

Remuneration Committee Report 2018/19

The Remuneration Committee works according to an Annual Wheel with fixed agenda items.

In 2018/2019 the Remuneration Committee held four meetings. All three members attended all meetings within the member's term in 2018/19. The committee dealt with the following key matters:

Remuneration of the members of the Board of Directors and its committees

- Reviewed Danish and international benchmark data on Board and committee remuneration and recommended to the Board the remuneration levels and travel allowances to be approved by the 2019 Annual General Meeting.

Remuneration of the members of the Executive Board and Corporate Leadership Team (CLT)

- Reviewed and recommended the salary adjustments for FY18 based on Danish and international peer group benchmark data for executive remuneration to the Board.
- Reviewed and recommended the proposed short-term incentive (STI/SHARE) payout for FY18 and the proposed STI targets (financial and discretionary) for FY19 to the Board.
- Reviewed and recommended the proposed long-term incentive (LTI/Matching Shares) payout for FY18 and the proposed LTI targets for FY19 to the Board.
- Reviewed the Restricted Share Unit (RSU) sign-up under the SHARE (STI) program for FY18.
- Reviewed and recommended a redesign of the Matching Shares (LTI) program, in line with market best practices
- Reviewed and recommended changes to the benchmark groups, having a new Danish Peer-group (C25) and an expanded European group, including changing methodology to benchmarking.

Reporting on Remuneration of the Board of Directors and Executive Board

- Reviewed and endorsed the remuneration section in the Annual Report 2017/18 to the Board.

Remuneration policies/positions

- Reviewed and recommended the Board a new Remuneration Policy applicable for the Board and the Executive Board, to be approved by the 2019 Annual General Meeting.
- Reviewed and endorsed an unchanged Reward and Remuneration Position applicable for Chr. Hansen in general.

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Remuneration Committee matters and governance

- Reviewed the core processes related to remuneration of the Executive Board and CLT.
- Reviewed and approved the Annual Wheel for 2018/19.
- Conducted a self-assessment, including a review of the Remuneration Committee Charter.
- Conducted private meetings without the Executive Board being present.
- Approved a report on the committee's activities in 2017/18.