

# REMUNERATION POLICY OF HARBOES BRYGGERI A/S

## 1. INTRODUCTION AND PURPOSE

This remuneration policy (the Remuneration Policy) has been prepared in accordance with sections 139 and 139 a of the Danish Companies Act (selskabsloven) and outlines the framework for remuneration of the Board of Directors and Board of Executives of Harboes Bryggeri A/S.

The Board of Executives comprises the company's executives registered as such with the Danish Business Authority.

The Remuneration Policy was approved by the Board of Directors before being submitted to the general meeting of Harboes Bryggeri A/S on 20 August 2020. At least every four years and in case of changes, the company will submit the Remuneration Policy to the general meeting for approval.

### **PURPOSE:**

The Remuneration Policy is designed to make it possible to attract, motivate and retain qualified members of the Board of Directors and Board of Executives and ensure that the interests of the Board of Executives are aligned with the interests of the shareholders. The remuneration of the Board of Directors and the Board of Executives must be comparable to that of the company's peers in the industry.

The Remuneration Policy and its framework are designed to support the company's growth and value creation strategy, contribute to the company's long-term interests and sustainability and at the same time ensure shareholder value.

The company applies the same general principles to the remuneration of other executives and employees of the group to ensure that pay and employment conditions reflect the current market for talent at all levels of the group.

## 2. REMUNERATION OF THE BOARD OF DIRECTORS

Members of the Board of Directors receive a fixed base fee. Participation in board committee work is not remunerated.

The Chairman of the Board of Directors receives twice the base fee.

The Vice-Chairman receives 1.5 times the base fee.

Other members of the Board of Directors receive only the base fee.

The Board remuneration for a given financial year will be approved annually by the company's annual general meeting.

### **3. REMUNERATION OF THE BOARD OF EXECUTIVES**

The Executive remuneration will be determined by the Board of Directors on the recommendation of the Remuneration Committee and in accordance with the Remuneration Policy adopted by the general meeting.

The Board of Directors will assess members of the Board of Executives' remuneration annually based on each Executive's performance and both financial and non-financial results seen in the context of the company's general development and long-term interests.

#### *Remuneration components*

Members of the Board of Executives receive a fixed salary and an incentive-based cash bonus linked to the Executive's personal performance and the development of the company's operating profit (EBITDA).

Moreover, members of the Board of Executives participate in the company's defined contribution pension scheme.

The company has no share-based incentive remuneration.

#### *Other benefits*

Members of the Board of Executives are provided with customary work-related benefits such as a company car and telephone.

#### *Employment contracts*

The terms and conditions of the employment contracts of members of the Board of Executives are considered normal and comparable to those of peer companies.

The notice period is a maximum of 24 months. However, if control of the company changes hands, the notice period may be extended by six months.

Employment contracts with members of the Board of Executives contain non-competition clauses that apply for a maximum of 12 months.

### **4. DEROGATION FROM THE REMUNERATION POLICY**

In exceptional circumstances – and on the recommendation of the Remuneration Committee – the Board of Directors may decide to derogate from the Remuneration Policy, for instance by awarding a recruitment or retention bonus, if this is believed to be in the long-term interests of the company.

### **5. APPROVAL AND PUBLICATION**

This Remuneration Policy was approved by the company's annual general meeting held on 20 August 2020 and will be posted directly on the company's website ([www.Harboe.dk/investor](http://www.Harboe.dk/investor)).