

## **CHARTER FOR THE REMUNERATION 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 Remuneration Committee.
- 1.2 The Remuneration 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 Remuneration Committee.

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

- 2.1 The Remuneration Committee shall consist of at least two members, both of whom shall be members of the board of directors. One member is designated as chairman.
- 2.2 Members are appointed to the Remuneration Committee for one-year terms. Members may be removed by the board of directors at any time. Any member of the Remuneration Committee who resigns from the board of directors must also resign from the Remuneration Committee. The majority of the members of the Remuneration Committee must be independent.
- 2.3 The Committee convenes when it is deemed necessary or appropriate in relation to TCM Group's needs, but a minimum of once annually.

### **3. MEETINGS**

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

- 3.1.1 Meetings are held as often as the chairman of the Remuneration Committee deems necessary. Each member of the Remuneration Committee may convene a Committee meeting if considered necessary.
- 3.1.2 The agenda is drafted by the chairman of the Remuneration 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 Remuneration Committee and prepares and keeps minutes of events at the Committee's meetings.

#### **3.2 Quorum**

- 3.2.1 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 To update, prepare and submit the remuneration policy for the board of directors and the management of TCM Group A/S to the board of directors for approval when deemed necessary, however at least once a year.

- 4.2 To prepare and submit the general guidelines on incentive pay for the management and the board of directors of TCM Group A/S to the board of directors for approval prior to final approval by the annual general meeting as required by the Danish Companies Act.
- 4.3 To submit proposals to the board of directors regarding remuneration for members of the board of directors prior to approval by the annual general meeting.
- 4.4 On behalf of the board of directors to implement and agree customary adjustments to the pay and employment conditions of the management of TCM Group A/S, including remuneration, customary bonus agreements as well as employee benefits, car arrangements and severance agreements, while signature of new agreements and establishment or adjustment of share-based incentive schemes is negotiated by the Committee and submitted to the board of directors for approval or determined by the Committee pursuant to specific mandate from the board of directors.
- 4.5 To ensure that the remuneration (and other benefits accruing to the board of directors and management) are consistent with TCM Group A/S' remuneration policy and with the assessment of the individual's contribution.
- 4.6 To monitor that the disclosures in the annual report regarding remuneration to the board of directors and management are correct, give a true and fair view and are adequate.
- 4.7 To monitor other factors in relation to the tasks stated which the Remuneration Committee finds necessary in its judgement as well as other tasks which the rest of the board of directors may ask the Committee to prepare or assess.
- 4.8 The Chairman of the Remuneration Committee shall also be a member of the Nomination Committee in order to ensure adequate coordination between the committees.
- 4.9 The Remuneration Committee will not use the same external advisors as the management.
- 5. DISCLOSURE**
- 5.1 The Remuneration 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 the terms of reference of the Remuneration Committee can only be made at a board of directors' meeting where the entire board of directors is present and has the requisite majority pursuant to the board of directors' rules of procedure.
- 6.2 The changes are proposed on the basis of an annual self-assessment submitted to the board of directors.

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Adopted by the board of directors on 2 November 2017