

# REMUNERATION POLICY



KGL. HOFLEVERANDØR

*Harboe*

HARBOES BRYGGERI

# REMUNERATION POLICY

## Introduction

This remuneration policy has been prepared in accordance with Sections 139 and 139 a of the Danish Companies Act and contains the overall framework for remuneration of the Board of Directors and Executive Board of Harboes Bryggeri A/S. The Executive Board includes the company executives who are registered as such with the Danish Business Authority.

The remuneration policy was approved by the Board of Directors prior to presentation at the annual general meeting of Harboes Bryggeri A/S on 20 August 2021. The company will present the remuneration policy for approval by the annual general meeting at least every four years and in the event of any changes.

## Purpose

The remuneration policy must make it possible to attract, motivate and retain qualified members of the Board of Directors and the Executive Board, as well as ensure an alignment of interests between the Executive Board and shareholders. Remuneration to the Board of Directors and the Executive Board must be comparable to the level in listed companies of similar size and activity.

The remuneration policy and its framework must support the company's strategy for growth and value creation, contribute to the company's long-term interests and sustainability, and at the same time ensure value for the company's shareholders.

The company applies the same general principles for the remuneration of other managers and employees in the Group to ensure that salary and employment conditions reflect the current market for talent at all levels within the Group.

## Remuneration to the Board of Directors

Members of the Board of Directors receive a fixed cash remuneration.

The chair of the Board receives twice the basic fee.

If a vice chair is elected, they receive 1.5 times the basic fee.

The chairs of the Audit Committee and the Remuneration and Nomination Committee receive an additional annual fee of 20% of the basic fee.

Other Board members receive only the basic fee.

Employee-elected Board members are remunerated on an equal footing with those elected at the general meeting.

The company covers necessary travel expenses for Board members.

The remuneration of the Board of Directors for the relevant financial year is approved each year at the company's annual general meeting.

Board members do not receive variable or share-based remuneration.

## Remuneration to the Executive Board

The remuneration to the Executive Board is determined by the Board of Directors on the recommendation of the Remuneration and Nomination Committee and in accordance with the remuneration policy approved at the general meeting.

The Board of Directors assesses the remuneration of the members of the Executive Board annually based on individual performance as well as both financial and non-financial results seen in connection with the company's general development and long-term interests.

## Remuneration components

The Executive Board's remuneration consists of a fixed salary and an incentive-based annual cash bonus linked to the CEO's personal performance and developments in the company's operating profit (EBITDA). The incentive-based cash bonus amounts to a maximum of 50% of the fixed annual salary.

The Executive Board participates in the company's defined-contribution pension scheme. The company has no share-based incentive schemes.

## Claims for repayment of variable remuneration

In special cases, variable remuneration awarded or paid to the Executive Board may be reduced or repaid in full or in part. This can happen in cases where the variable remuneration has been awarded, earned or paid on the basis of information that is subsequently found to be incorrect, or if the conditions for payment change. Claims for reduction or repayment can be made for a period of up to 12 months after the payment has been awarded.

**Other benefits**

Members of the Executive Board are provided with the usual work-related benefits such as a company car, PC and telephone.

**Employment contracts**

Executive Board members' employment contracts contain terms that are considered customary and comparable with similar companies.

The notice period is a maximum of 24 months. However, in cases where control of the company changes, the notice period can be extended by six months.

Employment contracts for the Executive Board contain non-compete clauses that are valid for a maximum of 12 months.

**Deviation from the remuneration policy**

In special cases and following a recommendation from the Remuneration and Nomination Committee, the Board of Directors may decide to deviate from the remuneration policy, e.g., by awarding a joining or retention bonus, if this is deemed to benefit the company's long-term interests. Any deviation from the remuneration policy must be described in the remuneration report.

**Approval and publication**

The remuneration policy was approved at the company's annual general meeting on 20 August 2021 and is published on the company's website [investor.harboes.com/da](https://investor.harboes.com/da)

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