



## Appendix 1

### Remuneration Policy for the Board of Directors and Executive Board of Royal Unibrew A/S

This Remuneration Policy for Royal Unibrew A/S's ("Royal Unibrew") Board of Directors and Executive Board has been designed to reflect shareholder and company interests and to take into account any specific circumstances, including the duties and the responsibility undertaken. Moreover, this Remuneration Policy is intended to promote long-term objectives for safeguarding company interests.

#### 1. General principles

This Remuneration Policy describes the principles of and framework for the total remuneration paid to members of the Board of Directors and the Executive Board of Royal Unibrew. Accordingly, the Remuneration Policy comprises both fixed remuneration, pension plans, severance programmes and other benefits as well as variable remuneration with due regard to the company's short- and long-term objectives for the company to ensure that this method of remuneration does not lead to imprudence or unreasonable behavior or acceptance of risks.

Royal Unibrew's Overall Guidelines for Incentive Pay, cf. section 139 of the Danish Companies Act, forms an integral part of the Remuneration Policy.

The Executive Board shall mean the members of the Executive Board of Royal Unibrew as registered, from time to time, with the Danish Business Authority. Other staff groups are not comprised by the Remuneration Policy but may have (and usually will have) bonus schemes or other incentive-based remuneration programmes included in their respective employment terms.

#### 2. The Board of Directors

Royal Unibrew aims for the remuneration to match the level of peer companies and to accommodate the requirements relating to the board members' competences, performance and scope of board work, including the number of meetings.

The Board of Directors receives a fixed cash remuneration, which is approved annually by the general meeting – no later than in connection with the approval of the annual report for the relevant year. Accordingly, the Board of Directors does not receive variable or share-based remuneration.

If particularly extensive ad hoc committee work or the like is required, the Board of Directors may determine a special fee based on the scope of such work.

The members of the Board of Directors elected by the employees are remunerated on equal terms with the members elected by the general meeting.

Expenses incurred in connection with travelling, meetings, etc. are reimbursed by the company.

#### 3. The Executive Board

The employment terms and the remuneration to the members of the Executive Board are specifically agreed between each individual member of the Executive Board and the Board of Directors within the framework of this Remuneration Policy. The remuneration usually includes a combination of the following remuneration components:

- Fixed remuneration ("Gross Salary"), including pension, cf. section 3.1(a);
- Customary ancillary benefits such as company car, telephone, newspapers etc., cf. section 3.1(b);
- Ordinary bonus, cf. section 3.2(a);
- Long-term bonus, cf. section 3.2(b); and
- Extraordinary bonus, cf. section 3.2(c).

The Board of Directors believes that a combination of fixed and performance-driven remuneration to the Executive Board contributes to ensure that Royal Unibrew can attract and retain executives with the best competences for the Executive Board. At the same time, the Executive Board is given an incentive to create shareholder value through partially incentive-based remuneration.



The Remuneration and Nomination Committee assesses and determines the Executive Board remuneration annually and ensures that the remuneration matches the conditions in peer companies.

On behalf of the Board of Directors, the Remuneration and Nomination Committee implements and agrees customary adjustments of the remuneration and employment terms applicable to the Executive Board including fees, customary bonus agreements and staff benefits, car schemes and severance agreements. The conclusion of new service contracts and determination or adjustment of share-based incentive schemes are negotiated by the committee and submitted for approval by the Board of Directors in its entirety or decided by the committee subject to specific authorisation from the Board of Directors in its entirety.

### **3.1 Fixed remuneration**

#### *a. Gross Salary*

The fixed base remuneration including pension, i.e. the Gross Salary, is intended primarily to attract and retain members of the Executive Board with the professional and personal competences required.

#### *b. Customary ancillary benefits*

A number of work-related benefits are made available to the Executive Board including a company car, phone, newspaper etc. and the Executive Board members are covered by Royal Unibrew's usual insurance schemes such as accident and life insurance.

### **3.2 Variable remuneration (bonus)**

A bonus or bonus scheme may have a term of one or more years and may be subject to one or more specific events occurring in respect of Royal Unibrew. Retention bonuses, loyalty bonuses or the like may be applied. Payment or granting of a bonus depends on whether the conditions and targets defined in the agreement have been fully or partly met. Such targets may relate to the personal performance of the executive in question, to the financial performance of Royal Unibrew, to the financial performance of one or more of Royal Unibrew's business units or to the occurrence of a specific event.

#### *a. Ordinary Bonus (short-term)*

Each member of the Executive Board may be eligible for an ordinary cash bonus not to exceed 60% of the Gross Salary. The level of bonus is determined by the Board of Directors.

The ordinary cash bonus is intended to secure that the company achieves its short-term objectives. Therefore, bonus grants and their size depend on the fulfilment of objectives agreed for one year at a time. The objectives will primarily relate to the fulfilment of the company's budgeted goals and results or the achievement of financial key figures or other measurable individual results, whether of a financial or non-financial nature.

#### *b. Long-term Bonus (cash or conditional shares)*

Each member of the Executive Board may be eligible for a long-term cash bonus which is earned over a multi-year period, typically over a three-year period. The total cash bonus for such a multi-year period may not exceed two third of the annual Gross Salary per year of the person in question.

Instead of – or supplemental to – the above mentioned long-term cash bonus, each member of the Executive Board may be eligible for a long-term bonus in the form of conditional shares earned over a corresponding multi-year period, typically over a three-year period. The total value of conditional shares granted for such a multi-year period may not exceed two third of the annual Gross Salary per year at the time of granting the bonus agreement. The value of the shares is calculated at market price at the time of granting.

Any long-term cash bonus and the value of conditional shares at the time of granting combined may not for the multi-year period in question exceed two third of the annual Gross Salary per year of the person in question.

The long-term bonus is intended to secure that the company achieves its long-term objectives. The granting of this bonus and the size thereof will therefore depend on the achievement of the company's objectives.



c. *Extraordinary Bonus*

In addition to the above mentioned ordinary short-term or long-term bonus, the Board of Directors may extraordinarily grant a supplementary discretionary bonus, e.g. in the form of a retention bonus, loyalty bonus, conditional shares or special performance bonus, to individual members of the Executive Board if the Board of Directors finds it appropriate in order to meet the objectives of attracting and retaining individual members of the Executive Board and to specifically encourage increase of shareholder value. Accordingly, an extraordinary bonus may be composed of cash or share-based remuneration or a combination hereof. An extraordinary bonus may not exceed the annual Gross Salary of the person in question.

**3.3 Additional terms**

a. *Claw-back*

If, following the allocation of bonus to the Executive Board, it turns out that the bonus was paid mistakenly, the Company may in exceptional cases re-claim the bonus in part or in full.

b. *Period of notice/severance pay*

Royal Unibrew A/S may terminate the employment at up to 12 months' notice. A member of the Executive Board may terminate the employment with Royal Unibrew A/S at 6 months' notice. An agreement on severance pay may be made. In that event, the total value of the remuneration during the notice period and the severance pay, cannot exceed 2 years' remuneration, including all remuneration components.

In case of a full or partial takeover of Royal Unibrew A/S, the Executive Board will receive no compensation. However, the Board of Directors may entitle a member of the Executive Board to consider him-/herself dismissed in such event.

c. *Pension*

The individual Executive Board members may be covered by pension schemes. Upon submission from the Remuneration and Nomination committee, the Board of Directors considers this when entering into contracts with the Executive Board members in connection with the annual assessment of the remuneration paid to the individual members of the Executive Board.

d. *Reimbursement of expenses*

Expenses incurred in connection with travelling, meetings, education, etc. are reimbursed according to vouchers submitted.

**4.3 Approval and Publication**

The Remuneration Policy was discussed and approved by Royal Unibrew's annual general meeting on 25 April 2019.

The Remuneration Policy is available at the company's website, [www.royalunibrew.com](http://www.royalunibrew.com).