

# Remuneration Report 2023

H+H International A/S



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This Remuneration Report provides a specified overview of the remuneration received in 2023 by each member of the Board of Directors and of the Executive Board (i.e. the persons registered in the registry of the Danish Business Authority).

The Remuneration Report has been prepared in accordance with section 139b of the Danish Companies Act.

The Remuneration Report will be presented for an advisory vote at the annual general meeting on 9 April 2024.

# 1.0 Introduction

This Remuneration Report provides a summary of the remuneration principles under the Remuneration Policy for the Board of Directors and the Executive Board together with detailed information on the actual remuneration in 2023 for each member.

## Transparency in the remuneration reporting

The Remuneration Report for 2022 was presented for approval as an advisory vote at the annual general meeting on 30 March 2023. It was endorsed by a majority with 82.69% of the votes cast in favour of the Remuneration Report (versus 60.00% in 2022), 17.31% of the votes cast were against (versus 33.56% in 2022) and 0.00% abstained from voting (versus 6.43% in 2022).

The Remuneration Report for 2022 included information on the value of the LTIP not only at the time of launch as in previous remuneration reports, but also the actual value 3 years later at the time of vesting. The improved transparency may be a reason for the higher endorsement rate at the annual general meeting in 2023.

In this year's remuneration report, transparency is further improved by disclosure of historic KPI targets for the LTIP, that vested in 2023. See more on page 8.

## Developments in 2023

In an effort to further support achievement of H+H's long-term strategic CO<sub>2</sub> emission target for reduction of CO<sub>2</sub> emissions by 2030 and down to Net Zero by 2050, the Board of Directors introduced a CO<sub>2</sub>-based KPI to the LTIP 2023 in addition to the existing three KPIs (i.e. two financial KPIs and one peer-benchmark KPI).

The inclusion of the fourth KPI is a derogation from the Remuneration Policy that only provides for a maximum of three KPIs, but the derogation is considered immaterial and is further described in an annex to the Remuneration Policy. The Board will present the

Remuneration Policy together with proposed changes for approval at the coming annual general meeting on 9 April 2024.

## Pay-for-performance

Overall, the Remuneration Policy seeks to create a remuneration framework for H+H International A/S's Executive Board that supports achievement of the Group strategy, with a focus on ensuring the continuous long-term sustainable development of H+H's business, while creating long-term value for shareholders.

The incentive remuneration outcome earned in 2023 for the executive board members in the form of STIP and LTIP is via chosen strategic KPIs tied to the financial performance, peer benchmark, as well as the sustainability performance such as improvements within health & safety and CO<sub>2</sub> emission reduction to help achieving H+H's announced SBTi targets.

The KPI targets relating to H+H's results financially and sustainability-wise are determined with a view to establish a pay-for-performance practice.

As a result, incentive pay under STIP 2021, STIP 2022 and LTIP 2020 were high. Contrary for 2023, where H+H faced a sudden and significant shift in demand due to the rapid and substantial increase in interest rates. This slowed down construction activities and impaired results, negatively affecting coming pay-out for STIP 2023, LTIP 2021 and LTIP 2022. See the table of pending LTIPs and their expected market value on page 10.

**STIP:** Short term incentive program (one-year cash program)

**LTIP:** Long-term incentive program (3-year share-based program)

**KPI:** Key performance indicator

**SBTi:** Science-based targets under the Science Based Targets initiative concerning CO<sub>2</sub> emissions.

All amounts are in DKK, gross, unless otherwise indicated.

# 2.0 Remuneration objectives and principles

## Summary of Remuneration Policy for Board of Directors and Executive Board

The Remuneration Policy for Board of Directors and Executive Board in H+H International A/S is available at [www.HplusH.com/remuneration](http://www.HplusH.com/remuneration) and was made in compliance with sections 139 – 139a of the Danish Companies Act and the Danish corporate governance recommendations. The Remuneration Policy was adopted by the annual general meeting in 2020 and subsequently adjusted in 2021 by the Board of Directors to ensure alignment with the new corporate governance recommendations. It was adjusted again in 2023 to increase the maximum number of LTIP KPIs from 3 to 4 to make room for a CO<sub>2</sub>-based KPI while still also having two financial KPIs and one peer-benchmark KPI. The adjustments were deemed immaterial and in favour of H+H's interests. The adjustments are described in an annex to the Remuneration Policy.

As required by law, the Board will present the Remuneration Policy for approval at the annual general meeting on 9 April 2024.

The overall objective of the Remuneration Policy is to provide a remuneration framework that supports successful execution of the H+H group strategy by enabling remuneration terms that:

- Attract, motivate and retain competent members of the Board of Directors and the Executive Board – the remuneration shall be competitive to comparable companies and groups with international activities;
- Allow the Board of Directors to define KPIs and related targets for STIP and LTIP that guide and motivate the Executive Board to execute on the strategic objectives in an efficient manner and without accepting unreasonable risks, thereby contributing to the long-term sustainability of H+H; and
- Strike a balance and interplay between the components of the remuneration package that together with the defined KPI targets ensure alignment between the incentives of the Executive Board and the interests of H+H, and thus the shareholders' interests.

## Remuneration Committee and its 2023 priorities

The Board of Directors has established a Remuneration Committee that assists the Board of Directors in developing, implementing, and continuously complying with the Remuneration Policy. The Charter of the Remuneration Committee is available at [www.HplusH.com/h-h-management](http://www.HplusH.com/h-h-management). The Remuneration Committee currently consists of three board members who all are independent as defined by the Danish Recommendations on Corporate Governance.

In 2023, the Remuneration Committee:

- Reviewed the Remuneration Policy and did not find a need to propose changes to the annual general meeting in March 2023
- Reviewed the draft remuneration report for 2023 and provided input before presentation for approval to the Board of Directors

- Reviewed the overall remuneration of the Executive Board, including the annual fixed salary and benefits, outcome of the STIP for 2022 and the LTIP for 2020 to propose to the Board which adjustments should be made going forward to the remuneration level.
- Proposed KPIs and related targets for STIP 2023 and LTIP 2023 to the Board of Directors
- Reviewed the fee levels of the Board of Directors and board committees
- Reviewed the Charter for the Remuneration Committee

# 3.0 Remuneration of the Board of Directors

## Remuneration components

Based on the Remuneration Policy, the Board of Directors receives annual remuneration in the form of:

- annual fixed fee for work in the Board of Directors
- annual fixed fee for work in board committees

The annual board fee consists of a basic board fee to all members, but where the Chair receives 3 x the basic board fee and the Vice Chair 1.5 x the basic board fee.

The annual board committee fee consists of a basic committee fee, but where the Chair of the Audit Committee receives 2 x the basic committee fee.

The annual fee levels are decided by the annual general meeting for the specific financial year.

A member of the Board of Directors may receive a fixed remuneration for special ad hoc duties outside of the normal scope of duties and assigned to a board member by the Board

of Directors. There has not been any such ad hoc duties during 2023.

The members of the Board of Directors do not receive any incentive-based remuneration, retention or severance pay.

The board members do not receive any travel allowance, but H+H reimburses reasonable travel, accommodation and other expenses related to board meetings, board committee meetings and other activities of the Board of Directors and the board committees.

## Board remuneration 2023

In 2023, the composition of the Board of Directors was changed at the annual general meeting on 30 March 2023 as Jens-Peter Saul was elected as a new additional board member and all the other board members were re-elected. Following the election the Board established a new chairship consisting of Kent Arentoft as Chair and Jens-Peter Saul as Vice Chair.

The committee compositions also changed since Kajsa von Geijer joined the Audit Committee in addition to continuing in the

	(DKK thousand)					2023				
	Board	Audit Committee	Remuneration Committee	Nomination Committee	Total 2023	Total 2022	Total 2021	Total 2020	Total 2019	
<b>Kent Arentoft</b>	825 (Chair)	-	0	75 <sup>1</sup>	900	900	900	900	650	
<b>Jens-Peter Saul</b>	309 (Vice Chair)	-	56 <sup>1</sup>	0	365	-	-	-	-	
<b>Stewart Baseley</b>	275	-	-	75	350	350	350	350	325	
<b>Volker Christmann</b>	275	75	-	-	350	350	350	350	325	
<b>Kajsa von Geijer</b>	275	0	75 <sup>1</sup>	-	350	256	-	-	-	
<b>Miguel Kohlmann</b>	275	-	75 <sup>1</sup>	0	350	350	350	350	325	
<b>Helen MacPhee</b>	275	150 (Chair)	-	-	425	425	425	425	235	
<b>Pierre-Yves Jullien</b>	-	-	-	-	-	94	350	350	325	
<b>Henriette Schütze</b>	-	-	-	-	-	-	-	-	90	
<b>Total</b>	<b>2,509</b>	<b>225</b>	<b>206</b>	<b>150</b>	<b>3,090<sup>2</sup></b>	<b>2,725</b>	<b>2,725</b>	<b>2,725</b>	<b>2,275</b>	

<sup>1</sup> The single fee covers work in two committees for part or all of 2023.

<sup>2</sup> Fees were unchanged to 2022, but the Board was expanded from 6 to 7 members and a Vice Chair was appointed.

Remuneration Committee, Jens-Peter Saul entered the Nomination Committee and also the Remuneration Committee in replacement of Kent Arentoft who stepped out of the Remuneration Committee.

The annual board fees and board committee fees for 2023 were approved at the annual

general meeting on 30 March 2023. The fees remained unchanged at 2020 levels.

The Board of Directors does not find there to be any reason for claw-back claims for the remuneration for 2023 against any member of the Board of Directors.

# 4.0 Remuneration of the Executive Board

## Remuneration terms and remuneration components

In accordance with the Remuneration Policy the executive board members' normal remuneration consists of the following components:

Current annual remuneration components for executive board members	Remuneration Policy – annual maximum value allowed
Fixed salary (currently no pension contributions)	N/A
Ordinary benefits (cell phone and broadband subscriptions, health insurance etc.)	N/A
Non-ordinary benefits (currently a company car for each executive board member and reimbursement of up to EUR 7,500 per year to the CEO for consultancy services in respect of his tax declarations)	Max. value ~ 10% of annual fixed salary
Cash-based short-term incentive program	Max. value ~ 40% of annual fixed salary
Share-based long-term incentive program	Max. value at initiation ~ 60% of annual fixed salary

The allocation among the remuneration components and the total remuneration to each executive board member is subject to annual assessment by the Remuneration Committee and any adjustments are decided by the Board of Directors.

The aim of the remuneration package is that it shall, at all times, be sufficiently competitive to enable H+H to attract, motivate and retain executive board members with the relevant qualifications and to ensure both short-term

and long-term high-level performance by the Executive Board.

With a larger value allocation for the LTIP (up to 60%) than for the STIP (up to 40%) there is sufficient motivation to achieve the annual strategic targets, while still ensuring that the primary focus of the executive board members remains the long-term sustainable profitability of H+H in line with the long-term strategy and the interests of the H+H shareholders. Alignment with shareholder interests

is further enhanced by having revolving 3-year vesting periods for the LTIP, since with LTIP being share-based this ensures that a large part of an executive board member's remuneration is continuously dependent on the share price development of the H+H share. The LTIP also acts as a retention measure, since if an executive board member resigns without the company being in breach (i.e. resigns as a so-called bad leaver"), the member's participation in programs not yet vested ends immediately when giving notice and without compensation.

The members of the Executive Board are employed for an unlimited term, but they can terminate their employment by 6 months' notice till the end of a calendar month. H+H can terminate their employment by giving 12 months' notice till the end of a calendar month.

There is no severance payment in addition to payment of remuneration during the notice period for the executive board members. However, for the CEO a non-competition obligation exists, where the CEO will receive a monthly compensation of 50% of his fixed salary during the period after the end of

employment where a non-compete obligation applies. The non-compete obligation only applies if H+H terminates the employment for cause or if the CEO terminates the employment without cause, and even so, the compensation will not be paid if H+H has terminated the non-compete obligation. Termination of the non-compete obligation can take place with 30 days' notice at any time during and after the employment.

The acceptance of payment of compensation for the CEO's non-compete obligation is a derogation from the Remuneration Policy, but the Board of Directors agreed to the derogation to the Policy in order to accommodate the new CEO's demand to be compensated for a non-competition obligation, since having worked within the construction industry for most of his career, the non-compete obligation may significantly restrict his possibilities to find new employment at the same level.

In case of the death of the CFO, H+H shall pay a post-service amount to his dependants equal of up to 4 months' fixed salary. Also, in case of the death of any member of the Executive Board pro-rated incentive pay may be paid out to the dependants.

## Remuneration

No changes occurred in the composition of the Executive Board during 2023.

The Board of Directors does not find there to be any reason for claw-back claims for the remuneration for 2023 against any member of the Executive Board.

2023	Fixed remuneration		Variable remuneration			Fixed remuneration	Variable remuneration
	Fixed salary	Other benefits <sup>1</sup>	Short-term cash bonus (earned) <sup>2</sup>	Long-term share-based bonus (granted) <sup>3</sup>	Total remuneration		
<b>DKK thousand</b>							
Jörg Brinkmann, CEO <sup>4</sup>	5,215	271	626	1,563	7,675	71%	29%
Peter Klovgaard-Jørgensen CFO	2,785	232	334	0	3,351	90%	10%
<b>Total</b>	<b>8,000</b>	<b>503</b>	<b>960</b>	<b>1,563</b>	<b>11,026</b>		

<sup>1</sup> Taxable value of benefits.

<sup>2</sup> Earned for 2023 - payable in March 2024 after announcement of the annual report for 2023.

<sup>3</sup> Estimated value of share-based LTIP is defined as the number of maximum PSUs (i.e. all PSUs granted under the 2023 program to each of the executive board members) multiplied by the expected number of PSUs to vest (i.e. the "on target" number equal to 50% KPI achievement) at the grant date multiplied by the average H+H share price for the first 10 business days from the time of announcement of the annual report for 2022. Jörg Brinkmann, CEO, was granted 29,250 PSUs and Peter Klovgaard-Jørgensen, CFO, 15,600 PSUs. Peter Klovgaard-Jørgensen's PSUs were subsequently cancelled, since he exited the LTIP without compensation on 29 November 2023 when he gave notice of termination without cause (i.e. so-called "bad leaver").

<sup>4</sup> CEO Jörg Brinkmann receives a sign-on fee payable in three instalments - EUR 350,000 paid on 1 October 2022 when starting at H+H, and additionally EUR 250,000 paid on 1 October 2023 and - provided the CEO or H+H has not given notice at the time - EUR 250,000 payable on 1 October 2024. The first instalment of EUR 350,000 shall be repaid by the CEO to H+H if H+H terminates the CEO's employment (with or without notice) before 1 October 2024 due to the CEO's material breach. The CEO shall buy H+H shares at a total value equal to the EUR 250,000 net of tax and social contribution amount for each of the last two instalments during the first open trading window after receipt of each of the two instalments, and the CEO shall hold such shares until March 2025 and March 2026, respectively. The CEO's purchase of shares to be held until March 2025 have been executed and announced in company announcements in conjunction with the purchases in H2 2023.

## KPI achievement and value of STIP and LTIP

2023	KPIs <sup>1</sup>	Weight of KPI	KPI achievement <sup>4</sup>	KPI achievement <sup>4</sup>
<b>Short-term bonus (earned in 2022)</b>				
Max. value				
~ 40% annual fixed salary	Group EBIT margin	37.5%	0%	0%
	Group nominal EBIT	37.5%	0%	0%
	Group LTIF (lost-time incident frequency)	15.0%	100%	100%
	Group CO <sub>2</sub> emissions kg/m <sup>3</sup> (scope 1+2 SBTi)	15.0%	100%	100%
<b>Total</b>		<b>100.0%</b>		

### Long-term bonus (PSUs granted in 2023)<sup>3</sup>

Max. value at initiation				
~ 60% annual fixed salary	ROIC ratio	28.33%	50.0%	-
	EBIT ratio	28.33%	50.0%	-
	Peer benchmark <sup>2</sup>	28.33%	50.0%	-
	Group CO <sub>2</sub> emissions (scope 1+2 SBTi) <sup>5</sup>	15.00%	50.0%	-
<b>Total</b>		<b>100.0%</b>		-

<sup>1</sup> All KPIs have quantifiable targets, that most often are an interval, but that can also be binary. A bonus qualifier applies to each KPI, meaning that a qualifying threshold is determined for each KPI's target (e.g., a minimum value or a certain event), and if that threshold is not achieved, then no bonus is earned on that specific KPI. The targets set for the STIP are one-year targets for the financial year being reported, whereas the targets set for the LTIP concern the financial years during the 3 year vesting period. When setting the targets, the potential values of three scenarios are considered, i.e. pessimistic = 0% KPI achievement, on target = 50% KPI achievement and optimistic = 100% KPI achievement.

<sup>2</sup> KPI for peer benchmark is the Total Shareholder Return (TSR) development. The peer group comprises international building material producers.

<sup>3</sup> Jörg Brinkmann, CEO, was granted 29,250 PSUs and Peter Klovgaard-Jørgensen, CFO, 15,600 PSUs, however, Peter Klovgaard-Jørgensen's PSUs were subsequently cancelled, since he handed in his notice of termination and therefore exited the LTIP without compensation due to being a so-called "bad leaver".

<sup>4</sup> KPI achievement stated for short-term bonus is the actual achievement for 2023, whereas an "on target" achievement has been applied as best estimate for the LTIP bonus initiated in 2023 and vesting in 2026.

<sup>5</sup> Measurement of absolute volume of CO<sub>2</sub> in line with the measurement under SBTi, whereas the CO<sub>2</sub> measurement under the STIP 2023 concern CO<sub>2</sub> emissions per kg/m<sup>3</sup> production volume.

### Vesting of LTIP 2020

In 2023 the LTIP 2020 vested, a PSU program where each executive board member was granted PSUs at a value equal to 60% of each executive board member's annual fixed salary at the time of initiation of the program. The value of a PSU under the program would normally be calculated based on the average share price for the first 10 trading days after release of the annual report. However, since the share price dropped significantly during the

10 trading days and in the time following that due to the financial market turmoil caused by the corona lock-downs and other restrictions in March 2020, the Board decided to determine a PSU value more aligned to the share price prior to the lock-downs to avoid that an excessive number of PSUs were granted.

Every PSU granted gave the member the possibility to receive 0 - 1 H+H share per PSU

at the time of vesting depending on the extent of achievement of the KPI targets determined at initiation of LTIP 2020.

KPI target achievements for LTIP 2020 reflect the favorable market conditions resulting in high earnings for 2021 and 2022.

Executive board members	Initiation KPI targets set	Vesting year	KPI	Targets	KPI achievement	Weight of KPI	Number of PSUs at vesting	Share price at vesting	Value of the PSUs at vesting
Michael T Andersen, former CEO	2020	2023	ROIC-ratio	14.00% - 17.00%	100%	1/3	7,800		DKK 900,120
			EBIT-ratio	10.50% - 12.50%	100%	1/3	7,800	DKK 115.40	DKK 900,120
			Peer benchmark	25.00% - 75.00%	40.90%	1/3	3,190		DKK 368.126
									2,168,366
Peter Klovgaard-Jørgensen, CFO	2020	2023	ROIC-ratio	14.00% - 17.00%	100%	1/3	4,600		DKK 530,840
			EBIT-ratio	10.50% - 12.50%	100%	1/3	4,600	DKK 115.40	DKK 530,840
			Peer benchmark	25.00% - 75.00%	40.90%	1/3	1,881		DKK 217,067
									1,278,747

<sup>1</sup> 4,000 of the shares vesting for Peter Klovgaard-Jørgensen were settled in cash instead of shares to use for payment of tax on the receipt of shares. The cash settlement took place based on the share price at vesting.



# 5.0 Annual change – management pay, results and CEO pay-ratio

DKK thousand	2023	2022	2021	2020	2019	DKK thousand	2023	2022	2021	2020	2019
<b>Board of Directors<sup>6</sup></b>						<b>Executive Board</b>					
Kent Arentoft (Chair)	900	900	900	900	650	Former CEO - remuneration <sup>1</sup>	-	5,405	7,709	6,824	7,120
Change year-on-year	0%	0%	0%	38%	-	Change year-on-year	-	-30%	13%	-4%	-
Jens-Peter Saul (Vice Chair)	365	-	-	-	-	CEO – remuneration <sup>2</sup>	7,675	8,422	-	-	-
Change year-on-year	-	-	-	-	-	Change year-on-year	-9%	-	-	-	-
Stewart Baseley	350	350	350	350	325	CFO – remuneration <sup>3</sup>	3,351	4,351	4,836	4,052	3,895
Change year-on-year	0%	0%	0%	8%	-	Change year-on-year	-23% <sup>7</sup>	-10%	19%	4%	-
Volker Christmann	350	350	350	350	325	<b>H+H Group results<sup>4</sup></b>					
Change year-on-year	0%	0%	0%	8%	-	Revenue	2,672	3,604	3,020	2,654	2,840
Kajsa von Geijer	350	350	-	-	-	Change year-on-year	-26%	19%	14%	-7%	-
Change year-on-year	0%	-	-	-	-	Nominal EBIT bsi	57	455	408	332	366
Miguel Kohlmann	350	350	350	350	325	Change year-on-year	-87%	12%	23%	-9%	-
Change year-on-year	0%	0%	0%	8%	-	EBIT % bsi	2%	13%	14%	13%	13%
Helen MacPhee	425	425	425	425	325	Change year-on-year	-11 pct. points	-1 pct. points	1 pct. points	0 pct. points	-
Change year-on-year	0%	0%	0%	31%	-	ROIC (excl. goodwill)	-9%	19%	20%	18%	20%
Pierre-Yves Jullien	-	350	350	350	325	Change year-on-year	-28 pct. points	-1 pct. points	2 pct. points	-2 pct. points	-
Change year-on-year	-	0%	0%	8%	-	<b>H+H International A/S non-executives<sup>5</sup></b>					
Henriette Schütze	-	-	-	-	90	Total average annual remuneration					
Change year-on-year	-	-	-	-	-	(incl. bonus, benefits etc.)	1,240	1,665	1,701	1,903	2,120
						Change year-on-year	-26%	-2%	-11%	-10%	-
						<b>Ratio - CEO pay vs. average non-executive pay</b>					
						CEO: average non-executive in H+H International A/S	6.2	5.1	4.2	3.5	3.2

<sup>1</sup> For comparison, remuneration for former CEO for 2022 has been annualised

<sup>2</sup> The CEO started employment from 1 October 2022 and therefore only received remuneration for 3 months in 2022, so for comparison, the remuneration for 2022 has been annualised.

The CEO remuneration includes sign-on bonus instalments for 2022 and 2023 and is therefore higher than normal. Information on the sign-on bonus scheme is provided in the first table, footnote 4 on page 7.

<sup>3</sup> The CFO started employment from 1 June 2019 and therefore only received remuneration for 7 months in 2019, so for comparison, the remuneration for 2019 has been annualised.

<sup>4</sup> Definitions as stated in the annual report 2023. The results for H+H International A/S are not provided, since H+H International A/S has no real revenue due to being solely a holding company.

<sup>5</sup> Non-executives are all employees who are not registered members of the Executive Board.

<sup>6</sup> For comparison, the annual fee for board members the year they entered or exited the Board of Directors has been annualised.

<sup>7</sup> The CFO exited the 2023 LTIP without compensation due to handing in his notice of resignation, so the value of his 2023 LTIP is DKK 0.

# 6.0 Long-term incentive programs

## Share-based long-term incentive programs (LTIPs)

### Board of Directors

In line with Recommendations on Corporate Governance issued by the Danish Committee on Corporate Governance the members of the Board of Directors are not part of any incentive programs in H+H International A/S.

### Executive Board

Members of the Executive Board participate in LTIPs which since 2020 have been a performance share unit (PSU) program. The vesting period is approx. 3 years from initiation, with a program being initiated each year, typically a few weeks after announcement of the annual report for the previous financial year.

KPIs apply for all LTIPs. All KPIs have targets, that most often are an interval, but that can also be binary.

A bonus qualifier applies to each KPI, meaning that a qualifying threshold is determined for each KPI's target (e.g., a minimum value or a certain event), and if that threshold is not achieved, then no bonus is earned on that

specific KPI. The targets set for STIPs are one-year targets for the financial year being reported, whereas the targets set for LTIPs are measured for the financial years during the 3-year vesting period. When setting a target, the potential values of three scenarios are considered, i.e., pessimistic = 0% KPI achievement, on target = 50% KPI achievement and optimistic = 100% KPI achievement.

At initiation of a PSU program each executive board member is granted a number of PSUs equal to a maximum value of 60% of the member's annual fixed salary at the time of initiation. The grant of PSUs is free of charge for the participants; however, the Board of Directors may decide at any time for future programs that the executive board members must own a certain number of H+H shares to be eligible to be granted PSUs under the new program.

The number of PSUs vesting by the end of the vesting period depends on the extent of achievement of each of the KPI targets determined when the PSUs were granted. Each PSU that vests holds a right to one H+H share free of charge.

When PSUs vest under LTIPs, H+H International A/S usually settles by transferring H+H shares to the participants, but settlement can also at its discretion take place in whole or in part in cash based on the H+H share price on the date of vesting.

An overview of the PSUs vested under LTIP 2020 and the value thereof to each executive board member is shown in a table on p. 8. Similarly, an overview of the pending LTIPs and their estimated value at 29 December 2023 to each executive board member is shown in the table below.

Executive Board Members	Vesting period	PSUs expected to vest	Expected market value <sup>1</sup> (DKK thousands)
Jörg Brinkmann, CEO	2021 - 2023	N/A	N/A
	2022 - 2024	2,902	257,689
	2023 - 2025	18,808	1,670,128
Peter Klovgaard-Jørgensen, CFO <sup>2</sup>	2021 - 2023	-	-
	2022 - 2024	-	-
	2023 - 2025	-	-
Michael T. Andersen, former CEO <sup>3</sup>	2021 - 2023	0	0
	2022 - 2024	-	-
	2023 - 2025	-	-

<sup>1</sup> Expected market value based on share price as of 29th December 2023 of DKK 88,80

<sup>2</sup> The CFO exited the pending LTIPs without compensation when resigning (i.e. so-called bad-leaver).

<sup>3</sup> No PSUs and therefore no shares vest in March 2024, since none of the three KPI targets were achieved (i.e. ROIC-ratio, EBIT-ratio, peer-benchmark)

# 7.0 Shares owned by management in 2023

Below is an overview of shares owned by members of the Board of Directors and the Executive Board during 2023.

DKK thousand	Start 2023	Bought or vested 2023	Sold 2023	End 2023	Market value end 2023 <sup>1</sup>
<b>Board of Directors</b>					
Kent Arentoft (Kata Group ApS)	60,000	-	-	60,000	5,328
Jens-Peter Saul, Vice Chair	-	6,259	-	6,259	556
Stewart Antony Baseley	22,500	-	-	22,500	1,998
Volker Christmann	-	-	-	-	-
Kajsa von Geijer	-	-	-	-	-
Miguel Kohlmann	-	-	-	-	-
Helen MacPhee	-	-	-	-	-
<b>Total</b>	<b>82,500</b>	<b>6,259</b>	<b>0</b>	<b>88,759</b>	<b>7,882</b>
<b>Executive Board</b>					
Jörg Brinkmann, CEO	-	14,000	-	14,000	1,243
Peter Klovgaard-Jørgensen, CFO <sup>2</sup>	7,962	7,081 <sup>2</sup>	-	15,043	1,336
<b>Total</b>	<b>7,962</b>	<b>21,081</b>	<b>0</b>	<b>29,043</b>	<b>2,579</b>

<sup>1</sup> Share price at 29 December 2023 - i.e. DKK 88.8 per share.

<sup>2</sup> For Peter Klovgaard-Jørgensen 11,081 shares vested under LTIP 2020 in March 2023, out of which 4,000 were settled in cash.

# Statement by the Board of Directors

The Board of Directors has today considered and approved the Remuneration Report of H+H International A/S for the financial year 1 January - 31 December 2023.

The Remuneration Report has been prepared in accordance with section 139b of the Danish Companies Act.

In our opinion, the Remuneration Report is in accordance with the Remuneration Policy adopted by the annual general meeting as subsequently adjusted, and is free from material misstatements and omissions, whether due to fraud or error.

Copenhagen, 5 March 2024

## Board of Directors

**Kent Arentoft**  
(Chair)

**Jens-Peter Saul**  
(Vice Chair)

**Stewart A Baseley**

**Volker Christmann**

**Kajsa von Geijer**

**Miguel Kohlmann**

**Helen MacPhee**

# Independent Auditor's Report on Remuneration Report

## To the Shareholders of H+H International A/S

We have examined whether the Remuneration Report for H+H International A/S for the financial year 1 January - 31 December 2023 contains the information required under section 139 b, subsection 3 of the Danish Companies Act.

We express reasonable assurance in our conclusion.

## The Board of Directors' responsibility for the Remuneration Report

The Board of Directors is responsible for the preparation of the Remuneration Report in accordance with section 139 b, subsection 3 of the Danish Companies Act. The Board of Directors is also responsible for the internal control that the Board of Directors deems necessary to prepare the Remuneration Report without material misstatement, regardless of whether this is due to fraud or error.

## Auditor's independence and quality management

We have complied with the independence requirements and other ethical requirements in the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour and ethical requirements applicable in Denmark.

PricewaterhouseCoopers is subject to the International Standard on Quality Control, ISQC 1, and thus applies a comprehensive quality control system, including documented policies and procedures concerning compliance with ethical requirements, professional standards and current statutory requirements and other regulation.

## Auditor's responsibility

Our responsibility is to express a conclusion on the Remuneration Report based on our examinations. We conducted our examinations in accordance with ISAE 3000 (revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information and the additional requirements applicable in Denmark to obtain reasonable assurance in respect of our conclusion.

As part of our examination, we checked whether the Remuneration Report contains the information required under section 139 b, subsection 3 of the Danish Companies Act, number 1 - 6, on the remuneration of each individual member of the Executive Board and the Board of Directors.

We believe that the procedures performed provide a sufficient basis for our conclusion. Our examinations have not included procedures to verify the accuracy and completeness of the information provided in the Remuneration Report, and therefore we do not express any conclusion in this regard.

## Conclusion

In our opinion the Remuneration Report, in all material respects, contains the information required under the Danish Companies Act, section 139 b, subsection 3.

Hellerup, 5 March 2024

## PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab  
CVR No 33 77 12 31

Jacob F Christiansen  
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