

Statutory Corporate Governance Report 2019

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Statutory Corporate Governance Report for 2019,
cf. art. 107b of the Danish Financial Statements Act

Genmab A/S

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Statutory Corporate Governance Report for 2019, cf. art. 107b of the Danish Financial Statements Act¹

This Statutory Corporate Governance Report (the “Report”) covers the period January 1 – December 31, 2019 and is prepared pursuant to Article 107b of the Danish Financial Statements Act. The Report forms part of the management’s review in the Annual Report for 2019. This report is based on the Committee on Corporate Governance’s recommendations of November 2017 (entry into force for financial years starting January 1, 2018) (the “Recommendations”) and should be interpreted in accordance with applicable stock exchange regulation.

Corporate Governance

Genmab works diligently to improve its guidelines and policies for corporate governance, taking into account the recent trends in international and domestic requirements and recommendations. Genmab’s commitment to corporate governance is based on ethics and integrity and forms the basis of its effort to strengthen the confidence that existing and future shareholders, partners, employees and other stakeholders have in Genmab. The role of shareholders and their interaction with Genmab is important. Genmab acknowledges that open and transparent communication is necessary to maintain the confidence of Genmab’s shareholders and achieves this through company announcements,

investor meetings and company presentations. Genmab is committed to providing reliable and transparent information about its business, financial results, development programs and scientific results in a clear and timely manner.

All Danish companies listed on Nasdaq Copenhagen A/S (“Nasdaq Copenhagen”) are required to disclose in their annual reports how they address the Recommendations applying the “comply-or-explain” principle.

Genmab follows the vast majority of the Recommendations, although specific sub-areas have been identified where Genmab’s corporate governance principles differ from the Recommendations:

- The Recommendations provide that according to a company’s takeover contingency procedures, the board of directors shall not attempt to counter a takeover bid without the acceptance of the general meeting. Genmab does not have such a restriction in its takeover contingency procedures and retains the right in certain circumstances to reject takeover bids without consulting the shareholders. Genmab believes this provides the Board of Directors with the needed flexibility to best respond to takeover bids and to negotiate

with bidders. Actions will be determined on a case-by-case basis with due consideration to the interests of the shareholders and other stakeholders.

- The Recommendations provide that remuneration of the board members shall not include share options. However, Genmab’s compensation of the board members includes restricted stock units (RSUs), which, like share options, are considered a form of equity compensation. Equity compensation constitutes a common part of the compensation paid to members of the board of directors in competing international biotech companies. This is supported by a benchmark analysis conducted in 2019 by an independent compensation consultant. To remain competitive in the international market and to be able to attract and retain qualified members of the Board of Directors, it is considered in the best interest of Genmab to follow this practice, which we believe is aligned to serve the shareholders’ long-term interests. Furthermore, to ensure the Board of Directors’ independence and supervisory function, vesting of RSUs granted to members of the Board of Directors shall not be subject to fulfilment of forward-looking performance criteria. The Board of Directors

¹ In Danish “Lovpligtig redegørelse for virksomhedsledelse jf. årsregnskabslovens § 107 b”
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is considering to amend the RSU program to address concerns raised by shareholders and their representatives that continued service as a vesting condition for restricted stock unit awards to members of the Board of Directors could be a disincentive for such members to express dissenting views and to ensure that the independence of the members of our Board of Directors cannot be questioned.

- The Recommendations provide that the total value of the remuneration relating to the notice period, including severance pay, does not exceed two years of remuneration, including all components of the remuneration. In the event Genmab terminates the service agreements with each member of the Executive Management team without cause, Genmab is obliged to pay the Executive Management member his/her existing salary (including benefits) for one or two years after the end of the one year notice period. Also, in the event of termination by Genmab (unless for cause) or by a member of the Executive Management as a result of a change of control of Genmab, Genmab is obliged to pay a member of the Executive Management a compensation equal to his/her existing total salary (including benefits and a bonus) for up to two years in addition to the notice period. It furthermore follows from Genmab's warrant and RSU programs that, in certain "good leaver" situations, outstanding warrants and RSUs awarded under these programs will

continue to vest. Depending on the circumstances, one of the aforementioned events, or a combination thereof, could potentially make the termination payments exceed two years of remuneration.

THE WORK AND COMPOSITION OF THE BOARD OF DIRECTORS

The Board of Directors has at least eight scheduled meetings during the year of which at least four meetings are in person. During 2019, the Board of Directors held eleven meetings (eight ordinary and three extraordinary), in addition to the informal ongoing communication between the board members and the Executive Management. Board duties include establishing policies for strategy, accounting, organization and finance, and the appointment of executive officers. Members of the Board of Directors is elected either by the General Meeting or by the employees of Genmab and its subsidiaries. Members of the Board of Directors elected by the shareholders at the General Meeting are elected for one-year terms whereas members elected by the employees of the Genmab group are elected for three-year terms.

The Board of Directors plays an active role within Genmab in setting the strategies and goals for Genmab and monitoring the operations and results of Genmab. The Board of Directors also assesses Genmab's capital and share structure and is responsible for approving share issues and the grant of warrants and RSUs. Relevant knowledge and professional experience are key parameters when nominating board members.

Members may stand for re-election for successive terms. The Board of Directors shall consist of not less than three and no more than nine members elected by the General Meeting.

The Board of Directors currently has nine members, six of whom are elected by shareholders at the General Meeting and three by employees in the Genmab group. The term of the six members elected by shareholders will expire in 2020 in accordance with the one-year election term stipulated in Clause 12(2) of Genmab's Articles of Association. The term of the three members elected by the employees will expire in 2022 in accordance with the three-year election term stipulated in Clause 12(3) of Genmab's Articles of Association.

The following members have been elected to the Board of Directors:

- Mats Pettersson (Chairman)
- Deirdre P. Connelly (Deputy chairman)
- Pernille Erenbjerg (Member)
- Rolf Hoffmann (Member)
- Paolo Paoletti (Member)
- Anders Gersel Pedersen (Member)
- Daniel J. Bruno (Member – employee elected)
- Peter Storm Kristensen (Member – employee elected)
- Mijke Zachariasse (Member – employee elected)

Please see the Appendix for a description of the members' qualifications, including information about other executive functions and demanding organizational tasks, as well as matrices with board diversity, board skills and meeting attendance.

BOARD COMMITTEES

To support the Board of Directors in its duties, the Board of Directors has established and appointed a Compensation Committee, an Audit and Finance Committee, a Nominating and Corporate Governance Committee and a Scientific Committee. These committees are charged with reviewing issues pertaining to their respective fields that are due to be considered at board meetings. During 2019, these committees held a total of twenty-three meetings. Written charters specifying the tasks and responsibilities for each of the committees are available on Genmab's website www.genmab.com.

Audit and Finance Committee

The Audit and Finance Committee shall meet at least quarterly, or more frequently as circumstances dictate. During 2019, the Audit and Finance Committee held eight meetings. The charter of the Audit and Finance Committee provides that the Audit and Finance Committee shall assist the Board of Directors with respect to the Board of Directors' responsibilities to ensure the effectiveness of the internal controls over financial reporting and risk management systems as well as compliance with legal and regulatory requirements. The Audit and Finance Committee

shall furthermore assist the Board of Directors with the oversight of the financial reporting process to ensure the quality, transparency and integrity of the published financial information. In addition, the Audit and Finance Committee shall assist the Board of Directors with the oversight of the independent auditor process, including recommending the appointment and assessing the performance and qualifications of the independent auditor and related fees. Genmab's independent auditors will meet with the Audit and Finance Committee at least once per year and report on matters arising from their audit work. During 2019 the Audit and Finance Committee had seven meetings with the auditors.

In March 2019 the Board of Directors elected the following members to the Audit and Finance Committee:

- Pernille Erenbjerg (Chairman)
- Mats Pettersson (Member)
- Deirdre P. Connelly (Member)
- Rolf Hoffmann (Member)

Compensation Committee

The Compensation Committee shall meet at least twice a year. During 2019, the Compensation Committee held nine meetings. The charter for the Compensation Committee provides that the role of the Compensation Committee is to assist the Board of Directors with respect to the Board of Directors' responsibilities relating to compensation of the Executive Management and to oversee and advise the Board of Directors on the adoption of policies that govern Genmab's compensation programs, including equity-based programs and benefit plans. The Compensation Committee makes proposals, for the approval of the Board of Directors, of a remuneration report and recommendations to the Board of Directors regarding specific remuneration packages for each of the members of the Board of Directors as well as the Executive Management, including pension rights and any compensation payments.

In March 2019 the Board of Directors elected the following members to the Compensation Committee:

- Deirdre P. Connelly (Chairman)
- Anders Gersel Pedersen (Member)
- Paolo Paoletti (Member)

Nominating and Corporate Governance Committee

The Nominating and Corporate Governance Committee shall meet at least twice a year and otherwise as the Nominating and Corporate Governance Committee deems appropriate. During 2019, the Nominating and Corporate Governance

Committee held four meetings. The Charter for the Nominating and Corporate Governance Committee provides that the role of the Nominating and Corporate Governance Committee is to identify, review, evaluate and recommend to the full Board of Directors candidates to serve as Genmab's board members as well as to make recommendations to the Board of Directors regarding affairs relating to Genmab's board members, including whether existing board members should be re-nominated. In addition, the Nominating and Corporate Governance Committee serves as a focal point for communication between candidates, non-committee board members and the Executive Management. The Nominating and Corporate Governance Committee shall furthermore evaluate the composition of Genmab's board committees and recommend board committee candidates to the Board of Directors. As part of this responsibility, the Nominating and Corporate Governance Committee reviews the core competencies and areas of expertise of the Board of Directors to ensure that the current skills reflect Genmab's strategy and the current market environment. These competencies and areas of expertise are reflected in the board diversity and skills matrix included in the Appendix to this Report. The Nominating and Corporate Governance Committee also administers and oversees all aspects of our corporate governance and makes

recommendations to the Board of Directors regarding corporate governance issues.

In March 2019 the Board of Directors elected the following members to the Nominating and Corporate Governance Committee:

- Anders Gersel Pedersen (Chairman)
- Deirdre P. Connelly (Member)
- Pernille Erenbjerg (Member)

Scientific Committee

The Scientific Committee shall meet at least twice a year or more frequently as the circumstances dictate. During 2019, the Scientific Committee held two meetings. The charter for the Scientific Committee provides that the Scientific Committee shall provide input and advise the Board of Directors in matters relating to Genmab's R&D strategy, including reviewing Genmab's pre-clinical and clinical product pipeline and the ranking thereof in view of Genmab's overall strategy and vision. The primary duties and responsibilities of the Scientific Committee are to review and discuss the preclinical and clinical product portfolio of Genmab, to review and discuss Genmab's R&D strategy and to review science and technology trends. In addition, the Scientific Committee shall provide strategic advice and make recommendations to the ongoing R&D programs,

review the R&D capacity of Genmab, and the organization thereof, and review and discuss Genmab's intellectual property strategies.

In March 2019 the Board of Directors elected the following members to the Scientific Committee:

- Paolo Paoletti (Chairman)
- Anders Gersel Pedersen (Member)
- Rolf Hoffmann (Member)

EXECUTIVE MANAGEMENT

The Executive Management is responsible for the day-to-day management of Genmab's activities, including all assignments that rest upon the Executive Management according to the Board of Directors and under Danish law.

Executive Management consists of the following members:

- Jan G.J. van de Winkel (President and Chief Executive Officer)
- David A. Eatwell (Executive Vice President and Chief Financial Officer)
- Judith Klimovsky (Executive Vice President and Chief Development Officer)

DESCRIPTION OF MANAGEMENT REPORTING SYSTEMS AND INTERNAL CONTROL SYSTEMS

As a publicly listed company, Genmab is required to have established procedures which provide a reasonable basis for management to make proper judgments as to Genmab's financial position. The Board of Directors and the Executive Management have the overall responsibility for Genmab's internal control and risk management systems in connection with financial reporting.

Genmab has utilized a top-down risk-based approach to comply with the EU directives on corporate governance, internal controls and risk management (EURO SOX) in which skilled employees from finance, operations and IT work closely together to ensure that the appropriate business processes and technology elements are reviewed. The overall framework and approach are based on COSO (Committee of Sponsoring Organizations).

The Board of Directors and Executive Management have established overall standards and guidelines to identify and monitor the risk that a significant error could occur in connection with the financial reporting and have put procedures in place to ensure significant errors are prevented, detected and corrected. Genmab's internal control and risk management systems are updated on an ongoing basis. Accordingly, Genmab has documented and designed an effective internal control environment providing reasonable assurance that Genmab's financial reporting is timely, reliable and in accordance with International Financial Reporting Standards (IFRS).

The standards and guidelines include among others:

- Formalized annual budget, forecasting and projection procedures;
 - Regular management reporting including:
 - Financial performance and financial position including analysis of cash flow and finance structure;
 - The comparison of budget, prior-year and actual performance;
 - Project management and cost control, identification of responsible project managers and regular project reporting and follow-up;
 - Review of potential claims and litigation;
 - Contract and collaboration agreement review and maintenance to ensure that all commitments, liabilities, and income are recorded; and
 - Review of critical accounting policies and estimates;
 - Schedule of Authorizations to ensure that expenditures of Genmab are made only in accordance with authorizations of management and directors of Genmab;
 - A group control function to monitor the monthly financial reporting and performance of subsidiaries and the group. The subsidiaries have their own appropriately qualified financial resources with extensive business and financial experience;
 - Detailed controls to ensure the completeness and accuracy of the accounting records of the Genmab Group including requirements for appropriate segregation of duties, requirements for the reconciliations and monitoring of transactions and documentation of controls and procedures; and
 - Detailed controls and procedures to ensure all reporting to Nasdaq Copenhagen are accurately and consistently presented in a timely manner in accordance with applicable stock exchange rules.
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The compliance with group standards is supported by periodic reviews of both the parent company and subsidiaries' controls and procedures. The results of the reviews are discussed with local management and summaries are submitted to the Audit and Finance Committee.

To ensure compliance with applicable laws and stock exchange requirements, it is Genmab's policy that all disclosures made by Genmab to its shareholders or the investment community should be made on a timely basis and should be accurate, relevant and clear and fairly represent Genmab's actual situation. To this end, Genmab's

Disclosure Committee assists the Board of Directors and the Executive Management in fulfilling their responsibility for oversight of the accuracy and timeliness of the disclosures made by Genmab.

February 19, 2020

RECOMMENDATION	GENMAB COMPLIES		GENMAB COMPLIES/DOES NOT COMPLY WITH THE RECOMMENDATION DUE TO THE FOLLOWING REASON:
	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>	
1. Communication and Interaction by the Company with its Investors and Other Stakeholders			
1.1 Dialogue between company, shareholders and other stakeholders			
1.1.1 THE COMMITTEE RECOMMENDS that the board of directors ensure ongoing dialogue between the company and its shareholders, so that the shareholders gain relevant insight into the company and in order for the board of directors to be aware of the shareholders' views, interests and opinions in relation to the company.	<input checked="" type="checkbox"/>		<p>Genmab communicates regularly to the shareholders via Nasdaq Copenhagen in the form of company announcements and investor news. Further, Genmab communicates through newsletters and updated information on Genmab's website.</p> <p>Genmab is further in dialogue with its shareholders by participating in investor meetings and company presentations, allowing the individual shareholders to meet and communicate. The insight of the Board of Directors in this dialogue is ensured through the on-going communication between the Board of Directors and the Executive Management. The Board of Directors also participates in investor meetings on an ad hoc basis, e.g., following the 2019 Annual General Meeting where an extensive outreach effort was initiated to gain insight in the perspective of our shareholders and to discuss their concerns.</p> <p>Detailed lists of all company announcements and selected investor presentations are provided on Genmab's website.</p>
1.1.2. THE COMMITTEE RECOMMENDS that the board of directors adopt policies on the company's relationship with its stakeholders, including shareholders and that the board of directors ensure that the interests of the stakeholders are respected in accordance with company policies.	<input checked="" type="checkbox"/>		<p>According to the Rules of Procedure for the Board of Directors, the identification of Genmab's key stakeholders and their main interests in relation to Genmab is among the specific duties performed by the Board of Directors.</p> <p>According to the Rules of Procedure for the Board of Directors, the Board of Directors has established guidelines in accordance with legal requirements governing the release of information by public companies.</p> <p>Genmab has an Investor Relation Policy on its website and the Board of Directors has adopted a Code of Business Ethics to ensure, amongst others, that the</p>

RECOMMENDATION	GENMAB COMPLIES		GENMAB COMPLIES/DOES NOT COMPLY WITH THE RECOMMENDATION DUE TO THE FOLLOWING REASON:
	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>	
			business at Genmab is carried out in accordance with Genmab's company core values.
1.1.3. THE COMMITTEE RECOMMENDS that the company publish quarterly reports.	<input checked="" type="checkbox"/>		Genmab complies with this recommendation.
1.2. General Meeting			
1.2.1. THE COMMITTEE RECOMMENDS that in organizing the company's general meeting, the board of directors plans the meeting to support active ownership.	<input checked="" type="checkbox"/>		Genmab calls for the General Meeting with sufficient notice and with a detailed agenda. Also, notice is sent by electronic mail to all shareholders entered in Genmab's Register of Shareholders having so requested. In addition, Genmab aims to hold the Annual General Meeting at an accessible location and at a convenient time to ensure easy access thereto. The Board of Directors has resolved that the Annual General Meeting shall be conducted by physical attendance and not as either a partly or entirely electronic meeting.
1.2.2. THE COMMITTEE RECOMMENDS that proxies or votes by post for the general meeting allow shareholders to consider each individual item on the agenda.	<input checked="" type="checkbox"/>		Proxies and votes by post may be given to the Board of Directors in general or with respect to each individual item on the agenda for the General Meeting.
1.3 Takeover bids			
1.3.1. THE COMMITTEE RECOMMENDS that the company set up contingency procedures in the event of takeover bids, from the time that the board of directors has reason to believe that a takeover bid will be made. The contingency procedures should establish that the board of directors should not without the acceptance of the general meeting, attempt to counter the takeover bid by making decisions		<input type="checkbox"/>	Genmab's Nominating and Corporate Governance Committee has drawn up a takeover memorandum and guidelines, including contingency procedures, which are reviewed annually by the Board of Directors. Genmab retains the right in certain circumstances to reject takeover bids without consulting the shareholders. Genmab believes this provides the Board of Directors with the needed flexibility to best respond to takeover bids and to

RECOMMENDATION	GENMAB COMPLIES		GENMAB COMPLIES/DOES NOT COMPLY WITH THE RECOMMENDATION DUE TO THE FOLLOWING REASON:
	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>	
which, in reality, prevent the shareholders from deciding on the takeover bid themselves.			negotiate with bidders. Actions will be determined on a case-by-case basis with due consideration to the interests of the shareholders and other stakeholders.
2. Tasks and Responsibilities of the Board of Directors			
2.1. Overall tasks and responsibilities			
2.1.1. THE COMMITTEE RECOMMENDS that at least once annually the board of directors consider the matters that should be included in the board's performance of its work.	<input checked="" type="checkbox"/>		<p>The Board of Directors defines its most important tasks in accordance with the Rules of Procedure for the Board of Directors as well as Genmab's overall strategic goals and value creation at least once annually. An annual plan has been set up to ensure appropriate time for such discussions. The key objectives of Genmab and progress thereon are accounted for in the Interim Reports.</p> <p>The Board of Directors further discusses and ensures, in accordance with the Rules of Procedure for the Board of Directors, that the capital resources are adequate in relation to the operation of Genmab.</p> <p>Charters have been adopted for the board committees which address the specific tasks and responsibilities of each such committee. The details of evaluations made by these committees are reported to the Board of Directors.</p> <p>The Board of Directors reviews the Rules of Procedure for the Board of Directors annually to ensure that they are adequate and always match the activities and needs of Genmab.</p>
2.1.2. THE COMMITTEE RECOMMENDS that at least once annually, the board of directors consider the overall strategy of the company with a view to ensuring value creation in the company.	<input checked="" type="checkbox"/>		The Board of Directors reviews and determines Genmab's overall strategy and objectives at least once annually.

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	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>	
2.1.3. THE COMMITTEE RECOMMENDS that the board of directors ensure that the company has a capital and share structure which supports that the strategy and long-term value creation of the company are in the best interest of the shareholders and the company, and that the board of directors explain this in the management commentary and/or on the company's website.	<input checked="" type="checkbox"/>		In accordance with the Rules of Procedure for the Board of Directors, the Board of Directors, among other things, assesses whether Genmab's overall financial position and capital resources are at all times appropriate in relation to the operation of Genmab and ensures that adequate risk management have been established. The Annual Report contains information on this assessment in the section Risk Management in the management commentary (also referred to herein as the "Management's Review") and in note 4.1 and 4.2.
2.1.4. THE COMMITTEE RECOMMENDS that the board of directors annually review and approve guidelines for the executive board; this includes establishing requirements for the executive board's reporting to the board of directors.	<input checked="" type="checkbox"/>		The Guidelines for Allocation of Powers between the Board of Directors and the Executive Management are reviewed annually by the Board of Directors to ensure, among others, that requirements for the Executive Management's timely, accurate and adequate reporting to, and communication with, the Board of Directors have been established.
2.1.5. THE COMMITTEE RECOMMENDS that at least once annually, the board of directors discuss the composition, developments, risks and succession plans of the executive board.	<input checked="" type="checkbox"/>		The Board of Directors discusses the composition of the Executive Management, as well as developments, risks and succession plans at least once annually.
2.2. Corporate social responsibility			
2.2.1. THE COMMITTEE RECOMMENDS that the board of directors adopt policies on corporate social responsibility	<input checked="" type="checkbox"/>		<p>The Board of Directors has adopted a Corporate Social Responsibility (CSR) strategy and environment, social and governance (ESG) criteria of relevance to Genmab's business operations. The CSR strategy is available on Genmab's website.</p> <p>To prepare CSR and ESG initiatives, Genmab has established an internal CSR committee chaired by a member of the Executive Management.</p>

2.3. Chairman and vice-chairman of the board of directors

2.3.1. **THE COMMITTEE RECOMMENDS** appointing a vice-chairman of the board of directors, who will assume the responsibilities of the chairman in the event of the chairman's absence, and who will also act as effective sparring partner for the chairman.



The Board of Directors has appointed a Deputy Chairman of the Board of Directors who shall exercise the authority of the Chairman when the Chairman is absent and act as an effective sparring partner for the Chairman.

2.3.2 **THE COMMITTEE RECOMMENDS** that, if the board of directors, in exceptional cases, asks the chairman of the board of directors or other board members to perform special activities for the company, including briefly participating in the day-to-day management, a board resolution to that effect should be passed to ensure that the board of directors maintains its independent, general management and control function. Resolutions on the chairman's or other board members' participation in day-to-day management and the expected duration hereof should be publicly announced.



The Board of Directors has not so far asked the Chairman or other board members to perform special tasks for Genmab.

Should the Board of Directors ask the Chairman or other board members to perform such special tasks for Genmab, Genmab will comply with the recommendation.

3. Composition and Organization of the Board of Directors

3.1. Composition

3.1.1. **THE COMMITTEE RECOMMENDS** that the board of directors annually evaluate and in the management commentary account for



- the competencies that it must have to best perform its tasks,
- the composition of the board of directors, and
- the special competencies of each member.

The Nominating and Corporate Governance Committee evaluates the skills the Board of Directors must have to best perform its tasks, as well as the skills, knowledge and experience of the individual members of the Board of Directors, as well as the balance thereof, on an ongoing basis. The details of this evaluation are reported to the Board of Directors at least annually. Proposals for the nomination/replacement of members of the Board of Directors are prepared in the light hereof and in accordance with the description of competences etc. in the Nominating and Corporate Governance Committee Charter.

The skills that the Board of Directors must have to best perform its tasks as well as the special skills of the individual board members are accounted for in the

3.1.2. **THE COMMITTEE RECOMMENDS** that the board of directors annually discuss the company's activities to ensure relevant diversity at management levels and prepare and adopt a policy on diversity. The policy should be published on the company's website.



Annual Report. The special skills of the individual board members are further accounted for on Genmab's website and in the Appendix to this Report.

The Board of Directors regularly discusses Genmab's activities to ensure diversity and gives an account in the Management's Review in the Annual Report and on the website on how diversity is achieved.

Employment in Genmab is based on merit and is offered independent of race, color, ethnic, national or social origin, gender, religion, age, handicap, political opinion or sexual orientation.

Genmab is convinced that a workforce with a high degree of diversity is a key prerequisite for innovation and a significant value for a successful international company. Genmab interprets diversity broadly to include, among others, social, educational and cultural background as well as national origin and gender.

The Annual Report contains information on the age, nationality, educational background and gender of each board member, the Executive Management, and key employees in the Management's Review.

In March 2017, Genmab achieved its target figure for women in the Board of Directors according to which it was the aim of the Board of Directors that the proportion of female board members elected by the General Meeting was increased to at least 25%. Considering the Board of Directors' current composition, which constitutes equitable gender representation cf. guidelines from the Danish Business Authority, it is the aim of the Board of Directors to maintain an equitable gender representation in the Board of Directors.

The Board of Directors will continue its efforts to ensure a balanced slate of male and female candidates is considered when board vacancies become available, while at the same time ensuring that the most qualified candidates are being nominated for election.

Genmab has further adopted a policy regarding the diversity and proportion of gender in other management levels of the Genmab group according to which it

		<p>is the aim that both genders attain a representation at management levels of at least 40%.</p> <p>For more information on the composition of employees, diversity and company policies, reference is made to Genmab's Statutory Report on Corporate Social Responsibility for the Financial Year 2019: http://ir.genmab.com/csr.cfm.</p>
<p>3.1.3. THE COMMITTEE RECOMMENDS that the selection and nomination of candidates for the board of directors be carried out through a thorough and transparent process approved by the board of directors. When assessing its composition and nominating new candidates, the board of directors should in addition to the need for competencies and qualifications take into consideration the need for integration of new talent and diversity.</p>	<input checked="" type="checkbox"/>	<p>The Nominating and Corporate Governance Committee aims to continuously hold a broad composition of the Board of Directors containing members with relevant knowledge and experience in biotechnology, commercialization, financial and managerial aspects relevant to Genmab's business. The Board of Directors' professional experience and the use of external consultants are believed to be adequate to ensure that the recruitment criteria are appropriate and that the best suited candidates are identified with due consideration of the target figure set by the Board of Directors.</p>
<p>3.1.4. THE COMMITTEE RECOMMENDS that the notice convening a general meeting where the agenda includes the election of members to the board of directors, include (in addition to the statutory requirements) a description of the qualifications of the nominated candidates, including information about the candidates'</p> <ul style="list-style-type: none"> • other executive functions, including positions on executive boards, boards of directors and supervisory boards, including board committees, in Danish and foreign enterprises, and • demanding organizational tasks <p>Furthermore, it should be indicated if the candidates to the board of directors are considered independent.</p>	<input checked="" type="checkbox"/>	<p>In accordance with the Rules of Procedure for the Board of Directors the notice of the General Meeting to elect members is accompanied by a description of the background of the nominated candidates. This includes information on other executive functions and demanding organizational tasks, if any. A description of the members' qualifications, including information about other executive functions and demanding organizational tasks, is furthermore included in the Appendix to this Report.</p> <p>The names of the board members who are regarded as independent persons are listed in the Annual Report. Also, the notice of the General Meeting contains information on whether new candidates for the Board of Directors are considered independent persons.</p>
<p>3.1.5. THE COMMITTEE RECOMMENDS that members of the company's executive board be not members of the board of directors and that the resigning chief executive officer be not directly elected as chairman or vice chairman for the same company.</p>	<input checked="" type="checkbox"/>	<p>The members of Genmab's Executive Management are not members of the Board of Directors. Furthermore, the Board of Directors will ensure that the chief executive officer shall not take up the position as chairman or deputy chairman immediately after having resigned from his/her position.</p>

3.1.6. **THE COMMITTEE RECOMMENDS** that members of the board of directors elected by the general meeting be up for election every year at the annual general meeting.



According to Genmab's Articles of Association, General Meeting elected board members are up for election every year.

3.2. Independence of the board of directors

3.2.1. **THE COMMITTEE RECOMMENDS** that at least half of the members of the board of directors elected by the general meeting be independent persons, in order for the board of directors to be able to act independently of special interests.



Currently, five of the six members of the Board of Directors elected by the General Meeting are considered independent persons in accordance with the definition. As Anders Gersel Pedersen was first elected in November 2003, he has been a member of the Board of Directors for more than 12 years and is thus no longer considered independent under the Committee's definition.

To be considered independent, this person may not:

- be or within the past five years have been a member of the executive board or senior staff member in the company, a subsidiary or an associated company,
- within the last five years, have received significant remuneration from the company/group, a subsidiary or an associated company in a different capacity than as member of the board of directors,
- represent or be associated with a controlling shareholder,
- within the past year, have had significant business relations (e.g. personally or indirectly as partner or employee, shareholder, customer, supplier or member of management in companies with corresponding connection) with the company, a subsidiary or an associated company,
- be or within the past three years have been employed or been a partner in the same company as the auditor elected by the general meeting,
- be part of the executive management in a company with cross-management representation in the company,

The three board members elected by Genmab employees are not considered to be independent persons.

- have been a member of the board of directors for more than 12 years, or
- be a close relative of persons who are not considered independent.

Even if a member of the board of directors is not covered by the above criteria, certain conditions may exist that will lead the board of directors to decide that one or more members cannot be regarded as independent.

3.3. Members of the board of directors and the number of other management functions

3.3.1. **THE COMMITTEE RECOMMENDS** that each member of the board of directors assess the expected time commitment for each function so that the member does not take on more functions than he/she can complete at a satisfactory level for the company.



The individual board members and the Nominating and Corporate Governance Committee assess and determine this on a case-by-case basis.

3.3.2. **THE COMMITTEE RECOMMENDS** that the management commentary, in addition to the provisions laid down by legislation, includes the following information about the members of the board of directors:



- the position of the relevant person,
- the age and gender of the person in question,
- the person's competencies and qualifications that are relevant to the company,
- whether the member is considered independent,
- the member's date of appointment to the board of directors,
- expiry of the current election term,
- the member's participation in the meetings of the board of directors and committee meetings,
- other management functions, including memberships in executive boards, boards of directors, and

The name, age, and gender of each board member are listed in the Annual Report and in the Appendix to this Report. Also, the Annual Report and the Appendix to this Report contain information on whether the board member is considered independent, date of appointment to the Board of Directors, expiry of the current election term, and the competencies and qualifications that are relevant to the company of each board member, the board member's board positions in other companies as well as the board members' occupation and demanding organizational tasks in the section Board of Directors. A detailed matrix with information on attendance rates in board meetings and committee meetings is included in the Appendix to this Report and information on holdings of shares, warrants etc. and any changes in such holdings during the year is provided in note 5.1 in the Annual Report.

Currently, Genmab's Annual Report states in the section Board of Directors when the individual members joined the Board of Directors, how long they have served, and when their election periods expire.

supervisory boards, including board committees in Danish and foreign enterprises and demanding organizational tasks, and

- the number of shares, options, warrants and similar owned by the member in the company, and other group companies, as well as changes to the member's portfolio of the mentioned securities which have occurred during the financial year.

3.3.3. **THE COMMITTEE RECOMMENDS** that the annual evaluation procedure, cf. section 3.5, include an evaluation of what is regarded as a reasonable level for the number of other management functions, where the number, level, and complexity of the other individual management functions are taken into account.



Genmab has not established rules with respect to the number of board positions outside of Genmab that each board member is allowed to hold. It is considered that the individual board members and the Nominating and Corporate Governance Committee will be able to determine this on a case-by-case basis as no general guidelines can be made for the workload associated with such positions. However, the annual evaluation includes an assessment of the performance of the individual board members. Furthermore, it follows from the Nominating and Corporate Governance Committee Charter that the committee has the authority to describe the qualifications required by the board members and the executive management and work out a description of the expected time commitment such positions require.

3.4. Board committees

3.4.1. **THE COMMITTEE RECOMMENDS** that the company publish the following on the company's website:

- the terms of reference of the board committees,
- the most important activities of the committees during the year, and the number of meetings held by each committee, and
- the names of the members of each committee, including the chairmen of the committees, as well as information on which members are independent members and which members have special competencies.



The Board of Directors has established four committees; the Compensation Committee, the Audit and Finance Committee, the Nominating and Corporate Governance Committee and the Scientific Committee. The first part of this Report contains detailed information about the board committees and their activities as well as the names of the members of each committee, including the chairmen of the committees. Information on which members are independent members and the special competencies of each board member is included in the Appendix.

Charters for Genmab's board committees are available at Genmab's website:
[Compensation Committee Charter](#)
[Audit and Finance Committee Charter](#)
[Nominating and Corporate Governance Committee Charter](#)

[Scientific Committee Charter](#)

3.4.2. **THE COMMITTEE RECOMMENDS** that a majority of the members of a board committee be independent



Currently, a majority of the members of all four board committees are considered independent. None of the employee elected board members are elected to the committees.

3.4.3. **THE COMMITTEE RECOMMENDS** that the members of the board of directors set up among its members an audit committee and that a chairman is appointed who is not the chairman of the board of directors.



Genmab's Board of Directors has established an Audit and Finance Committee.

In accordance with the Audit and Finance Committee Charter, the Chairman of the Board of Directors is not Chairman of the Audit and Finance Committee.

The members of the Audit and Finance Committee are:

- Pernille Erenbjerg (Chairman)
- Mats Pettersson
- Deirdre P. Connelly
- Rolf Hoffmann

3.4.4. **THE COMMITTEE RECOMMENDS** that, prior to the approval of the annual report and other financial reports, the audit committee monitors and reports to the board of directors about:



In accordance with the Audit and Finance Committee Charter, the Audit and Finance Committee reports to the Board of Directors about significant accounting policies and estimates as well as related party transactions, uncertainties and risks, including in relation to the outlook.

- significant accounting policies,
- significant accounting estimates,
- related party transactions, and
- uncertainties and risks, including in relation to the outlook for the current year.

3.4.5. **THE COMMITTEE RECOMMENDS** that the audit committee:



Due to the current size of Genmab and the business structure, the Board of Directors has decided not to establish an internal audit function in 2019.

- annually assesses the need for an internal audit function, and in such case, presents mandates and recommendations on selecting, appointing and removing the head of the internal audit function and on the budget of the internal audit function,

-
- ensure that if an internal audit has been established, a description of its functions is approved by the board of directors,
 - ensure that if an internal audit has been established, adequate resources and competencies are allocated to carry out the work, and
 - monitor the executive board's follow-up on the conclusions and recommendations of the internal audit function.

3.4.6. **THE COMMITTEE RECOMMENDS** that the board of directors establish a nomination committee, which is at least, responsible for the following preparatory tasks:

- describing the qualifications required by the board of directors and the executive board and for a given position, indicating the time expected to be spent carrying out a specific position, as well as assessing the competences, knowledge and experience found in the two governing bodies,
- annually assessing the structure, size, composition and results of the board of directors and the executive board and recommend any changes to the board of directors,
- annually assessing the competences, knowledge, experience and succession of the individual members of management, and report to the board of directors in this respect,
- recommending candidates for the board of directors and the executive board, and
- proposing an action plan to the board of directors on the future composition of the board of directors, including proposals for specific changes.



The Nominating and Corporate Governance Committee Charter prescribes that this committee shall, among other things, evaluate, at least annually, (i) the size, performance, authority, operations, charter and composition of the Executive Management and the Board of Directors, including each standing board committee and (ii) the performance of each Executive Management, Board of Directors and committee member and (iii) recommend to the Board of Directors any changes considered appropriate in the size, authority, operations, charter or composition of the Executive Management, the Board of Directors and the committees.

The Nominating and Corporate Governance Committee Charter prescribes the establishment of a process for the periodic review and assessment of the performance of the Board of Directors and board committees. During this process the committee seeks input from the Executive Management, the full Board of Directors and others, including whether, individually and collectively, the members of the Board of Directors provide the skills, knowledge and expertise appropriate for Genmab.

The members of the Nominating and Corporate Governance Committee are:

- Anders Gersel Pedersen (Chairman)
- Deirdre P. Connelly
- Pernille Erenbjerg

3.4.7. **THE COMMITTEE RECOMMENDS** that the board of directors establish a remuneration committee, which is at least, responsible for the following preparatory tasks:

- recommending the remuneration policy (including the “General Guidelines for incentive-based Remuneration”) to the board of directors and the executive board for approval by the board of directors prior to approval by the general meeting,
- making proposals to the board of directors on remuneration for members of the board of directors and the executive board, as well as ensuring that the remuneration is in compliance with the company’s remuneration policy and the assessment of the performance of the persons concerned. The committee should have information on the total amount of remuneration that members of the board of directors and the executive board receive from other companies in the group,
- recommending a remuneration policy applicable for the company in general and
- assisting with the preparation of the annual remuneration report.



In accordance with the Compensation Committee Charter the committee’s responsibilities include:

- Make proposals, for the approval of the Board of Directors prior to approval at the general meeting, on the compensation policy, including the overall principles of incentive pay schemes, for members of the Board of Directors and the Executive Management. The Committee should ensure that it receives information about the total amount of compensation that members of the Board of Directors and the Executive Management receive from other companies in the group.
- Review and make recommendations to the entire Board of Directors regarding the compensation structure for the Executive Management and members of the Board of Directors. Such recommendations shall be consistent with Genmab’s compensation policy and the evaluation of the performance of the persons concerned.
- Oversee that the information in the Annual Report on the compensation of the Board of Directors and the Executive Management is correct, true and sufficient.
- Review and recommend to the Board of Directors a remuneration policy applicable for the company in general.
- Make proposals, for the approval of the Board of Directors in connection with the Board of Directors’ approval of the Annual Report, of a remuneration report.

The members of the Compensation Committee are:

- Deirdre P. Connelly (Chairman)
- Anders Gersel Pedersen
- Paolo Paoletti

3.4.8. **THE COMMITTEE RECOMMENDS** that the remuneration committee do not consult with the same external advisers as the executive board of the company.



According to the Compensation Committee Charter, the committee shall not consult with the same external advisers as the Executive Management.

3.5. Evaluation of the performance of the board of directors and the executive board

3.5.1. **THE COMMITTEE RECOMMENDS** that the board of directors establishes an evaluation procedure for an annual evaluation of the board of directors and the individual members. External assistance should be obtained at least every third year. The evaluation should inter alia include:

- contribution and results,
- cooperation with executive board,
- the chairman's leadership of the board of directors,
- the composition of the board of directors (including competencies, diversity and the number of members),
- the work in the committees and committee structure, and
- the organization and quality of the material that is submitted to the board of directors.

The evaluation procedure and the general conclusions should be described in the management commentary and on the company's website. The chairman should account for the evaluation of the board of directors, including the process and general conclusions, on the general meeting prior to the election of the board of directors.



No less than once a year the Board of Directors evaluates its performance and achievements as well as the individual board members' respective work and results.

The Chairman of the Board of Directors ensures that the Board of Directors performs regular assessments of its own performance to verify that the Board of Directors is capable of fulfilling its function and responsibilities, and that the outcome of such evaluations are discussed with the Board of Directors. When performing these evaluations external assistance is obtained every year. Furthermore, the Board of Directors performs regular assessments of the Executive Management and of the collaboration between the parties to identify any areas in potential need of improvement. The collaboration is based on a natural element of control, but it is also characterized by interaction and teamwork for the purpose of developing and advancing Genmab. As Genmab is an innovative and dynamic company, it is especially important for the Board of Directors to liaise actively with the Executive Management in a respectful and trusting manner.

The outcome of the Board of Directors' 2019 self-assessment was positive with only minor areas for improvement identified. Overall, there was a high degree of satisfaction with the planning, content and implementation of the board and committee meetings, and it was the general impression that the material submitted to the Board of Directors prior to the meetings as well as the output of the meetings was of high quality. There was agreement that the chairman's leadership was of high standard and that the skills and expertise of the present board members were comprehensive, sufficient and reflect the future strategic development of Genmab. It was further concluded that the collaboration with the Executive Management is good and productive and that an excellent relation exists between the Executive Management and the Board of Directors.

3.5.2. **THE COMMITTEE RECOMMENDS** that at least once annually, the board of directors evaluate the work and performance of the executive board in accordance with pre-



The responsibilities of the Compensation Committee include overseeing an evaluation of the performance of the Executive Management and reviewing goals

defined criteria. Furthermore, the board of directors should evaluate the need for changes to the structure and composition of the executive board, in light of the company's strategy.

and objectives of the Chief Executive Officer as well as evaluating the Chief Executive Officer's performance in light of these corporate objectives.

Furthermore, the responsibilities of the Nominating and Corporate Governance Committee include evaluating skills, knowledge and experience of the individual members of the Executive Management as well as identifying and evaluating qualified candidates for service on the Executive Management.

3.5.3. **THE COMMITTEE RECOMMENDS** that the executive board and the board of directors establish a procedure according to which their cooperation is evaluated annually through a formalized dialogue between the chairman of the board of directors and the chief executive officer, and that the outcome of the evaluation be presented to the board of directors.



The Executive Management and the Board of Directors have ongoing close collaboration and there are regular discussions/meetings between the CEO and the Chairman of the Board of Directors.

The Chairman of the Board of Directors sees to that the collaboration between the Board of Directors and the Executive Management is evaluated annually at a meeting between Genmab's CEO and the Chairman of the Board of Directors and that the outcome of such meeting is presented to the Board of Directors.

4. Remuneration of management

4.1. Form and content of the remuneration policy

4.1.1. **THE COMMITTEE RECOMMENDS** that the board of directors prepare a remuneration policy for the board of directors and the executive board, which includes



General guidelines governing Genmab's incentive-based remuneration of the members of the Board of Directors or Executive Management are included in the Remuneration Principles for the Board of Directors and the Executive Management which have been considered and adopted by the Annual General Meeting pursuant to the Danish Companies Act.

- a detailed description of the components of the remuneration for members of the board of directors and the executive board,
- the reasons for choosing the individual components of the remuneration,
- a description of the criteria that form the basis for the balance between the individual components of the remuneration, and
- an explanation for the correlation between the remuneration policy and the company's long-term value creation and relevant related goals.

The Remuneration Principles contain an exhaustive description of the remuneration components for members of the Board of Directors and the Executive Management and includes the reasons for choosing the individual components of the remuneration and a description of the criteria on which the balance between the individual components of the remuneration is based.

In accordance with the Remuneration Principles the Board of Directors may change or terminate one or more incentive programs introduced thereunder. Any

The remuneration policy should be approved by the general meeting at least every fourth year and upon any material amendments and published on the company's website.

more far-reaching changes to these guidelines are subject to approval by the General Meeting.

The latest version, which was adopted by the General Meeting in 2019, can be downloaded from Genmab's website: [Remuneration Principles](#).

The Remuneration Principles are further mentioned in the Management's Review and in the Corporate Governance section in the Annual Report.

In accordance with the newly implemented Sections 139 and 139a of the Danish Companies Act, Genmab has prepared a Remuneration Policy regarding the remuneration of Genmab's Board of Directors and Executive Management. The Remuneration Policy will be presented to the shareholders and proposed to be adopted at the Annual General Meeting in 2020. Upon adoption the Remuneration Policy will supersede the Remuneration Principles. The Remuneration Policy will be published on Genmab's website and will at least every four years be presented to the shareholders for approval.

4.1.2. **THE COMMITTEE RECOMMENDS** that, if the remuneration policy includes variable components,



- limits be set on the variable components of the total remuneration package,
- a reasonable and balanced composition be ensured between remuneration for members of management and the value creation for shareholders in the short and long term,
- clarity be established about performance criteria and measurability for the award of variable components,
- it is ensured that variable remuneration not only consists of short term remuneration components, and that long-term remuneration components must have a vesting or maturity period of at least three years, and
- it be ensured that the company has the ability to reclaim, in full or in part, variable components of remuneration that were paid on the basis of

The Remuneration Principles have been adopted with a view to aligning and balancing the interests of the Board of Directors and the Executive Management and the shareholders, and to attract, retain and motivate the members of the Board of Directors and the Executive Management.

The elements of Genmab's Remuneration Principles are designed to be competitive when compared to the compensation programs and levels of compensation of other similar international biotech and biopharmaceutical companies in the U.S. and in Europe. A benchmarking analysis conducted in 2019 clearly shows that Genmab is not competitive against its U.S. peer group in relation to the share-based component of remuneration of the Executive Management. The benchmarking work we have done shows that we pay well against the European peer group. The proposed Remuneration Policy on which shareholders will vote at the 2020 Annual General Meeting has been designed to align the interests of shareholders and executives and allows us to position pay not at U.S. levels but in a way that means we can create compensation

information, which subsequently are found to be incorrect.

packages which are attractive internationally and, at the same time, align with our company values.

The Remuneration Principles include limitations on the variable components of the remuneration given to members of the Board of Directors and to the Executive Management. The long-term remuneration components are subject to a vesting period of at least three years and the use of forward-looking performance criteria, including measurability of such, are clearly described in the award letter.

Furthermore, it follows from the Remuneration Principles that Genmab shall be entitled to reclaim in full or in part, on the basis of generally applicable principles of Danish law, variable components of remuneration that were paid to the members of the Executive Management on the basis of data, which proved to be misstated.

4.1.3. **THE COMMITTEE RECOMMENDS** that remuneration of members of the board of directors does not include share options or warrants.



Genmab's compensation of the board members includes restricted stock units (RSUs), which, like share options, are considered a form of equity compensation. Equity compensation constitutes a common part of the compensation paid to members of the board of directors in competing international biotech companies. This is supported by a benchmark analysis conducted in 2019 by an independent compensation consultant. To remain competitive in the international market and to be able to attract and retain qualified members of the Board of Directors, it is considered in the best interest of Genmab to follow this practice, which we believe is aligned to serve the shareholders' long-term interests. Furthermore, to ensure the Board of Directors' independence and supervisory function, vesting of RSUs granted to members of the Board of Directors shall not be subject to fulfilment of forward-looking performance criteria. To address concerns raised by shareholders and their representatives that continued service as a vesting condition for RSU awards to members of the Board of Directors could be a disincentive for such members to express dissenting views and to ensure that the independence of the members of our Board of Directors cannot be questioned, the Board of Directors is considering to amend the RSU program.

<p>4.1.4. THE COMMITTEE RECOMMENDS that if, in relation to long-term incentive programmes, a share-based remuneration is used, the programmes should have a vesting or maturity period of at least three years after being allocated and should be roll-over programmes, i.e. the options should be granted periodically.</p>	<input checked="" type="checkbox"/>	<p>Share-based remuneration in Genmab may be in the form of RSUs and/or warrants. Following the Board of Directors' adoption of a new warrant program in March 2017, all share-based remuneration in Genmab is subject to a cliff vesting period and become fully vested after three years from the date of grant.</p>
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<p>4.1.5. THE COMMITTEE RECOMMENDS that the total value of the remuneration relating to the notice period, including severance pay, do not exceed two years of remuneration, including all components of the remuneration.</p>	<input type="checkbox"/>	<p>In the event Genmab terminates the service agreements with each member of the Executive Management team without cause, Genmab is obliged to pay the Executive Management member his/her existing salary (including benefits) for one or two years after the end of the one year notice period. Also, in the event of termination by Genmab (unless for cause) or by a member of the Executive Management as a result of a change of control of Genmab, Genmab is obliged to pay a member of Executive Management a compensation equal to his/her existing total salary (including benefits and a bonus) for up to two years in addition to the notice period. It should be noted, however, that change of control provisions applicable to the remuneration of the Executive Management are drawn up on the basis of the Danish legal definition of change of control, currently defined in the Danish Capital Markets Act, and any application thereof would be made with due consideration thereto. It furthermore follows from Genmab's warrant and RSU programs, that in certain "good leaver" situations, outstanding warrants and RSUs awarded under these programs will continue to vest. Depending on the circumstances, one of the aforementioned events, or a combination thereof, could potentially make the termination payments exceed two years of remuneration. Termination payments are mentioned in Genmab's Annual Report in note 5.1.</p>
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4.2. Disclosure of remuneration

<p>4.2.1. THE COMMITTEE RECOMMENDS that the company's remuneration policy and compliance with this policy be explained and justified annually in the chairman's statement at the company's general meeting.</p>	<input checked="" type="checkbox"/>	<p>Genmab's Remuneration Principles and compliance with these Remuneration Principles are explained and justified in the Chairman's statement at the Annual General Meeting.</p>
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<p>4.2.2. THE COMMITTEE RECOMMENDS that the shareholders at the general meeting consider proposals for</p>	<input checked="" type="checkbox"/>	<p>The remuneration of the Board of Directors is addressed and approved as a separate item on the agenda of the Annual General Meeting.</p>
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approval of remuneration for the board of directors for the current financial year.

4.2.3. **THE COMMITTEE RECOMMENDS** that the company prepares a remuneration report that includes information on the total remuneration received by each member of the board of directors and the executive board from the company and other companies in the group and associated companies for the last three years, including information on the most important content of retention and resignation arrangements and that the correlation between the remuneration and company strategy and relevant related goals be explained.
The remuneration report should be published on the company's website.



Genmab has prepared a Remuneration Report which can be found on Genmab's website: <https://ir.genmab.com/corporate-governance>.

Information on the remuneration of each member of the Executive Management and the Board of Directors, including information on the most important aspects of retention and severance programs, is furthermore mentioned in Genmab's Annual Report in note 5.1.

5. Financial reporting, risk management and audits

5.1. Identification of risks and transparency about other relevant information

5.1.1. **THE COMMITTEE RECOMMENDS** that the board of directors considers and in the management commentary accounts for the most important strategic and business related risks, risks in connection with the financial reporting as well as for the company's risk management.



The Annual Report includes a risk management section where Genmab presents additional financial and non-financial strategic and business related risks in its Annual Report, as deemed relevant or as required under Danish accounting legislation.

In addition Genmab has implemented the EU directives on corporate governance, internal controls and risk management and has thus designed, implemented and documented an effective internal control environment.

5.2. Whistleblower scheme

5.2.1. **THE COMMITTEE RECOMMENDS** that the board of directors establish a whistleblower scheme for expedient and confidential notification of serious wrongdoing or suspicions thereof.



In 2010, Genmab adopted and obtained approval from the Danish Data Protection Agency of a whistleblower scheme. The whistleblower scheme was amended in 2014.

The whistleblower scheme is subject to guidelines set out by the Audit and Finance Committee.

5.3. Contact to auditor

5.3.1. **THE COMMITTEE RECOMMENDS** that the board of directors ensure regular dialogue and exchange of information between the auditor elected by the general meeting and the board of directors, including that the board of directors and the audit committee meet with the auditor at least once annually without the executive board present. This also applies to the internal auditor, if any.



According to the Audit and Finance Committee Charter, the Audit and Finance Committee meets with management and the independent auditors quarterly to review Genmab's financial statements. In connection with this executive session between the Audit and Finance Committee and the independent auditors may be requested.

According to the Rules of Procedure for the Board of Directors, the Board of Directors and the Audit and Finance Committee meet with the auditor at least once every year without Executive Management being present. This would also apply in case of any internal auditor.

5.3.2. **THE COMMITTEE RECOMMENDS** that the audit agreement and auditors' fee be agreed by the board of directors and the auditor elected by the general meeting based on a recommendation from the audit committee.



The engagement letter and audit fee are approved by the Board of Directors on the basis of a recommendation from the Audit and Finance Committee.

Appendix: Members of the Board of Directors



Mats Pettersson, B.Sc.

Male, Swedish, 74

Board Chairman (Independent, elected by the General Meeting); Member of the Audit and Finance Committee
First elected 2013, current term expires 2020

Special Competencies

Extensive experience from international research-based biotech and pharmaceutical companies. Founder and CEO of SOBI AB. Responsible for several transforming business development deals and member of various executive management committees at Pharmacia.

Current Board Positions

Member: Magle Chemoswed AB



Deirdre P. Connelly

Female, Hispanic/American, 59

Deputy Chairman (Independent, elected by the General Meeting); Chairman of the Compensation Committee, Member of the Audit and Finance Committee and the Nominating and Corporate Governance Committee
First elected 2017, current term expires 2020

Special Competences

More than 30 years' experience as a corporate leader and extensive experience in corporate governance as a board member. Comprehensive experience with business turnaround, corporate culture transformation, product launch, and talent development. Successfully directed the launch of more than 20 new pharmaceutical drugs. Former President, North America Pharmaceuticals for GlaxoSmithKline.

Current Board Positions

Member: Macy's Inc. and Lincoln National Corporation



Pernille Erenbjerg

Female, Danish, 52

Board Member (Independent, elected by the General Meeting); Chairman of the Audit and Finance Committee, Member of the Nominating and Corporate Governance Committee
First elected 2015, current term expires 2020

Special Competences

Senior executive management and broad business experience from the telecoms, media and tech industries. Extensive experience with transformation of large and complex companies, including digital transformations and digitally based innovation. Comprehensive all round background within finance including extensive exposure to stock markets, equity and debt investors. Certified Public Accountant background (no longer practicing). Responsible for major transformation processes in complex organizations including M&A. Former CEO and President of TDC A/S. Due to her experience and background within accounting, Pernille Erenbjerg qualifies as an audit committee financial expert.

Current Board Positions

Deputy Chair: Millicom

Member: Nordea AB

Chair of Remuneration Committee: Millicom

Audit Committee Member: Millicom, Nordea AB

Operations and Sustainability Committee Member: Nordea AB



Rolf Hoffmann

Male, German, 60

Board Member (Independent, elected by the General Meeting); Member of the Audit and Finance Committee and the Scientific Committee

First elected 2017, current term expires 2020

Special Competencies

Extensive international management experience with expertise in creating and optimizing commercial opportunities in global markets. Additional expertise in P&L management, governance and Corporate Integrity Agreement management, compliance and organizational efficiency. Over 20 years' experience in the international pharmaceutical and biotechnology industries at Eli Lilly and Amgen.

Current Position, including Managerial Positions

Adjunct Professor of Strategy and Entrepreneurship at University of North Carolina Business School

Current Board Positions:

Chairman: Biotest AG

Member: Trizell Ltd., EUSA Pharma, Inc., Paratek Pharmaceuticals, Inc. and Shield Therapeutics plc



Paolo Paoletti, M.D.

Male, Italian (USA Citizenship), 69

Board Member (Independent, elected by the General Meeting); Chairman of the Scientific Committee and Member of the Compensation Committee

First elected 2015, current term expires 2020

Special Competences

Extensive experience in research, development and commercialization in the pharmaceutical industry. Successfully conducted submissions and approvals of new cancer drugs and new indications in the USA and in Europe. Responsible for seven new medicines for cancer patients during his 10 years at GlaxoSmithKline and one new cancer medicine during his time at Eli Lilly.

Current Position, including Managerial Positions

Acting CEO for GammaDelta Therapeutics Limited

Current Board Positions

Chairman: PsiOxus Therapeutics Limited

Member: FORMA Therapeutics



Anders Gersel Pedersen, M.D., Ph.D.

Male, Danish, 68

Board Member (Non-independent, elected by the General Meeting); Chairman of the Nominating and Corporate Governance Committee and Member of the Scientific Committee and the Compensation Committee

First elected 2003, current term expires 2020

Special Competences

Business and management experience in the pharmaceutical industry, including expertise in clinical research, development, regulatory affairs and product life cycle management. Former Executive Vice President of Research & Development of H. Lundbeck A/S.

Current Board Positions

Chairman: Aelis Farma S.A.S.

Deputy Chairman: Bavarian Nordic A/S

Member: Hansa Medical AB, Bond 2 development 2 GP limited



Daniel J. Bruno

Male, American, 40

Board Member (Non-independent, elected by the employees)

First elected 2016, current term expires 2022

Special Competences

Certified Public Accountant background with extensive knowledge and experience in finance, technical accounting, corporate tax, and financial reporting in the life sciences industry.

Current Position, including Managerial Positions

Vice President, Corporate Controller at Genmab



Peter Storm Kristensen

Male, Danish, 45

Board Member (Non-independent, elected by the employees)

First elected 2016, current term expires 2022

Special Competences

Broad legal experience within the pharmaceutical industry with specialty in corporate law, securities law, human resources law as well as drafting and negotiating contracts in general.

Current Position, including Managerial Positions

Associate Director, Legal at Genmab



Mijke Zachariasse, Ph.D.

Female, Dutch, 46

Board Member (Non-independent, elected by the employees)

First elected 2019, current term expires 2022

Special Competencies

Broad experience in people and business management in the natural sciences sector. Specific expertise in building strategic partnerships across sectors, financial and fund management, and setting research strategies in the academic sector.

Current Position, including Managerial Positions

Director, Protein Production and Chemistry at Genmab

Board Diversity and Skills Matrix

The below table provides an overview of the diversity in the Board of Directors and the directors' current mix of skills and experience.

Basic Information			Core Skills				Sector-Specific Skills		
Director	Born	Gender and Nationality	Lifescience Industry	Executive Experience	Financial/Risk	Legal/Governance	IT/Cybertech	Environmental/Sustainability	International Markets
Mats Pettersson	Nov. 1945	Male, Swedish	x	x					x
Deirdre P. Connelly	Oct. 1960	Female, Hispanic/American	x	x		x		x	x
Pernille Erenbjerg	Aug. 1967	Female, Danish		x	x		x		
Rolf Hoffmann	May 1959	Male, German	x	x		x			x
Paolo Paoletti	Oct. 1950	Male, Italian	x	x					x
Anders Gersel Pedersen	Sep. 1951	Male, Danish	x	x		x		x	
Daniel J. Bruno*	Jul. 1979	Male, American	x		x				
Peter Storm Kristensen*	Nov. 1974	Male, Danish	x			x			
Mijke Zachariasse*	Aug. 1973	Female, Dutch	x						

* Employee Elected

Meeting Attendance in 2019

The below table provides an overview of the individual meeting attendance in board and committee meetings in 2019.

Director	First Elected	Term	Independence	Board of Directors (Ordinary meetings)	Board of Directors (Extraordinary meetings)	Audit and Finance Committee	Compensation Committee	Nominating and Corporate Governance Committee	Scientific Committee
Mats Pettersson	2013	2020	Independent	8/8	1/3	8/8	-	-	-
Deirdre P. Connelly	2017	2020	Independent	8/8	3/3	8/8	9/9	4/4	-
Pernille Erenbjerg	2015	2020	Independent	8/8	2/3	8/8	-	4/4	-
Rolf Hoffmann	2017	2020	Independent	7/8	2/3	4/5**	3/3***	-	2/2
Paolo Paoletti	2015	2020	Independent	8/8	1/3	-	6/6**	-	2/2
Anders Gersel Pedersen	2003	2020	Not independent	8/8	3/3	-	8/9	4/4	2/2
Daniel J. Bruno*	2016	2022	Not independent	8/8	2/3	-	-	-	-
Peter Storm Kristensen*	2016	2022	Not independent	8/8	3/3	-	-	-	-
Mijke Zachariasse*	2019	2022	Not independent	6/7 ****	1/1 ****	-	-	-	-

* Employee Elected

** Joined the committee on March 29, 2019

*** Stepped down from the committee on March 29, 2019

**** Joined the Board of Directors on March 29, 2019