



TERMS OF REFERENCE

Remuneration Committee



1 Objective

- 1.1 The Remuneration Committee is a Board committee with the sole purpose of preparing decisions to be made by the full board.
- 1.2 Through these terms of reference, the Board of Directors ensures that establishing the committee does not result in important information, which all board members should receive, being conveyed exclusively to the committee.
- 1.3 Establishing a remuneration committee does not alter the Board of Directors collective responsibility. Instead, it aims to enhance the board's independence from day-to-day management and improve efficiency, allowing the Board to consider remuneration issues more thoroughly.
- 1.4 These Terms of Reference shall be reviewed, updated, and approved annually. Any member of the Board of Directors, including members of the Committee, may propose changes.
- 1.5 The Committee is subject to the same confidentiality provisions as the Board of Directors.

2 Members and purpose

- 2.1 The Chairman and committee members must be members of the Board of Directors. The Committee shall be established at the statutory board meeting following the annual general meeting.
- 2.2 These Terms of Reference set out the tasks and powers of the Committee.
- 2.3 The Committee prepares the Remuneration Policy, which focuses on the remuneration and compensation of the Board of Directors, Executive Management, managers, and significant risk takers and provides the framework for incentive programmes.

3 Composition

- 3.1 The Committee consists of 3-5 board members elected by the general meeting.
- 3.2 The Chairman of the Board of Directors chairs the Remuneration Committee.
- 3.3 Committee members are remunerated in accordance with the Remuneration Policy approved by the Board of Directors and the general meeting.
- 3.4 The Committee is functional when at least half of the members, including the chairman, attend the meeting.

4 Meetings

- 4.1 The Committee meets twice a year as an ordinary meeting, one of which is immediately before the Board approves of the Remuneration Policy. If a member of the Board, the Committee, the external auditors or the Executive Management deems it necessary, the Committee may be convened extraordinarily.
- 4.2 As far as possible, the Committee schedules its meetings for one year at a time.
- 4.3 The Chairman of the Committee convenes the Committee meetings and approves the agenda for the meetings. All other members of the Board of Directors may propose agenda items to be discussed. The Committee may invite general management, employees and/or experts/specialists to its meetings.
- 4.4 Material to be discussed at Committee meetings is sent out prior to the meetings via the Directors Desk.
- 4.5 To ensure the Committee's independence and objectivity, other members of the Board of Directors or executive management may only attend Committee meetings at the committee's invitation. This applies to Executive Management, the appointed controller, etc., as well as any external consultants and/or auditors.
- 4.6 The secretariat of the company's Board of Directors acts as the secretariat for the Committee.

5 Empowerment and resources

- 5.1 The Committee reports and makes recommendations to the Board of Directors.
- 5.2 The Committee is authorised to investigate all matters within the scope of the Terms of Reference and to obtain necessary information and assistance from employees of the company.
- 5.3 Other members of the Board of Directors, the Executive Board and relevant employees are obliged to attend meetings if convened by the Committee.

6 Duties

The Committee shall fulfil its responsibilities as follows:

6.1 Performance

The Committee must annually review the performance of the Executive Management against the agreed KPIs.

6.2 The Committee shall ensure that Remuneration Policies and practices and incentive programmes support:

- a. The company's long-term strategy
- b. The attraction, retention and motivation of the company's members of the Board of Directors, Executive Management, leaders and risk-takers
- c. Appropriate incentives to encourage enhanced performance
- d. An appropriate mix of fixed pay and variable pay components
- e. The alignment of interest between the Executive Management and the interests of the shareholders

6.3 Remuneration

6.3.1 The Committee monitors, considers and makes recommendations to the Board of Directors regarding:

- a. Fees for board members, including fees for committee members
- b. Remuneration of the Executive Board
- c. Remuneration framework for the rest of the organisation

Considering the Remuneration Policy, potential share-based incentive programmes and the general objectives for remuneration, cf. section 5.1.

6.3.2 The Committee must be informed about performance agreements.

6.4 Remuneration Policy

6.4.1 The Committee shall advise the Board of Directors on the design of the Remuneration Policy in practice and assess whether the Remuneration Policy is up to date, including making any necessary proposals for updates to the Remuneration Policy. The Remuneration Policy shall:

- a. Reflect the requirements of the Financial Business Act, rules, and guidelines and the requirements of EU regulations.
- b. Include a detailed description of the components of the remuneration (including pensions and severance guidelines) of members of the Board of Directors and executive management as well as material risk takers, so that the board defines and appoints them.

6.4.2 The Committee reviews the Remuneration Policy at least once a year to assess whether any changes are needed. Any changes to the Remuneration Policy shall be submitted to the Board of Directors for approval and then adopted by the general meeting.

6.4.3 The Committee shall, based on information from Executive Management, review and consider a list of employees who have a material impact on the company's risk profile and shall annually consider and recommend to the Board whether this list needs to be updated.

6.4.4 The Committee shall monitor compliance with the Remuneration Policy and relevant disclosure obligations regarding remuneration matters. As part of this, the Committee shall ensure that compliance with the Remuneration Policy is reviewed annually and report to the Board on the outcome of this review.

6.5 Incentive programmes

6.5.1 The Committee shall monitor, consider, and recommend to the Board of Directors the company's incentive programmes and ensure that potential programmes always comply with the Remuneration Policy.

6.5.2 The Committee shall review incentive programmes at least once a year to assess whether changes are needed. Any programme changes shall be submitted to the Board of Directors for approval and then adopted at the general meeting.

6.6 Remuneration report

6.6.1 The Committee shall assist in the preparation of the annual Remuneration Report.

6.7 Succession planning

The Committee shall review and consider succession planning for the CEO and the Executive Management at both ordinary meetings every year and form an opinion of talent in the company for future leadership positions.

6.8 Self-evaluation

The Committee shall review the effectiveness of the Remuneration Committee.

7 Reporting to the Board of Directors

7.1 The Committee reports and recommends to the Board of Directors regarding the areas defined in these Terms of Reference.

7.2 The board secretary is responsible for recording the minutes of the Committee's meetings, and the Committee's recommendations to the Board of Directors must be set out clearly. The Chairman must approve the Minutes before they are sent to the other members for their approval. All members digitally sign the minutes. Members who were absent from the meeting sign to confirm that they have read the minutes.

8 Publication

8.1 The Committee's activities and frequency of meetings during the year are disclosed in the annual report and on the website. The names of the committee members are also published here.

9 Changes

9.1 Changes to these Terms of Reference may be adopted at any time by a simple majority of the Board of Directors.

9.2 The Committee shall review its performance and these Terms of Reference at least annually to assess the adequacy and fulfilment of the Terms of Reference.

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As adopted at the board meeting on 27 February 2025

Eivind Kolding
Chairman of the Board

Peter Nyegaard
Vice Chairman

Ahmed Omar
Vice Chairman

Marcus F. Christensen

Christian Frigast

Thor Jørgen Guttormsen

Omar Elali

Henriette S. Fabricius

Jacob Meldgaard

Andreas Hertz-Poulsen

Christopher Rex