the financial year which precedes the vesting year.

The shares which are necessary to fulfill the incentive program will be taken from Novozymes' holding of own shares at any given time.

5. Publication of the guidelines

These guidelines have been reviewed and approved by the shareholders' meeting in Novozymes on March 5, 2008. The guidelines will be published on the company's website (www.novozymes.com) after the approval hereof. In addition, the articles of association of the company will contain a provision stating that the shareholders' meeting has approved the guidelines for incentive programs for the board of management of the company on March 5, 2008.

As chairman:

Niels Korerup"

This is an English translation. In case of any discrepancy between the Danish version and the English translation of the "General guidelines for incentive payment for the board of management in Novozymes A/S", the Danish version shall prevail."