DRAFT – INCL. PROPOSAL FOR CHANGES AT THE GENERAL MEETING ON 9 APRIL 2024

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

1 SCOPE AND CHANGES

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.

This Policy replaces the policy adopted at the general meeting held 2 April 2020, including subsequent insignificant and published changes by the Board of Directors.

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.

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) 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 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 Chair of the Board of Directors and the Deputy Chair (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 Chair of the Board of Directors
- 1.5 x annual fixed basic board fee – to the Deputy Chair of the Board of Directors (if any)

The board committee members shall receive remuneration in the form of annual fixed fees, and the Chair 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 Chair 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 period 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 level 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 for that financial year to submit to the general meeting for approval.

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

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 board remuneration. Also, 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 paid or 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:

Remuneration components	*Annual maximum value*
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, 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 shall be made to the remuneration of H+H's other employees. Consideration shall also be made to the competences, duties and responsibilities as well as the importance of retention of each executive board member. To help support fulfilment of H+H's strategy, the remuneration of H+H's other employees follow the same overall principles and for key employees also the same remuneration components and KPIs described in this Policy.

Other factors that shall be considered when assessing and determining the level of each component and the 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, 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 motivation to achieve various annual strategic targets is there, 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 with a LTIP being initiated each financial year, since this ensures that the value of a large part of the Executive Board's remuneration is continuously dependent on the share price development of the H+H share.

4.3 Fixed remuneration

The fixed salary shall be at market level 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 entities.

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.

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 and without any guaranteed remuneration. The KPIs determined by the Board of Directors annually when each of the two programs are initiated shall ensure alignment 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 report(s), other announcements published as company announcements, facts and data announced in statutory statements published on H+H's website (e.g. corporate governance statements) 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 are not published as described (e.g. in relation to certain sustainability statistics etc.), the Board of Directors shall be free to seek validation of the data and facts put forward by the Executive Board 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 Performance Share Units (PSUs) and/or transfer of H+H shares to an executive board member may not take place until after the signing of the annual report and other relevant reports (e.g. remuneration report) for the financial year(s) concerning the vesting period by the auditors, the Board of Directors and the Executive Board, as applicable.

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 that make up key elements towards successful execution of the overall strategy, where:

- there shall be three to four KPIs; and
- the KPIs shall be at least two short-term financial KPIs (e.g. EBIT, EBIT ratio) aligned to achievement of the publicly announced financial outlook for the financial year, and at least one non-financial KPI (e.g. M&A projects or sustainability-related target) aligned to contribute to 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 or less, see the table in clause 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 or latest 3 weeks after the annual strategy meeting of the Board of Directors, provided such meeting is held not later than 4 months after the grant. 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 vests hold a right to one H+H share free of charge, which H+H 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 achieve long-term KPIs that support the overall strategy and H+H's long-term sustainability and ensure alignment with the shareholders, where:

- there shall be three to four KPIs; and
- the KPIs shall be at least two long-term financial KPI (e.g. EBIT ratio, ROIC or any other announced long-term financial target), at least one non-financial KPI (e.g. sustainability-related targets) and optionally also a KPI with benchmark measures against a defined peer group (e.g. based on development in share price).

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 of the PSUs being granted to an executive board member 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 10 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 is 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 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 immediately terminate 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 compensation for personal tax prompted by an executive board member's relocation to Denmark (e.g. relocation tax on non-realised profit on securities falling due in the country that the executive board member moves away from), whereas there may be no compensation of any increase in taxes when living in Denmark compared to the taxes in the executive board member's prior home country. Similarly, the Board of Directors may award 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 PSUs that were granted and remuneration that was granted, 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 payment of the cash bonus being reclaimed, reclaim in relation to extraordinary remuneration can only take place within 1 year from vesting/payment, and reclaim in relation to LTIP can only take place within 2 years from vesting of the PSUs. None of the said time limitations for H+H's right to clawback shall apply towards an executive board member for clawback claims caused by a misstatement made in bad faith by the executive board member. Reclaim in full or in part is determined at the discretion of the Board of Directors.

The principles 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 employment agreements if the Board of Directors finds it appropriate considering the interests of the shareholders and H+H.

An executive board members may resign 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. In addition, H+H may pay separate compensation for any non-competition obligations or similar taken on by an executive board member for a period of up to 12 months after the end of the notice period and with a maximum monthly compensation of 50% of the fixed monthly salary at the time of notice.

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. Also, the total remuneration for the latest financial year, including remuneration for ad hoc tasks (if any), cf. clause 3.3 above, is put before the general meeting as part of the approval of the annual report and the advisory vote concerning the remuneration 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 of (ii) the auditor in regard to audit of the calculated incentive pay based on the extent of achievement of the set KPI targets.

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 want 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 or the Board of Directors.

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.

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[The remuneration policy for the Board of Directors and the Executive Board was last approved by H+H International A/S' annual general meeting held on 9 April 2024, where x,xxx,xxx valid votes were cast, out of which x,xxx,xxx votes were in favour of the remuneration policy, while x,xxx,xxx votes were against the remuneration policy and xxx abstained.]