

## Corporate Governance Policy

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### Corporate Governance

The Board of Directors of Chr. Hansen Holding A/S (“Chr. Hansen”) has adopted the following set of corporate governance principles constituting Chr. Hansen's Corporate Governance Policy:

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### Capital and Share Structures

- In Chr. Hansen, there is a single class of shares, and all shares rank pari passu. Each share of DKK 10 carries one vote. The Board of Directors regularly assesses whether the share capital and share structure are in the best interests of Chr. Hansen and the shareholders. The Board of Directors’ assessment is included in the Annual Report.

### Annual General Meetings

- In accordance with Chr. Hansen’s Articles of Association, notice of the Annual General Meeting must be given at least three weeks and no more than five weeks prior to the date of the Annual General Meeting. The notice must contain a complete agenda and a short description of the items on the agenda where such explanation is relevant. Notices convening Annual General Meetings will be published, posted on our website, and e-mailed to all registered shareholders who have so requested.

Agenda item proposals for the Annual General Meeting must be submitted to the Board of Directors in writing no later than six weeks before the Annual General Meeting. Prior to the Annual General Meeting, the shareholders are entitled to ask questions in writing regarding the agenda or documents to be discussed at the Annual General Meeting. Such questions must be received by the Board of Directors one week prior to the Annual General Meeting. Furthermore, the shareholders will be able to ask questions at Annual General Meetings directed to the Board of Directors and Executive Board concerning the items on the agenda.

### The Board of Directors

- The Annual General Meeting shall elect at least three and no more than eight members to the Board of Directors including a Chair. At least half of the members of the Board of Directors elected by the general meeting shall meet the independence requirements set out in the Recommendations of the Danish Corporate Governance Committee as applicable at any time. Currently, all shareholder-elected members, including the Chair of the Board of Directors, are independent. The shareholder-elected members of the Board of Directors comprise a group

of experienced, international businesspeople. All shareholder-elected members of the Board of Directors stand for election each year. Pursuant to the Danish Companies Act, the employees of the Danish limited companies in the Chr. Hansen Group are entitled to elect a number of employee representatives to the Board of Directors equal to half of the number of board members elected by the general meeting. The employee-elected board members stand for election every fourth year in accordance with current legislation. In general, six to eight Board meetings are held annually, together with ad hoc meetings as required.

The Board of Directors has the responsibility for the overall and strategic management of the Company. In compliance with current practice in Denmark, powers are distributed between the Board of Directors and the Executive Board and are two independent bodies. Detailed procedures for Board meetings, including the tasks and responsibilities of the Chairmanship, consisting of the Chair and Vice Chair, are laid down in the Rules of Procedure for the Board of Directors and the Charter for the Chair.

The Chair evaluates the work of the Board of Directors on an ongoing basis and publicly discloses the evaluation procedure and general conclusions of the annual evaluation of the Board of Directors. Board members are expected and required to devote sufficient time and resources to their responsibilities as members of the Board of Directors.

The members of the company's Board of Directors receive a fixed cash fee but no incentive-based remuneration. Shareholder-elected members of the Board of Directors have pursuant to an internal process undertaken to purchase, no later than 12 months after their appointment, shares corresponding to at least one year's base fee for an ordinary Board member and to maintain a shareholding corresponding to at least one year's base fee throughout the entire period of their board membership.

The total remuneration for each member of the Board of Directors will be described in the Remuneration Report in accordance with applicable rules and regulations.

### **The Executive Board**

- The Board of Directors appoints the Executive Board which is responsible for the day-to-day management and compliance with and implementation of the guidelines and recommendations issued by the Board of Directors. The Executive Board shall also present and recommend proposals on the overall strategy and objectives to the Board of Directors. The overall duties, obligations and liabilities of the Executive Board, including specific authorizations within which the Executive Board may transact business, are laid down in the Rules of Procedure for the Executive Board.

Each member of the Executive Board receives an agreed base salary, subject to annual assessment, with addition of pension contribution as well as ordinary benefits. In addition, members of the Executive Board are offered incentive-based remuneration.

The incentive-based remuneration for the Executive Board may comprise short-term and long-term variable remuneration, including non-share-based bonus agreements and share-based remuneration which may include matching shares, share options, warrants or conditional share rights or allocations or combinations hereof.

The total remuneration for each member of the Executive Board and the contents of any incentive-based remuneration will be described in the Remuneration Report in accordance with applicable rules and regulations.

### Committees

- The Board of Directors has established four committees: The Nomination Committee, the Remuneration Committee, the Audit Committee and the Science & Innovation Committee, each of which have charters setting forth their respective functions and responsibilities. More than half of the members of the respective committees shall meet the independence requirements set out in the Recommendations of the Danish Corporate Governance Committee as applicable at any time. The committees report on a regular basis to the Board of Directors.

#### Nomination Committee

The role of the Nomination Committee is to prepare proposals to the Board of Directors with respect to (i) nomination to the Board of Directors and appointment to the Executive Board of Chr. Hansen, (ii) securing that the Board of Directors and the Executive Board at any time have the appropriate size and are composed of individuals having the required professional qualifications and experience, and (iii) conducting regular evaluations of the performance of these management bodies.

#### Remuneration Committee

The role of the Remuneration Committee is to prepare proposals to the Board of Directors with respect to the remuneration of the members of the Board of Directors and the Executive Board, as well as a general remuneration policy for the Company. The Board of Directors has established a Remuneration Policy governing the remuneration of the Board of Directors and the Executive Board, which has been approved by the shareholders at an Annual General Meeting and subsequently published on the Company's website.

#### Audit Committee

The role of the Audit Committee is to prepare proposals to the Board of Directors with respect to the financial and non-financial reporting process, the system of internal control, the audit process, and Chr. Hansen's

process for monitoring compliance with relevant laws and regulations. In addition, the Committee is responsible for evaluating the independence of the external auditors.

#### Science & Innovation Committee

The role of the Science & Innovation Committee is to assist and advise the Board of Directors in matters relating to the Research and Development (R&D) strategy of the Company including the commercialization strategies to bring innovations from R&D to the relevant markets. The purpose is to provide reassurance to the Board that the R&D, technical, regulatory and food safety resources and plans of the Company are appropriately aligned with the agreed business and customer strategies.

#### **Risk Management and Internal Control**

- The Board of Directors regularly assesses the overall and specific risks associated with Chr. Hansen's business and operations and seeks to ensure that such risks are managed in a proactive and efficient manner. An enterprise risk management program is implemented to ensure focus on strategic, business and emergent risks. As part of risk management, Chr. Hansen has established various internal control systems which are regularly reviewed by the Board of Directors to ensure that such systems are appropriate and sufficient in the context of Chr. Hansen's business and operations. More information can be found in our Enterprise Risk Management position.

#### **Audit**

- The external auditors are appointed for a term of one year at a time by the shareholders at the Annual General Meeting. In consultation with the Executive Board, the Board of Directors assesses regularly the independence and competencies as well as other matters pertaining to the auditors. Re-appointment of external auditors is limited by existing EU regulation at any time.

The framework for the auditors' duties, including remuneration, audit and non-audit tasks, is agreed upon annually between the Board of Directors and the auditors.

#### **Governance**

Chr. Hansen's Corporate Governance Policy is further detailed in the:

- Enterprise Risk Management position
- The Charter for the Chair
- Rules of Procedure for the Board of Directors
- Rules of Procedure for the Executive Board
- Nomination Committee Charter
- Remuneration Committee Charter
- Audit Committee Charter
- Science & Innovation Committee Charter

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The principles apply to all employees, directors and officers in Chr. Hansen.

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