



Better Collective

Remuneration and Nomination Committee Rules of Procedure



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1. INTRODUCTION

The Remuneration and Nomination Committee (the “Committee”) has been established by the Board of Directors (the “Board”) of Better Collective (the “Company”) in accordance with the Board’s Rules of Procedure and applies to the Company and its subsidiaries (the “Group”) to support and advise the Board in fulfilling its responsibilities to shareholders, employees, and other stakeholders of the Company by endeavouring to ensure that:

- a) Issues related to compensation of Executive Management is handled in accordance with the Danish Recommendations on Corporate Governance;
- b) Executive Management and key employees are remunerated fairly and appropriately;
- c) The Group’s Remuneration Policy and outcomes balance the interests of the Company’s shareholders against rewarding and motivating the Group’s executives and key employees to secure their loyalty long term;
- d) The Remuneration Policy, practices, nomination and succession planning are consistent with and support the strategic direction and objectives of the Company as determined by the Board and the General Meeting.

2. MEMBERSHIP

- a) The Committee shall consist of minimum three members of the Board of Directors.
- b) The Board shall appoint the members of the Committee. Appointment usually takes place at the Board of Directors’ Meeting following the Annual General Meeting, and members shall be Directors whose nominations for such appointment have been reviewed and approved by the Board.
- c) The Board elects a Chair, who is not an executive director or employee of the Group.
- d) Committee members are elected for a one-year term, and members as well as Chair are eligible for reappointment. The Board may reappoint or remove any member of the Committee at any time.
- e) If the number of Committee members falls below three, the Board shall endeavour to fill the vacancy within two months and in any case the Board shall within three months of such event appoint any Board member whose nomination has been reviewed and approved by the Board as a member as may be required to make up the minimum number of three members.

3. INDEPENDENCE

- If the Committee or the board uses the services of an external consultant, it is to ensure that there is no conflict of interest regarding other assignments this consultant may have for the company or its executive management.
- No member of the Committee shall be:
 - an executive director of the Group or any related corporation
 - a spouse, parent, sibling, child or adopted child of an executive director of the Group or of any related corporation; or



- an affiliated person of the Group;
- a receiver of any consulting, advisory or other compensatory fee from the Group, other than the fee as member of the Board, the Audit Committee or the Committee for the Group, or other compensation agreed to by the Board; or
- any person having a relationship which in the opinion of the Board would interfere with the exercise of the independent judgement in carrying out the functions of the committee.

The Board will endeavour to ensure that a majority of the members of the Committee are independent members in accordance with the Danish Recommendations on Corporate Governance.

4. MEETINGS AND ATTENDANCE

- a) The Committee shall meet as often as it deems necessary, however, not less than three times a year. Any member may call a meeting. The CEO, CFO and the VP of People may help the Chair prepare agenda and meetings and participate in meetings when relevant. However, for the selected executive compensation issues it is expected that the Committee will deliberate without executive management being present.
- b) Meetings may be held in person or virtually as agreed by the committee.
- c) A Committee resolution may be passed over the phone or in writing if needed. The proposed resolution shall be forwarded to the members, and the Chair shall seek to obtain a written, oral or electronically transferred statement from the Committee members and ensure that the resolution is recorded in the minute book.
- d) Any resolution in writing, signed or assented to by all the Committee members shall be as valid as if it had been passed at a Committee meeting duly called and constituted.
- e) Each member of the Committee shall have one vote.
- f) No business shall be transacted at a meeting unless at least two members of the Committee are present.
- g) At all meetings the Chair shall preside. If the Chair is absent, the members present at the meeting shall elect a Chair of the meeting.
- h) The CFO, or a person designated by the CFO, shall be the secretary to the Committee. The Secretary shall attend Committee meetings, take minutes and circulate these to all members of the Committee.
- i) Following each meeting the Chair will report to the Board on any matter that should be brought to the Board' attention.

5. RESONSIBILITIES RELATED TO NOMINATION

The Committee assists the Board in connection with the nomination and appointment of candidates for the Company's two management bodies – the Board and the Executive Management – and supports with the following preparatory tasks:

- a) Describing and specifying the qualifications required by the Board and the Executive Management and for a given position, indicating the time expected to be spent carrying out a specific position, as well as assessing competencies, knowledge and experience found in the Board and the Executive Management.



- b) At least once a year, assessing and evaluating the competences, knowledge, experience and succession of the individual members of the Board and the Executive Management and reporting on this to the Board.
- c) At least once a year, assessing the size, composition and results of the Board and the Executive Management and preparing recommendations for the Board on specific changes in the management bodies based on the assessment.
- d) Recommending suitable candidates for the Board and the Executive Management based on the required qualifications and ensuring an up-to-date succession plan.
- e) Supervising the Executive Management's policy for engagement of employees at executive level, and monitoring and updating the Company's diversity, equity and inclusion policy for the Board's approval.

The Committee shall ensure a formal, thorough and for the Board members transparent process for the selection and nomination of candidates, having due regard to applicable laws and regulations.

6. RESPONSIBILITIES RELATED TO REMUNERATION

The Committee is required to review and make recommendations to the Board on following remuneration matters at least once a year:

- a) The level and principles of the Remuneration Policy of the Company and its subsidiaries;
- b) The Company's policy and structure for all remuneration, fees, and criteria of performance for Executive Management:
 - Review of the remuneration including changes to the Base Salary, Pension, Bonus, and Short-Term and Long-Term Incentives grants, as well as associated KPIs and other variable remuneration parameters.
 - Annual individual performance plans for the Executive Management
 - Individual accomplishments relative to the performance plan and subsequent pay out in bonus plan for the Executive Management
 - Prepare the Remuneration Report
 - Suggest changes to the Remuneration Policy
 - Monitor and evaluate programmes for variable remuneration, both ongoing and those that have ended during the year, for the Executive Management (to be presented in the annual remuneration report);
 - Monitor and evaluate the application of the Remuneration Policy of the Board and the Executive Management
 - Act as a reference committee in hiring and terminations
 - Any change to the remuneration or contract terms
 - Any termination settlement. A termination payment to any other departing key employee must be reported to the Committee at its next meeting - Succession Management for the Executive Management and key employees.
- c) Disclosure of remuneration requirements in the Company's public materials
- d) Employee share, option and other equity-based plans



- review and make recommendations to the Board regarding the design of all equitybased plans
- keep all plans under review with regards to legislative, regulatory and market developments
- review and make recommendations to the Board regarding proposed aggregate and individual grants under each plan
- review performance measures for each equity plan and make recommendations to the Board

f) In addition to above the Committee will:

- investigate any matter brought to its attention, within the scope of its duties, with the power to obtain independent professional advice
- call any member of staff to be questioned at a meeting of the Committee as and where required.

7. CHAIR'S RESPONSIBILITY

- a) To manage the Committee's agenda during the year and make sure that relevant topics are discussed and analysed at a satisfactory level.
- b) On a regular basis inform the Board on discussions and recommendations made in the Committee.

8. THE GRANDFATHER PRINCIPLE

A major decision must be approved by the manager's manager ("the grandparent"). Consequently, the Committee also approves all decisions made by the CEO concerning "other key employees" reporting to the CEO.

9. AMENDMENT

- The Board of Directors must approve these Rules of Procedure for the Committee.
- The Rules of Procedure shall be renewed and changed at least once a year if it is considered necessary.