

## **CHARTER FOR THE NOMINATION COMMITTEE OF TCM GROUP A/S**

### **1. SCOPE AND PURPOSE**

- 1.1 These terms of reference establish the duties and powers of TCM Group A/S's Nomination Committee.
- 1.2 The Nomination Committee is a board of directors' committee charged solely with preparing the resolutions to be taken by the board of directors. The Committee works in accordance with these terms of reference. The terms of reference are updated and approved annually by the board of directors. Minutes of meetings are submitted to the board of directors.
- 1.3 The board of directors carries full responsibility for all resolutions that have been prepared by the Nomination Committee.

### **2. CONSTITUTION AND COMMITTEE MEMBERS**

- 2.1 The Nomination Committee shall consist of at least two members, both of whom shall be members of the board of directors, and at least one shall also be a member of the Remuneration Committee. The chairman of the board of directors shall also be chairman of the Nomination Committee.
- 2.2 Members are appointed to the Nomination Committee for one-year terms. Members may be removed by the board of directors at any time. Any member of the Nomination Committee who resigns from the board of directors must also resign from the Nomination Committee. The majority of the members of the Nomination Committee must be independent.

### **3. MEETINGS**

#### **3.1 Frequency of meetings, participation and agenda**

- 3.1.1 Meetings are held as often as the chairman of the Nomination Committee deems necessary, however at least twice a year. Each member of the Nomination Committee may convene a Committee meeting if considered necessary.
- 3.1.2 The agenda is drafted by the chairman of the Nomination Committee. The agenda for each meeting, accompanied by relevant material shall be sent to the other participants in the meetings in due time.
- 3.1.3 The secretariat of the board of directors shall also be secretariat of the Nomination Committee and prepares and keeps minutes of events at the Committee's meetings.

#### **3.2 Quorum**

- 3.2.1 The Nomination Committee is quorate when half and at least two of its members, including the Committee chairman, are present.
- 3.2.2 Decisions are passed by simple majority. In the event of an equal number of votes the Committee chairman has the casting vote.

### **4. DUTIES**

#### **4.1 Evaluation of the company's board of directors and management**

- 4.1.1 The Nomination Committee defines and recommends to the board of directors, which qualifications are deemed required by all members of the board of directors.
- 4.1.2 The Nomination Committee continuously assesses the board's relevant competencies. As part of this, the Committee annually issues a recommendation to the board of directors stating:
- (a) Whether there are areas in which the competencies and knowledge of the board and its members should be improved.
  - (b) Whether the composition of the board of directors is such that the board can live up to its responsibility, including performance of general and strategic duties.
  - (c) Whether the board of directors is of the right size and has the right competencies to observe the demands which flow from the company's business and activities, and to ensure constructive and effective discussions and decision processes.
- 4.1.3 The Nomination Committee annually ensures that the performances and results of the board as a whole and its individual members, along with the board's collaboration with the management, are evaluated and the findings of such evaluation are presented for discussion to the board.
- 4.1.4 The Nomination Committee continuously assesses the composition, expert knowledge and experience of the management, along with the performance and results of its duties, and issues recommendations to the board of directors on any need for changes in the management.

## **4.2 First-time election, re-election and replacements**

- 4.2.1 The Nomination Committee is responsible for the process by which the general meeting elects new board members and re-elects existing members. As part of this work the Nomination Committee shall:
- (a) Propose a competence profile for the board of directors in which the Committee lists suitable criteria for selection of board members.
  - (b) Propose an action plan for the future composition of the board.
  - (c) Identify and recommend candidates to the board of directors for nomination.
- 4.2.2 The Nomination Committee identifies and recommends candidates for the position of CEO and CFO.
- 4.2.3 When electing candidates for the board of directors, external assistance should be considered.

## **4.3 Succession planning**

- 4.3.1 The Nomination Committee shall ensure that succession plans exist for the management, including considering the adequate size of the management.
- 4.3.2 The Committee shall issue recommendations to the board of directors on the long-term succession planning and talent development.

## **5. DISCLOSURE**

- 5.1 The Nomination Committee's activities and frequency of meetings in the course of the year are disclosed in the annual report and on TCM Group A/S's website along with the names of the Committee members.

**6. CHANGES**

- 6.1 Changes to these Terms of Reference may be adopted at any time by a simple majority in the board of directors.

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Adopted by the board of directors on 2 Novemer 2017