

## THE COMMITTEE'S RESPONSIBILITIES

Carlsberg's Remuneration Committee was established by the Supervisory Board in late 2010.

The Committee is responsible for the Remuneration Policy (including the general guidelines for incentive programmes) for all members of the Supervisory Board and the Executive Board, for recommending proposals on changes to the Remuneration Policy, and for obtaining the approval of the Supervisory Board prior to seeking shareholders' approval at the Annual General Meeting.

The Committee is responsible for making proposals to the Supervisory Board on the actual structure and content of the remuneration packages (in accordance with the policy approved by the shareholders) of the members of the Supervisory Board and the Executive Board.

The Committee monitors and advises the Supervisory Board on any major changes to the policy on senior employee remuneration structures for the Group, including for the Executive Committee. The Committee's Terms of Reference, which govern how it operates, are approved by the Supervisory Board and are available on the Company's website.

## ATTENDANCE AT COMMITTEE MEETINGS AND ADVISERS

The CEO, Deputy CEO, Senior Vice President HR and Vice President Compensation & Benefits are invited to attend meetings of the Committee where appropriate but are not present when their own remuneration is discussed directly.

In 2013, the Remuneration Committee held four meetings. At three meetings all the members participated, while at one meeting one member was absent.

New Bridge Street, an Aon Hewitt company, is the Committee's external adviser. No other services are provided to the Group by Aon Hewitt, and the Committee is satisfied as to the independence of its advisers.

## COMMITTEE MEMBERS<sup>1</sup>

Richard Burrows (Chairman)  
Jess Søderberg  
Flemming Besenbacher  
Kees van der Graaf  
Elisabeth Fleuriot

<sup>1</sup> Richard Burrows, Jess Søderberg, Kees van der Graaf and Elisabeth Fleuriot are independent of the Company as defined in the recommendations of the Danish Committee on Corporate Governance.

## REMUNERATION POLICY

The main elements of the executive directors' remuneration arrangements are summarised in the table below and are explained in more detail in the subsequent paragraphs.

### Fixed salary

The Committee reviews fixed salaries annually, taking into account a number of relevant factors, including the individual's performance, role and responsibilities.

The Committee also takes into account levels of remuneration for similar roles at comparable companies in both the drinks and fast moving consumer goods sectors as well as companies across industry sectors based in the Nordic region.

### Annual bonus

The annual bonus is structured to incentivise the executive directors to deliver on the Group's short-term strategic objectives.

For 2014, the potential maximum bonus will remain at 100% of fixed salary with 60% of fixed salary payable for on-target performance. A scorecard of performance measures is used to assess performance.

The determination of the final bonus is subject to the discretion of the Committee and the Supervisory Board, taking into account the overall performance of the business.

The measures used in the scorecard for the 2014 annual bonus are operating profit, free cash flow, net profit and growth in market share; these are the same measures that were applied for 2013.

## Long-term incentive arrangements

### Award levels and types of award

The long-term incentive arrangements for the executive directors currently comprise two types of award:

- Share options, which vest after three years subject to continued employment.
- Performance shares, which vest over three years subject to the performance condition.

The maximum combined value of awards that can be made in any one financial year is 200% of fixed salary (calculated in accordance with International Financial Reporting Standards (IFRS) at the date of grant).

This level was increased in 2013 (100% prior to 2013), and whilst the Committee has not granted at this level to date and does not intend to grant at the maximum level in the near future, it wishes to have the flexibility to do so if it deems higher awards to be appropriate in future years.

Each year, the Committee determines the total level of long-term incentive award to be made to each executive director and how much of that award will be made using performance shares and how much using share options. All long-term incentive awards are made at the discretion of the Committee.