

Charter of the nomination and remuneration committee of Hartmann

I. Scope and regulatory foundation

The charter specifies the assignments and authority of the nomination and remuneration committee ('the committee') of Brødrene Hartmann A/S ("the company"), cf. recommendation 3.4.6 and 3.4.7 in the recommendations on Corporate Governance¹.

Recommendation 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 to serve on 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 represented by the two governing bodies,*
- *annually assessing the structure, size, composition and results of the board of directors and the executive board and recommending any changes to the board of directors,*
- *annually assessing the competencies, knowledge, experience and succession of the individual members of management, and reporting 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 and the executive board on the future composition of the board of directors, including proposals for specific changes."*

Recommendation 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 remuneration that the 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."*

2. Objectives

The committee has been established with the following overall objectives:

2.1 Increasing the efficiency and improving the quality of the board of directors' efforts to ensure that the board of directors and the executive board constantly possess the right level of competence,

¹ Recommendations on Corporate Governance of 23 November 2017 and Guidelines on Board Committees of 29 August 2018 by the Committee on Corporate Governance.

knowledge and experience to perform the two management bodies' tasks, including among other things:

- a) preparing a description of qualifications needed on the board of directors and the executive board as well as for other positions if relevant,
- b) assessing on an annual basis the structure, size, composition and results of the board of directors and the executive board, including an assessment of whether recommendations on any changes should be made considering the company's policy on gender equality,
- c) at least once a year conducting an assessment of each individual board member and the board of directors' total competencies, knowledge and experience, and reporting findings to the board of directors,
- d) assisting the board of directors in connection with new appointments and changes in the board of directors and the executive board as well as identifying candidates for the two management bodies.

2.2 Assisting the board of directors with assignments related to salary and remuneration matters subject to decision by the board of directors and ensuring that such assignments are resolved as objectively and professionally as possible, including through:

- a) preparation and updating of the company's remuneration policy for the board of directors and the executive board of the company as well as recommending the policy to the board of directors,
- b) oversee that the remuneration of the board of directors and the executive board is fixed in accordance with the remuneration policy and the company's values, business strategy and long-term interest,
- c) assisting the board of directors and the executive board in ensuring that the company complies with applicable regulation concerning disclosure of salary and remuneration matters, e.g. in the company's annual report and remuneration report.

The delegation of the specified assignments and authority to the committee does not change the responsibility or authority of the board of directors.

3. Composition

3.1 The committee must consist of at least two members appointed by the board of directors from among its own members.

3.2 The board of directors appoints the chairman and members of the committee at the fundamental board meeting held immediately after the company's ordinary general meeting.

4. Meetings

4.1 Meetings are held as often as deemed necessary by the committee, but at least once a year. Any member of the committee may call for a meeting if deemed necessary.

4.2. The chairman of the committee prepares an agenda, which is submitted to the committee members in due time before the meeting. The agenda is supplemented with relevant material for the committee members.

4.3 The committee is competent to transact business when two members are present. Decisions are made by majority vote. In case of parity of votes, the chairman of the committee holds the decisive vote.

4.4 Dependent on the agenda, other members of the board of directors, members of the executive board, relevant employees and external consultants may participate in the meetings upon the committee's request.

4.5 The chairman ensures that minutes of the committee's meetings are prepared and archived. Copies of such minutes are distributed to all members of the board of directors and are generally addressed at the subsequent board meeting.

4.6 The committee's recommendations are reported to the board of directors.

4.7 Committee meetings are confidential, and members of the committee are subject to the same duty of confidentiality that applies for members of the board of directors.

4.8 The company puts a secretarial function at the committee's disposal. The committee may request assistance from the company's other employees and external consultants if deemed necessary.

5. Evaluation

5.1 Once a year, the committee must review its work and this charter to assess whether the charter is sufficient and complies with the recommendations on Corporate Governance. The result is reported to the board of directors, which is to approve any amendments to the charter.

Gentofte, April 2019

The board of directors of Brødrene Hartmann A/S

Agnete Raaschou-Nielsen, chairman

Steen Parsholt, vice chairman

Jan Klarskov Henriksen

Jan Madsen

Karen Hækkerup

Marianne Schelde

Andy Hansen

Palle Skade Andersen