

**DEMANT A/S  
REMUNERATION COMMITTEE**

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**TERMS OF REFERENCE**

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## **Demant A/S Remuneration Committee**

### **Terms of reference**

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The Board of Directors has decided to set up a remuneration committee.

#### **Objective and duties**

- The remuneration committee is a committee under the Board of Directors whose objective is to prepare recommendations to the Board of Directors in relation to the remuneration policy and remuneration.
- The remuneration committee has the following areas of responsibility:
  - to recommend the remuneration policy (including the general guidelines for incentive-based remuneration) to the board of directors and the executive board for approval by the board of directors prior to approval by the general meeting,
  - make proposals to the board of directors on remuneration for members of the board of directors in compliance with the company's remuneration policy
  - ensure that and the assessment of the performance of the persons concerned. The committee should have information about the total amount of remuneration that members of the board of directors and the executive board receive from other companies in the group
  - recommend a remuneration policy applicable for the company in general and
  - assist with the preparation of the annual remuneration report.
- The remuneration committee is subject to the same confidentiality and non-disclosure provisions as the Board of Directors.

#### **Committee members**

- The remuneration committee is composed of the Chairman and the Deputy Chairman of the Company.
- The Chairman of the Company's Board of Directors is also Chairman of the remuneration committee.

#### **Committee meetings**

- Meetings are held as often as deemed necessary by the Chairman, however, at least once a year.
- The Chairman may decide to invite other persons to attend committee meetings.
- Minutes of meetings are taken of each meeting in the committee.

#### **Remuneration**

- The committee members do not receive separate remuneration for their committee work.

#### **Reporting to the Board of Directors**

- At Board meetings in the Company, the Chairman shall report back to the Board of Directors about activities and decisions in the committee.

**Amendments to terms of reference**

- Changes to these terms of reference can be adopted by the Board of Directors by the majority required according to the Board's rules of procedure.