



Terms of reference Nomination and remuneration committee

These terms of reference lay down the responsibilities and authorities of the nomination and remuneration committee.

1. Scope and regulatory foundation

These terms of reference lay down the tasks and authorities of the nomination and remuneration committee ("the committee") in the public limited company Per Aarsleff Holding A/S ("Aarsleff" or "the company"), cf. recommendations 3.4.6 and 3.4.7 of the recommendations on Corporate Governance.

Recommendation 3.4.6.

"It is recommended that the board of directors establish a nomination committee, which is at least, responsible for the following preparatory tasks:

- *describing the qualifications required by the board of directors and the executive management and for a given position, indicating the time expected to be spent carrying out a specific position, as well as assessing the competencies, knowledge and experience found in the two governing bodies*
- *annually assessing the structure, size, composition and results of the board of directors and the executive management and recommend any changes to the board of directors*
- *annually assessing the competencies, knowledge, experience and succession of the individual members of the board of directors, and report to the board of directors in this respect*
- *recommending candidates for the board of directors and the executive management*
- *proposing an action plan to the board of directors on the future composition of the board of directors, including proposals for specific changes."*

Recommendation 3.4.7.

"It is recommended that the board of directors establish a remuneration committee, which is at least, responsible for the following preparatory tasks:

- *recommending the remuneration policy (including the "General guidelines for incentive-based remuneration") to the board of directors and the executive management for approval by the board of directors prior to approval by the annual general meeting*
- *Making proposals to the board of directors on remuneration for members of the board of directors and the executive management, as well as ensuring that the remuneration is in compliance with the company's remuneration policy and the assessment of the performance of the persons concerned. The committee should have information on the total remuneration that members of the board of directors and the executive management receive from other companies in the group*
- *recommending a remuneration policy applicable for the company in general*
- *assisting with the preparation of the annual remuneration report."*

2. Members and composition

2.1 The committee shall consist of at least two members who are appointed among the members of the board of directors.



2.2 The board of directors shall appoint the chairman as well as the members of the committee at the board meeting following the annual general meeting.

3. Purpose and responsibilities

3.1 The committee has been established with the following overall purpose:

- 3.1.1 Increasing the efficiency and quality of the work of the board of directors ensuring that the board of directors and the executive management always have the right competencies, qualifications, knowledge and experience to carry out their respective tasks, including
- a) preparing a description of the qualifications that members of the board of directors and the executive management must have (“Description of competencies of the board of directors”) as well as for a specific position if relevant.
 - b) annually assessing the structure, size, composition and results of the board of directors and the executive management as well as recommending any changes to the board of directors and the executive management, e.g. in consideration of the company’s policy on ensuring relevant diversity (“Policy on equality and diversity”)
 - c) at least annually assessing the competencies, knowledge and experience of the members of the board of directors and report to board of directors in this respect
 - d) assisting the board of directors in connection with new appointments and changes in the board of directors and in the executive management as well as identify candidates for the two governing bodies
 - e) proposing an evaluation procedure for the board of directors and the executive management.
- 3.1.2 Assisting the board of directors with assignments related to salary and remuneration matters subject to decision by the board of directors and ensuring that such assignments are resolved as objectively and professionally as possible, including through:
- a) preparing and recommending the company’s remuneration policies to the board of directors
 - b) overseeing that remuneration of board of directors and executive management is in compliance with the remuneration policy for the board of directors and the executive management of the company (“Remuneration policy”) and in compliance with the company’s business strategy, values and long-term interests
 - c) assisting the board of directors and the executive management in ensuring that the company complies with the current rules governing public insight into salary and remuneration issues, for example in the company’s annual report and remuneration report.
- 3.1.3 Considering other matters or questions in relation to the above-mentioned purposes which the committee deems necessary or which the board of directors requests that the committee prepares or assesses

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- 3.2 If the sole purpose of the committee is to carry out preparatory work prior to the consideration by the board of directors, the committee must present detailed accounts of its deliberations and recommendations for the board of director's decision.
- 3.3 Any delegation to the committee of tasks and authorities mentioned in 3.1 shall not amend the responsibilities or authorities of the board of directors.

4. Meetings, quorum and minutes of meetings

- 4.1 Meetings shall be held as often as the committee determines it appropriate, however at least twice a year. Any member of the committee may request the holding of a meeting if the member finds it necessary.
- 4.2 The chairman of the committee shall prepare the agenda for the meeting and send it to the members of the committee at least seven days before the meeting. To the extent that it may be necessary, the chairman of the committee may convene meetings at a shorter notice. All relevant material shall be submitted to the members of the committee together with the agenda.
- 4.3 The committee forms a quorum when at least two members are present. All resolutions by the committee must be passed by a simple majority of votes. In case of equality of votes, the chairman of the committee shall have the casting vote.
- 4.4 Dependent on the agenda, other members of the board of directors, members of the executive management and relevant employees of the company may participate in the meetings at the request of the committee.
- 4.5 The committee shall ensure that minutes of the businesses transacted at the meetings of the committee are prepared and archived. The chairman shall ensure that a copy of the minutes is sent to all members of the board of directors and, if practically possible, considered at the first meeting of the board of directors subsequent to the meeting of the committee.
- 4.6 The committee shall report and make recommendations to the board of directors on the matters set out in these terms of reference.
- 4.7 The meetings of the committee are confidential, and the members of the committee are subject to the same duty of confidentiality that applies for members of the board of directors.
- 4.8 The company shall provide a secretariat function for the committee. To the extent necessary, the committee may seek assistance from other employees of the company.

5. Evaluation, updating and publication

- 5.1 Once a year, the committee shall review its work and the terms of reference to assess whether the terms of reference are sufficient and comply with the recommendations on Corporate Governance. Any amendments of these terms of reference shall be approved by the board of directors.
- 5.2 The terms of reference shall be published on the company's website.

Approved at the board meeting on 25 August 2020.

The board of directors of Per Aarsleff Holding A/S