

Corporate Governance Policy

Corporate Governance

The Board of Directors of Chr. Hansen Holding A/S (“Chr. Hansen”) has adopted the following set of corporate governance principles constituting Chr. Hansen’s Corporate Governance Policy:

Interaction with Shareholders

- Chr. Hansen is committed to maintaining a high level of transparency when communicating with its shareholders. More detailed information can be found in our Investor Relations position.

Interaction with Stakeholders

- Being a modern, knowledge-based company Chr. Hansen is constantly in dialogue with its stakeholders who expect the Company to take a proactive approach to sustainability. More information can be found in our Sustainability position.

Capital and Share Structures

- In Chr. Hansen, there is a single class of shares, and all shares rank pari passu. Each share of DKK 10 carries one vote. The Board of Directors regularly assesses whether the share capital and share structure are in the best interests of Chr. Hansen and the shareholders. The Board of Directors’ assessment is included in the Annual Report.

Annual General Meetings

- In accordance with Chr. Hansen’s Articles of Association, notice of the Annual General Meeting must be given at least three weeks and no more than five weeks prior to the date of the Annual General Meeting. The notice must contain a complete agenda and a short description of the items on the agenda where such explanation is relevant. Notices convening Annual General Meetings will be published, posted on our website, and mailed to all registered shareholders who have so requested.

Agenda item proposals for the Annual General Meeting must be submitted to the Board of Directors in writing no later than six weeks before the Annual General Meeting. Prior to the Annual General Meeting, the shareholders are entitled to ask questions in writing regarding the agenda or documents to be discussed at the Annual General Meeting. Such questions must be received by the Board of Directors one week prior to the Annual General Meeting. Furthermore, the shareholders will be able to ask questions at Annual General Meetings directed to the Board of Directors and

Executive Board concerning the items on the agenda.

The Board of Directors

- The Annual General Meeting shall elect at least three and no more than eight members to the Board of Directors including a Chairman. The Board of Directors currently consists of seven members elected by the shareholders, and three employee-elected members. The seven shareholder-elected members, including the Chairman of the Board of Directors, are independent. The shareholder-elected members of the Board of Directors comprise a group of experienced, international business people. All shareholder-elected members of the Board of Directors stand for election each year. The age limit for Board members is 70. In general, six to eight Board meetings are held annually, together with ad hoc meetings as required.

The Board of Directors has the responsibility for the overall and strategic management of the Company. In compliance with current practice in Denmark, powers are distributed between the Board of Directors and the Executive Board, and are two independent bodies. Detailed procedures for Board meetings, including the tasks and responsibilities of the Chairmanship, are laid down in Rules of Procedure of the Board of Directors.

The Chairman evaluates the work of the Board of Directors on an ongoing basis and determines whether to publicly disclose the results of such evaluation. There are no limits to the number of directorships which Board members may have. However, Board members are expected and required to devote sufficient time and resources to their responsibilities as members of the Board of Directors.

The members of the company's Board of Directors receive a fixed cash fee but no incentive-based remuneration. Except for members elected by the employees, the members of the Board of Directors have undertaken to purchase shares corresponding to an amount of at least one year of the fee to an ordinary Board member and to maintain ownership of these shares during the entire period of office.

The Executive Board

- The Board of Directors appoints the Executive Board which is responsible for the day-to-day management and compliance with and implementation of the guidelines and recommendations issued by the Board of Directors. The Executive Board shall also present and recommend proposals on the overall strategy and objectives to the Board of Directors.

Each member of the Executive Board receives an agreed base salary subject to annual assessment as well as ordinary benefits.

In addition, members of the Executive Board are offered incentive-based remuneration.

The incentive-based remuneration for the Executive Board may comprise short-term and long-term variable remuneration, including non-share-based bonus agreements and share-based remuneration which may include matching shares, share options, warrants or conditional share rights or allocations or combinations hereof.

The total remuneration for each member of the Executive Board and the contents of any incentive-based remuneration will be described in the Annual Report in accordance with applicable rules and regulations.

Committees

- The Board of Directors has established four committees: The Nomination Committee, the Remuneration Committee, the Audit Committee and the Scientific Committee, each of which have charters setting forth their respective functions and responsibilities. The Committees report on a regular basis to the Board of Directors.

Nomination Committee

The role of the Nomination Committee is to prepare proposals to the Board of Directors with respect to (i) nomination to the Board of Directors and appointment to the Executive Board of Chr. Hansen, (ii) securing that the Board of Directors and the Executive Board at any time have the appropriate size and are composed of individuals having the required professional qualifications and experience, and (iii) conducting frequent evaluations of the performance of the these management bodies.

Remuneration Committee

The role of the Remuneration Committee is to prepare proposals to the Board of Directors with respect to the remuneration of the members of the Board of Directors and the Executive Board. The Board of Directors has established a Remuneration Policy supplemented by Chr. Hansen's Overall Guidelines for Incentive-based Remuneration, both of which have been approved by the shareholders at an Annual General Meeting and subsequently published on the Company's website.

Audit Committee

The role of the Audit Committee is to prepare proposals to the Board of Directors with respect to the financial reporting process, the system of internal control, the audit process, and Chr. Hansen's process for monitoring compliance with relevant laws and regulations and the Company's Code of Conduct. In addition, the Committee is responsible for evaluating the independence of

the external auditor.

Scientific Committee

The role of the Scientific Committee is to assist the Board of Directors in matters pertaining to research and development activities (“R&D”) of the Company and assuring that the Board of Directors has an informed, independent view on the focus and direction of the R&D function’s work and capabilities in the Company.

Risk Management and Internal Control

- The Board of Directors regularly assesses the overall and specific risks associated with Chr. Hansen’s business and operations and seeks to ensure that such risks are managed in a proactive and efficient manner. As part of risk management, Chr. Hansen has established various internal control systems which are regularly reviewed by the Board of Directors to ensure that such systems are appropriate and sufficient in the context of Chr. Hansen’s business and operations.

Audit

- The external auditors are appointed for a term of one year at a time and for a period of maximum seven years by the shareholders at the Annual General Meeting. In consultation with the Executive Board, the Board of Directors assesses regularly the independence and competencies as well as other matters pertaining to the auditors.

The framework for the auditors’ duties, including remuneration, audit and non-audit tasks, is agreed upon annually between the Board of Directors and the auditors.

This corporate policy shall be followed by Chr. Hansen Holding A/S.
