

To the shareholders of H+H International A/S



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11 March 2020

Notice of annual general meeting of H+H International A/S

The Board of Directors of H+H International A/S hereby invites the company's shareholders to attend the annual general meeting of H+H International A/S, which will be held at Charlottehaven, Hjørringgade 12C, 2100 Copenhagen Ø, Denmark on

Thursday 2 April 2020 at 10.00 am CEST

AGENDA INCLUDING COMPLETE PROPOSALS

- 1. Management's report on the company's activities in the past year**
The Board of Directors proposes that the management's report on the company's activities be adopted.
- 2. Presentation and adoption of the audited 2019 annual report**
The Board of Directors proposes that the audited 2019 annual report be adopted.
- 3. Resolution on discharging the Executive Board and the Board of Directors from liability**
The Board of Directors proposes that the general meeting grants the Executive Board and the Board of Directors discharge from liability in relation to the 2019 annual report.
- 4. Resolution concerning distribution of profit or covering of loss acc. to the adopted 2019 annual report**
The Board of Directors proposes that the company's result according to the adopted 2019 annual report be carried forward to the next financial year and that no dividend be distributed.
- 5. Resolution concerning the Board of Directors' remuneration for 2020**
The Board of Directors proposes a new remuneration structure in which the remuneration is divided into a remuneration for the Board of Directors and a remuneration for the committees under the Board of Directors like in most listed companies. The following annual remuneration is proposed:
 - Base board fee for the ordinary members of the Board of Directors DKK 275,000
 - 3 x the base board fee for the Chairman of the Board of Directors
 - 1.5 x the base board fee for the Deputy Chairman of the Board of Directors (if such is elected)
 - Base committee fee to members of a board committee (except for the chairman of the Audit Committee) DKK 75,000
 - 2 x the base committee fee for the Chairman of the Audit Committee



Based on the present composition of the Board of Directors and committees under the Board of Directors, the total remuneration for the Board of Directors will be increased from DKK 2,275,000 to DKK 2,875,000. In the opinion of the Board of Directors, the proposed total remuneration level and the distribution between the ordinary members and the Chairman of the Board of Directors and the Chairman of the Audit Committee is market-consistent compared to other Mid Cap companies' total remuneration level and distribution.

In addition to the abovementioned fees, the company will reimburse or pay any statutory social security taxes and similar taxes imposed by non-Danish authorities in relation to the fees.

Remuneration shall be paid quarterly in arrears. In the event, that a board member is elected to or retires from the Board of Directors or a committee under the Board of Directors or the position as Chairman or Deputy Chairman, if relevant, at another time than at an annual general meeting, the remuneration shall be determined proportionately to the time period that the member holds his or her position.

6. Election of members to the Board of Directors

The term for all current board members expires at the annual general meeting, and all members are elected at the annual general meeting for a period expiring at the annual general meeting in 2021.

At the past three annual general meetings, the Board of Directors has been changed, and since the Board of Directors assesses that the current composition of competences among the board members matches the company's needs, the Board of Directors recommends that the Board of Directors not be changed this year.

Accordingly, all 6 board members stand for re-election and, consequently, the Board of Directors proposes re-election of:

- a. Kent Arentoft**
Professional board member
Danish, born 1962
- b. Stewart A. Baseley**
Executive Chairman, Home Builders Federation, UK
British, born 1958
- c. Volker Christmann**
Senior Vice President and member of the group management in Rockwool International A/S
German, born 1957
- d. Pierre-Yves Jullien**
Professional board member
French, born 1950
- e. Miguel Kohlmann**
Professional board member
German and Brazilian, born 1962



f. Helen MacPhee

VP Finance: Global Finance Services, AstraZeneca plc (UK)
British, born 1962

Reference is made to the 2019 annual report for a description of the competences, experience, independence, etc., of the individual candidates above.

7. Appointment of auditor

The Board of Directors proposes re-appointment of Deloitte Statsautoriseret Revisionspartnerselskab.

The proposal follows the Audit Committee's recommendation to the Board of Directors. The Audit Committee's recommendation was not influenced by any third parties or by any agreements with third parties limiting the general meeting's election of auditor to certain auditors or auditing firms.

8. Other resolutions proposed by the Board of Directors and shareholders

Resolutions proposed by the Board of Directors

a. Authorisation of the Board of Directors to permit the company to acquire treasury shares

The Board of Directors proposes that the general meeting authorises the Board of Directors, until the next annual general meeting, to allow the company to acquire treasury shares on an ongoing basis to the extent that the nominal value of the company's total holding of treasury shares at no time exceeds 10% of the company's share capital. The purchase price paid in connection with the acquisition of the treasury shares must not deviate by more than 10% from the most recently quoted market price of the shares on NASDAQ Copenhagen A/S at the time of acquisition.

b. Amendment to article 2A.1 of the Articles of Association

The Board of Directors proposes to delete the current article 2A.1 from the Articles of Association and replace it with a new article 2A.1.

The background for the proposal is that the company has exhausted the current authorisation and, therefore, wants a new authorisation to issue new shares to support the company's growth strategy since the authorisation provides the possibility for flexibility and quick action if it becomes possible to participate in further restructuring and development of relevant markets.

As a result thereof, a resolution is proposed to adopt a new article 2A.1 to be included in the Articles of Association with the following wording:

"2A.1. The Board of Directors is in the period until 2 April 2025 authorised at one or more times to decide to increase the company's share capital by up to a nominal value of DKK 17,983,365 by issuing new shares at market price or at a discount to market price by way of cash contribution, contribution in kind or conversion of debt. The capital increase shall be with preemptive subscription rights for the company's existing shareholders. The new shares shall be paid up in full. The new shares shall in all respects rank pari passu with the existing shares. The new shares shall be negotiable instruments, shall be issued in the names of the holders and shall rank for dividends and other rights in the company from such time as is determined by the Board of Directors in its decision to increase the company's share capital pursuant to this Article.



As a result thereof, the Board of Directors also proposes to make consequential amendments to article 2A.3. of the Articles of Association to the following wording by deleting the last paragraph of the current wording:

"2A.3. The Board of Directors may implement the necessary amendments to the Articles of Association in connection with increases to the share capital in accordance with the above Articles 2A.1.-2A.2."

c. Amendment to article 9 of the Articles of Association

In addition to general clarifications and a change of the sequence of some of the items, the Board of Directors proposes the following wording as a result of the amendments to section 139b of the Danish Companies Act according to which the company as of 2021 must prepare a remuneration report for the latest financial year and where the general meeting must take an indicative vote on the approval of the remuneration report for the preceding financial year at the annual general meeting, the first time being in 2021:

"The agenda for the annual general meeting shall include the following items:

- 1. Management's report on the company's activities in the past financial year*
- 2. Approval of the audited annual report*
- 3. Resolution on discharging the Executive Board and the Board of Directors from their liabilities*
- 4. Resolution on distribution of profit or covering of loss in accordance with the adopted annual report*
- 5. Indicative vote on the remuneration report for the past financial year*
- 6. Resolution concerning the Board of Directors' remuneration for the current financial year*
- 7. Other resolutions proposed by the Board of Directors and shareholders*
- 8. Appointment of auditor*
- 9. Election of members to the Board of Directors*
- 10. Any other business"*

d. Amendment to article 14.6 of the Articles of Association

The Board of Directors proposes that the remuneration policy and the remuneration report be included in the documents which can be prepared and presented in English. Accordingly, the Board of Directors proposes the following wording:

"The company's annual reports, interim financial reports, remuneration policy, remuneration reports and company announcements shall be prepared and presented in English."

e. Approval of remuneration policy

In accordance with the new requirements under sections 139 and 139a of the Danish Companies Act to the company's remuneration policy, the Board of Directors proposes that the remuneration policy for the Board of Directors and the Executive Board enclosed as schedule A to this agenda be adopted.

As a result of the amendment to section 139 of the Danish Companies Act according to which the previous requirement for general guidelines for incentive-based remuneration for the company's Board of Directors and Executive Board has been replaced by a requirement for a remuneration policy for the Board of Directors and the Executive Board, article 16 of the Articles of Association will be informally deleted from the Articles of Association, and article 17 will then become article 16, article 18 will become article 17 and so forth.



f. Authority to the chairman of the annual general meeting

The Board of Directors proposes that the chairman of the annual general meeting is, with a right of substitution, authorised to make such amendments and additions to the resolutions passed by the general meeting and to the application for registration with the Danish Business Authority as the Authority may require for registration.

9. Any other business

MAJORITY

The resolutions proposed by the Board of Directors under items 8.b, 8.c and 8.d of the agenda will each be adopted if the proposed resolution is passed by at least two-thirds of the votes cast as well as two-thirds of the share capital represented at the general meeting, see section 106(1) of the Danish Companies Act and article 12.2 of the Articles of Association. All other agenda items may be passed by a simple majority of votes, see section 105(1) of the Danish Companies Act and article 12.1 of the Articles of Association or will be informally deleted, see section 139(6) of the Danish Companies Act.

SHAREHOLDER INFORMATION

The share capital of the company is DKK 179,833,650 divided into shares of DKK 10 or multiples thereof. Each share with a nominal value of DKK 10 entitles the holder to one vote, see articles 2.1, 2.2 and 11.1 of the Articles of Association. Pursuant to section 85 of the Danish Companies Act, the voting share capital must be calculated less the shares held by the company as treasury shares. As at today, the company holds 105,099 treasury shares.

A shareholder is entitled to participate in and vote at the general meeting, if the shareholder's shareholding no later than on the record date is registered in the company's register of shareholders or the shareholder no later than on the record date has notified and substantiated the acquisition of shares with a view to registration in the register of shareholders, see article 11.2 of the Articles of Association. The record date is **Thursday 26 March 2020**.

Furthermore, the shareholder must have obtained an admission card or submitted absentee votes (i.e. by proxy or postal votes) in due time (see the deadlines listed below). In this respect, please note that a shareholder may *either* assign a proxy *or* vote by post, but not both.

The following information is available for the shareholders to view and print on the company's website at www.HplusH.com/general-meeting up until and including the day of the annual general meeting:

- The notice and the agenda including the complete proposals for the items on the agenda
- The documents to be presented at the annual general meeting, including the audited 2019 annual report
- Form for request of admission cards to the general meeting
- Proxy form and form for voting by post
- The total number of shares and voting rights in the company at the date of the notice convening the general meeting

The notice convening the general meeting will be made available on the company's website and e-mailed to all shareholders having registered an e-mail address in the register of shareholders as of today's date. Therefore, all shareholders that have not yet registered an e-mail address are urged to register an e-mail address via the H+H Shareholder Portal at www.HplusH.com/shareholder-portal. By doing so, the shareholder will automatically receive all future notices for general meetings by e-mail.



The company has designated Danske Bank A/S as its custodian bank, through which the company's shareholders may exercise their financial rights.

ADMISSION CARDS

Shareholders wishing to attend the general meeting must order an admission card in due time for the order to be received by Computershare A/S no later than on **Friday 27 March 2020** by:

- visiting the H+H Shareholder Portal at www.HplusH.com/shareholder-portal and registering electronically (remember to have your NemID or your VP account number available), or
- printing the registration form available on the company's website at www.HplusH.com/general-meeting and returning it – duly completed and signed – to Computershare A/S, Lottenborgvej 26 D, 1st floor, 2800 Kgs. Lyngby, Denmark, by mail or by e-mail at info@computershare.dk.

Please notice that ordered admission cards will not be sent out by regular mail. Instead, admission cards will be sent out electronically via e-mail to the e-mail address specified in the shareholder portal upon registration. The admission card must be presented at the entrance door of the general meeting venue either in print or electronically on a smartphone, tablet or laptop. Admission cards that are ordered without specifying an e-mail address can be picked up from 9.30 am CEST at the entrance door at the general meeting venue against presentation of a valid ID.

A shareholder may attend the general meeting together with an adviser, provided that an admission card was ordered in due time for the adviser.

Voting forms will first be handed out at the entrance door of the annual general meeting venue for the shareholders that attend the general meeting themselves or by proxy, provided that such shareholders have not voted beforehand (by submission of postal votes or assignment of proxy to the chairman of the Board of Directors or proxy to cast votes according to the shareholder's instruction).

PROXY

A shareholder may attend the general meeting by proxy by:

- assigning a proxy to a named third party by requesting an admission card for the third party in question,
- assigning a proxy to the chairman of the Board of Directors to cast votes in accordance with the Board of Directors' recommendations, or
- assigning a proxy to cast votes in accordance with the shareholder's instruction on how to vote in respect of each resolution proposed.

Proxy to a named third party other than the Board of Directors shall be made in a written, dated and signed form and be produced by the proxy at the general meeting together with an admission card. A proxy may attend together with an adviser, provided an admission card was ordered in due time for the adviser.

A proxy form can be found at the H+H Shareholder Portal at www.HplusH.com/shareholder-portal and may be completed and submitted electronically via the H+H Shareholder Portal (remember to have your NemID or VP account number available) no later than on **Friday 27 March 2020**.



Alternatively, the proxy form can be printed from the company's website at www.HplusH.com/general-meeting and returned – duly completed and signed – to Computershare A/S Lottenborgvej 26 D, 1st floor, 2800 Kgs. Lyngby, Denmark, by mail, or by e-mail at info@computershare.dk in due time for it to reach Computershare A/S no later than on **Friday 27 March 2020**.

VOTING BY POST

A shareholder may exercise the shareholder's voting rights by voting by post.

A form for submitting postal votes can be found at the H+H Shareholder Portal at www.HplusH.com/shareholder-portal. The form may be filled out and submitted electronically (remember to have your NemID or VP account number available) via the H+H Shareholder Portal no later than on **Wednesday 1 April 2020 at 12.00 CEST (noon)**.

Alternatively, the form for submitting postal votes can be printed from the company's website at www.HplusH.com/general-meeting and returned – duly completed and signed – to Computershare A/S, Lottenborgvej 26 D, 1st floor, 2800 Kgs. Lyngby, Denmark, by mail, or by e-mail at info@computershare.dk in due time for it to reach Computershare A/S no later than on **Wednesday 1 April 2020, at 12.00 CEST (noon)**.

WRITTEN QUESTIONS FROM SHAREHOLDERS

Prior to the general meeting, shareholders may submit written questions to the company regarding the agenda items or documents etc. to be presented at the annual general meeting. Questions must be e-mailed with clear identification of the shareholder to the company at shareholder@HplusH.com no later than on **Wednesday 1 April 2020 at 12.00 CEST (noon)**.

H+H International A/S
The Board of Directors



SCHEDULE A

H+H International A/S Remuneration policy for Board of Directors and Executive Board

1 SCOPE

This Remuneration Policy (Policy) for H+H International A/S (H+H) concerns remuneration of the members of the Board of Directors and the members of the Executive Board registered with the Danish Business Authority.

The Policy replaces “Remuneration guidelines for the Board of Directors and the Executive Board, including general guidelines for incentive pay to the Executive Board” adopted at the general meeting held 19 April 2018. All remuneration agreements with members of the Board of Directors and the Executive Board, whether they are new agreements or amendments to or prolongation of existing agreements, executed after adoption of this Policy must adhere to the Policy, whereas remuneration agreements executed prior to adoption of this Policy will continue on the terms already agreed, which terms to some degree may differ from some of the principles in this Policy.

2 OBJECTIVES

The strategy for H+H and its subsidiaries (H+H group) is determined by the Board of Directors with a focus on ensuring the continuous long-term sustainable development of the H+H group’s business while creating value for shareholders.

The overall objective of this Policy is to create a remuneration framework for H+H’s Board of Directors and Executive Board that supports achievement of the strategy by enabling remuneration terms:

- that attract, motivate and retain competent members of the Board of Directors and the Executive Board;
- that allow the Board of Directors to define key performance indicators (KPIs) for short-term incentive programs (STIP) and long-term incentive programs (LTIP), respectively, that guide and motivate the Executive Board to execute on the strategic objectives in an efficient manner and without accepting unreasonable risks, and thereby contribute to the long-term sustainability of H+H; and
- that strike a balance and interplay between the components of the remuneration package (i.e. fixed remuneration, STIP and LTIP) that together with the defined KPIs ensure alignment between the incentives of the Executive Board and H+H’s and thus the shareholders’ interests.

3 REMUNERATION OF THE BOARD OF DIRECTORS

3.1 General

The remuneration for the Board of Directors shall be competitive, but not market-leading, compared to the remuneration paid in other comparable companies and groups with international activities.

3.2 Fixed annual remuneration

The Board of Directors shall receive remuneration in the form of annual fixed fees, and the Chairman of the Board of Directors and the Deputy Chairman (if any) shall receive more than the ordinary board members as follows:

- Annual fixed basic board fee – to all ordinary members of the Board of Directors
- 3 x annual fixed basic board fee – to the Chairman of the Board of Directors
- 1.5 x annual fixed basic board fee – to the Deputy Chairman of the Board of Directors (if any)



The board committee members shall receive remuneration in the form of annual fixed fees, and the Chairman of the Audit Committee shall receive more than the ordinary board committee members as follows:

- Annual fixed basic board committee fee – to all ordinary members of a board committee
- 2 x annual fixed basic board committee fee – to the Chairman of the Audit Committee

If a board member is elected to the Board of Directors at an extraordinary general meeting and if a board member resigns at another point in time than at the annual general meeting, the board fees and board committee fees payable in the financial year of entry or exit shall be paid out proportionally to the time that the member was a member during the said financial year. The annual fixed fees shall be paid out in quarterly instalments, but the first instalment shall not be paid out until the general meeting has approved the annual fee levels for that financial year.

The remuneration of the Board of Directors is assessed annually by the Board of Directors based on recommendations from the Remuneration Committee. The recommendations are derived from benchmarks against relevant peers considering the complexity of H+H's business, the governance structure, number of meetings and board members as well as the composition of the Board of Directors in respect of competences, international experience etc. The Board of Directors then decides on the fee proposal to submit to the general meeting for that financial year.

3.3 Fixed remuneration for ad-hoc duties

Members of the Board of Directors who have special ad-hoc duties assigned to them by the Board of Directors outside of the normal scope of their duties in the Board of Directors and the board committees they are members of may receive separate fixed remuneration that is aligned to the scope of the ad-hoc duties assigned.

3.4 Incentive-based remuneration

The members of the Board of Directors shall not receive any type of incentive-based remuneration. Similarly, there shall be no retention or severance pay to members of the Board of Directors.

3.5 Social security taxes and D&O insurance coverage

H+H may cover the board of director members' social security and similar taxes imposed by foreign authorities in respect of the board remuneration. As is customary, H+H shall take out a Director & Officer (D&O) liability insurance.

3.6 Reimbursement of expenses

Reasonable travel, accommodation and other expenses in connection with board meetings, board committee meetings and other activities related to the Board of Directors or a board committee shall be reimbursed by H+H on submission of receipts.

4 REMUNERATION OF THE EXECUTIVE BOARD

4.1 General

The remuneration for the Executive Board shall be competitive, but not market-leading, compared to the remuneration paid in other comparable companies with international activities.

4.2 Remuneration components and remuneration principles

The components of the Executive Board's total remuneration are combined on the basis of market practice and H+H's specific strategy at any given time. The Executive Board's remuneration may consist of a combination of:



| <i>Remuneration components</i> | <i>Annual maximum value</i> |
|--|-----------------------------|
| Fixed salary (incl. pension contribution (if any)) (hereinafter collectively "fixed salary") | 100% |
| Non-ordinary fixed benefits (e.g. car) and gross salary items and services (if any)* | 10% |
| Cash-based STIP | 40% |
| Share-based LTIP | 60%** |

** In addition, ordinary benefits such as company paid insurances (life, health, accident, D&O liability etc.), phone, broadband access, news subscriptions etc. may be provided, but the value of these benefits make up only a small part of the total annual remuneration.*

***Max. value at initiation of program.*

When developing the Executive Board's remuneration package choosing components and their internal balance, consideration has been made to the remuneration package of H+H's other employees. To help support fulfilment of H+H's strategy, the remuneration of H+H's other employees follow the same overall principles and to a large degree also remuneration components and KPIs described in this Policy, especially for H+H's group management members not being executive board members and other key employees. When determining the executive board members' remuneration level and other remuneration terms, the Board of Directors shall not only look to market practices for remuneration in comparable companies, but also consider the remuneration level of the other employees in H+H and seek an appropriate balance that reflects the competences, duties and responsibilities as well as the risk of termination of the executive board members compared with the other employees in H+H.

Factors that shall be considered when assessing and determining the level of each component and the key performance indicators (KPIs) for the incentive-based remuneration are the strategic challenges and opportunities of the H+H group, the ongoing execution of the strategy and the results achieved, the H+H group's size and the complexity of the business as well as the remuneration practices and pay levels for comparable businesses. The total remuneration to the executive board members is subject to annual assessment by the Remuneration Committee and any adjustments are decided by the Board of Directors.

The aim is to have a remuneration package that at all times is sufficiently competitive to enable H+H to attract, motivate and retain executive board members with the relevant qualifications to ensure that the Executive Board performs at a high level both short-term and long-term, making the most of the H+H group's potential and opportunities while at the same time foreseeing and handling the risks and challenges facing the H+H group. With a larger value allocation for the LTIP (up to 60%) than the STIP (up to 40%) the need to motivate achievement of various annual strategic targets is possible, while still ensuring that the primary focus of the executive board members is the long-term sustainable profitability of H+H in accordance with the long-term strategy and the interests of the shareholders. Alignment with shareholder interests is further enhanced by having a 3 year vesting period for LTIPs as well as revolving LTIPs so that a LTIP is initiated each financial year, since this ensures that a large part of the Executive Board's remuneration is continuously exposed to the share price development of the H+H share.

4.3 Fixed remuneration

The fixed salary shall be at market levels compared to peers and reflecting the executive board member's qualifications. When determining the fixed salary and fixed benefits, the extent of possible variable remuneration shall also be considered. None of the fixed remuneration components shall be performance-based.



The executive board members shall not receive any remuneration for directorships held in other H+H group companies.

In addition to the fixed salary, the members of the Executive Board may also receive work-related benefits in accordance with normal market practices, including e.g. a company car or car allowance, free telephone, broadband at home, news subscriptions and certain insurances (e.g. accident, health and D&O liability) as well as gross salary scheme items (e.g. IT equipment, subscriptions and memberships etc.).

Finally, H+H may compensate executive board members for personal tax on travel costs and house allowance or hotel costs paid by H+H for executive board members who live too far from H+H's main office to commute on a daily basis. Likewise, H+H may compensate executive board members for personal tax prompted by an executive board member's relocation to Denmark (e.g. relocation tax on securities falling due in the country that the executive board member moves away from).

4.4 Incentive-based remuneration

The incentive-based remuneration may consist of two components, i.e. a STIP and a LTIP, where both shall be performance-based. The KPIs determined by the Board of Directors annually when each of the two programs are initiated shall ensure a connection between the incentive pay and H+H's strategy as well as shareholder interests.

The KPIs can be financial as well as non-financial. All KPIs must be clearly defined and measurable making it possible to determine the extent of fulfilment of each KPI based on facts and data with only limited room for discretion. Evaluation of the extent of fulfilment of the KPIs shall be based on facts and data in the relevant audited financial report(s), other announcements published as company announcements, facts and data announced in statutory statements published on H+H's website (e.g. CSR statement/ESG reports) and similar information published by companies being part of the peer group defined under a peer group KPI. If some facts or data relevant to measure the degree of fulfilment of a KPI have not been published as described (e.g. in relation to certain ESG statistics, certain still confidential innovation results etc.), the Board of Directors shall be free to seek the data and facts put forward by the Executive Board validated via sworn statements from other employees in the H+H group, by auditors or by other external experts.

Remuneration under a STIP and a LTIP in the form of H+H's payment of cash and/or vesting of PSUs and/or transfer of H+H shares to an executive board member may not take place until after the approval of the annual report for the financial year(s) concerning the vesting period are approved by the auditors, the Board of Directors and the Executive Board.

4.4.1 STIP (cash-based)

Executive board members may participate in a STIP with the opportunity to earn an annual cash bonus. The purpose of the STIP is to motivate the executive board members to pursue and achieve short-term KPIs set by the Board of Directors to support key elements towards successful execution of the overall strategy, where:

- There shall be at least 2 KPIs; and
- the KPIs shall be short-term financial KPIs (e.g. EBIT, EBIT ratio) aligned to achievement of the publicly announced financial outlook for the financial year, and optionally also non-financial KPIs (e.g. M&A projects, ESG related targets) aligned to support achievement of immediate strategic priorities under the overall strategy plan.



A minimum threshold (no bonus earned below this level), target earning level (expected and satisfactory result) and maximum earning level (ambitious, but possible result) shall apply to all KPIs, except for binary KPIs where the KPI is either fulfilled or not fulfilled.

4.4.2 LTIP (share-based)

Executive board members may participate in a LTIP program which in H+H shall consist of PSU programs. At initiation of a PSU program each executive board member is granted a number of PSUs equal to the applicable maximum value (i.e. 60% of the fixed salary, see the table in section 4.2 above and further in the text below). The grant of PSUs is free of charge. Vesting terms in the form of KPIs are determined in connection with the grant of PSUs. The number of PSUs that actually vest by the end of the vesting period depends on the extent of achievement of the KPIs. Each PSU that vest holds a right to one H+H share free of charge, which shares shall be transferred by H+H to the executive board member.

The purpose of a LTIP is to motivate the executive board members to pursue and reach long-term KPIs. The KPIs shall create alignment with the shareholders and support H+H's long-term sustainability, where:

- There shall be up to 3 KPIs; and
- the KPIs shall be long-term financial KPIs (e.g. EBIT margin, ROIC or any other announced long-term financial target) and optionally also KPIs with benchmark measures against a defined peer group (e.g. based on development in share price) and/or non-financial KPIs (e.g. ESG related KPIs).

A minimum threshold (no bonus earned below this level), target earning level (expected and satisfactory result) and maximum earning level (ambitious, but possible result) shall apply to all KPIs, except for binary KPIs where the KPI is either fulfilled or not fulfilled.

The maximum value for an executive board member of the PSUs being granted under the PSU program initiated each financial year shall be 60% of 12 times the monthly fixed salary at the time of initiation. The valuation of the PSU program at initiation shall be based on the valuation method applied in the relevant annual report and thus endorsed by the external auditors.

The vesting period shall be approx. 3 years from initiation of each PSU program, but it may be down to approx. 2 years and 6 months for newly employed executive board members. The vesting period may also be shorter than 3 years in case the time of initiation of a PSU program (typically 5 business days after announcement of the annual report) is postponed either due to capital market legislation (e.g. Market Abuse Regulation) or other legislation that prevents initiation, or because the Board of Directors decides that it is best to postpone the initiation e.g. due to imminent or pending changes in H+H's share capital structure or for other valid reasons – in case of such delay, initiation shall take place as soon as possible.

The grant of PSUs at the initiation of a PSU program may be free of charge. However, it may be a requirement in order to become or remain part of the PSU program, that the executive board member owns a certain number of H+H shares.

When settling a PSU program by transfer of H+H shares to the executive board member, H+H will use H+H shares from H+H's holding of treasury shares, and the Board of Directors will regularly assess H+H's liability under the pending LTIPs and buy-back more H+H shares to hedge H+H's liability as found appropriate at the time. The Board of Directors may also decide to carry out cash settlement instead, in whole or in part.



A LTIP shall provide the Board of Directors with the discretion to make adjustments to the KPIs, the number of PSUs granted, the number of H+H shares granted under each PSU etc. and/or accelerated vesting, as appropriate, in certain circumstances such as e.g. change of control, mergers, acquisitions, divestments, dividend payments, changes to the share capital, changes in the defined peer group in relation to benchmark against peers KPIs etc. The Board of Directors shall decide on such adjustments, and the Board of Directors shall be advised by an external expert advisor (e.g. an auditor or a corporate finance expert), when the Board of Directors finds it relevant.

All pending LTIPs shall end without compensation in relation to an executive board member handing in a notice of resignation without H+H being in breach of the employment contract with the executive board member, however, (s)he shall have the right to keep all PSUs already vested prior to the date of the notice. An executive board member shall be barred from entering any new LTIPs being initiated during the executive board member's notice period, if any, regardless of the reason of the termination and whether the termination notice is submitted by H+H or by the executive board member. If the executive board member is terminated by H+H without breach of contract by the executive board member, (s)he will continue participation at normal terms in the LTIPs s(he) entered prior to the date of notice of termination.

4.5 Extraordinary remuneration

With the aim of achieving the objectives of this Policy, the Board of Directors may decide to award individual members of the Executive Board one-off discretionary remuneration for extraordinary performance, sign-on bonuses, retention bonuses, hand-over bonuses in relation to termination of employment, relocation compensation or one-off, annual or monthly housing allowances, school tuition, advisory assistance (e.g. tax), family insurances etc. The extraordinary remuneration may consist of cash and/or share-based components. The total value of extraordinary remuneration shall not exceed 100% of the executive board member's annual fixed salary at the time of payment, except for sign-on bonuses where the value of the extraordinary remuneration shall not exceed 200% of the executive board member's annual fixed salary.

4.6 Clawback and corrective payments

The variable remuneration (STIP, LTIP and any extraordinary remuneration) shall be subject to clawback which shall apply to remuneration that was earned or paid out based on information that subsequently turns out to be incorrect or misstated. The access to reclaim may be limited in time, where reclaim in relation to STIP can only take place within 1 year from grant of the cash bonus being reclaimed, reclaim in relation to extraordinary remuneration can only take place within 1 year from grant/vesting, and reclaim in relation to LTIP can only take place within 2 years from vesting of the PSUs. Reclaim in full or part is determined at the discretion of the Board of Directors.

The principle applied in respect of clawback shall likewise apply in case incorrect or misstated information has led to payment of too small an amount of variable remuneration, meaning H+H shall make a corrective payment to the executive board member.

4.7 Termination and severance pay

H+H's employment agreement with executive board members are usually for an unlimited term, however, H+H may enter into fixed term agreements if the Board of Directors finds it appropriate considering the interests of the shareholders and H+H.

Executive board members may resign from H+H by giving at least 6 months' notice till the end of a calendar month. H+H may terminate the employment of an executive board member by giving up to 12 months' notice till the end of a calendar month.



H+H may pay severance pay equal to up to 12 months' total remuneration by the end of the notice period in the event of dismissal by H+H without breach of contract by the executive board member. There shall be no separate compensation for any non-competition obligations or similar.

In case an executive board member dies while being employed, H+H may pay remuneration to the executive board member's dependants at an amount equal to up to 3 months' fixed salary of the executive board member together with any variable remuneration according to the agreed terms.

5 DEVIATIONS TO THE REMUNERATION POLICY

In special circumstances where it is deemed necessary in order to safeguard the long-term interest of shareholders, the Board of Directors may decide to temporarily derogate from this Policy. Such circumstances can be in connection with changes in the Executive Board, change of control, mergers, divestments or acquisitions, and the deviations may, depending on circumstances, concern incentive-based remuneration (STIP or LTIP) and/or extraordinary remuneration.

Any deviation from this Policy shall be approved by the Board of Directors, and the deviation and the rationale behind the deviation shall be described in H+H's annual remuneration report for the financial year where the deviation was decided.

6 CONFLICTS OF INTEREST

Possible conflicts of interest in respect of the remuneration of the Board of Directors is avoided by having the general meeting approve all remuneration to the Board of Directors. Accordingly, the fixed fee remuneration of the Board of Directors shall be approved annually as a separate agenda item by the general meeting for the pending financial year, and the total remuneration for the latest financial year (including remuneration for any ad hoc tasks (if any), cf. item 3.3 above) is put before the general meeting for approval as part of the approval of the annual report for that financial year.

Possible conflicts of interest in respect to the remuneration of the Executive Board is believed mitigated by having the Board of Directors approve such remuneration upon the prior consultation of (i) the Remuneration Committee in regard to the overall remuneration and changes thereto as well as definition and targets of the KPIs for STIP and LTIP, and (ii) the Chairman of the Board of Directors in regard to review of fulfilment at vesting of the set KPIs for STIP and LTIP.

Furthermore, as a measure of control, the remuneration paid to the members of the Board of Directors and to the Executive Board, respectively, shall be reported in an annual remuneration report in compliance with applicable legislation. The annual remuneration report shall be put before the annual general meeting for an advisory vote.

In case the Board of Directors and the Remuneration Committee wants to use external advisors in relation to remuneration issues, the advisors shall be different from any external advisors hired in by any of the members of the Executive Board.

7 APPROVAL AND PUBLICATION OF THE REMUNERATION POLICY

This Policy shall be reviewed annually by the Remuneration Committee and any proposed changes shall be approved by the Board of Directors. In case of material changes, these changes shall also be approved by the general meeting, and in any event the Policy shall be approved by the general meeting at least every four years. The



executive board members may voice their opinion on the Remuneration Policy and changes considered by the Remuneration Committee, but the Executive Board does not have any decision power in relation to the Remuneration Policy.

This Policy has been prepared in accordance with the Danish Companies Act and shall be publicly available at H+H's website.

This Policy was adopted by H+H International A/S' annual general meeting held on 2 April 2020. At the general meeting this Policy was approved [insert wording on how the Policy was approved].