

# ANNUAL GENERAL MEETING

Invitation  
2014

 Carlsberg  
Group



# TO THE SHAREHOLDERS of Carlsberg A/S

The Supervisory Board is pleased to invite you to the Annual General Meeting **Thursday 20 March 2014 at 4.30pm CET** at TAPI, Ny Carlsberg Vej 91, DK-1799 Copenhagen

## AGENDA

### 1. The Supervisory Board proposes that the annual reports of the Company be prepared in English only

The proposal entails that the Carlsberg Group Report 2013 and future annual reports as well as quarterly statements will be prepared in English only and that the below resolution on this will be inserted as Article 2(2) in the Company's Articles of Association:

"The Company's annual report is prepared in English. The Supervisory Board may decide that the annual report is also prepared in Danish."

### 2. Report on the activities of the Company in the past year

### 3. Presentation of the audited Annual Report for approval and resolution to discharge the Supervisory Board and the Executive Board from their obligations

### 4. Proposal for distribution of the profit for the year, including declaration of dividends

The Supervisory Board proposes a dividend of DKK 8.00 per share.

### 5. Proposals from the Supervisory Board or the shareholders

#### 5A APPROVAL OF THE REMUNERATION POLICY FOR THE SUPERVISORY BOARD AND THE EXECUTIVE BOARD OF CARLSBERG A/S (SEE THE ATTACHED EXHIBIT)

The Supervisory Board proposes that the Annual General Meeting approve the attached proposal regarding the Remuneration Policy for the Supervisory Board and the Executive Board of Carlsberg A/S, including general guidelines for incentive programmes for the Executive Board. The proposal for a change in the remuneration policy only relates to the fee of the Chairman of the Supervisory Board as it is proposed that the Chairman receive a total fee of three and a half times the base fee of the board members and receive no further remuneration for e.g. any committee work.

#### 5B APPROVAL OF THE REMUNERATION OF THE SUPERVISORY BOARD FOR 2014

The Supervisory Board proposes that the remuneration of the Supervisory Board be as follows:

- Ordinary members of the Supervisory Board shall be paid a base fee of DKK 400,000 (as in 2013).
- The Chairman shall receive a total fee of three and a half times the base fee and shall not receive any further remuneration.
- The Deputy Chairman shall receive one and a half times the base fee (as in 2013).
- The members of board committees shall receive a fee per committee of 38% of the base fee. The Chairman of the Audit Committee shall receive a fee of 75% of the base fee and the Chairman of the Remuneration Committee and the Chairman of the Nomination Committee, respectively, shall receive a fee of 50% of the base fee (as in 2013).

#### 5C PROPOSAL FROM THE SUPERVISORY BOARD TO ACQUIRE TREASURY SHARES

The Supervisory Board requests the Annual General Meeting to authorise that the Company may acquire treasury shares in the period up until 19 March 2019. Such shares may only be acquired to the extent that the Company's total holding of treasury shares does not at any time exceed a nominal value of 10% of the share capital. The price of the acquired treasury shares must be the price quoted on NASDAQ OMX Copenhagen A/S at the time of the acquisition with a deviation of up to 10%.

#### 5D PROPOSALS FROM SHAREHOLDER KJELD BEYER

Proposals are made on the reasoning that the Danish Companies Act does not adequately accommodate all shareholders in the need for information prior to an Annual General Meeting:

- i) Supplementary financial information to be attached to the notice convening the Annual General Meeting.

Proposal that the notice convening the Annual General Meeting be supplemented by an ex-

cerpt from the annual report including comparison of figures for the past five years including the income statement and the balance sheet with notes and statement of changes in equity. In addition, the comparison of figures from the past five years must include information about the company's equity value, the company's share capital, the nominal value of the shares, the number of shares, the interest-bearing debt with a due date more than one year away, the number of treasury shares and the number of awarded share options, warrants and similar in the current year as well as their increase in value per year compared to the grant price at the time of the financial statement.

*The Supervisory Board does not endorse the proposal. The Company's website contains information which supplements the annual report.*

- ii) Proposal that company announcements including annual reports and quarterly statements at all times be available in Danish on the Company's website for at least five years.

*The Supervisory Board does not endorse the proposal. Company announcements are available on the Company's website for at least 5 years and, for the time being, in both Danish and English but the Supervisory Board has proposed that annual reports and quarterly statements be prepared in English in the future, see agenda item 1.*

- iii) Proposal that the annual reports and quarterly statements be accessible on the Company's website with maximum 2-3 links from the front page and that the links are in Danish and easily accessible.

*The Supervisory Board does not endorse the proposal. However, the Company at all times seeks to make sure that financial information is easily accessible on its website.*

- iv) Proposal that refreshments in connection with the Annual General Meeting match the outlook for the coming year.

*The Supervisory Board does not endorse the proposal.*

## 6. Election of members to the Supervisory Board

Pursuant to article 27(3) of the Articles of Association, the board members elected by the General Meeting are elected for one year at a time. Per Øhrgaard is not eligible for re-election due to the age limit in article 27(4) of the Articles of Association.

The Supervisory Board proposes re-election of the following Board members:

*Flemming Besenbacher, Jess Søderberg, Lars Stemmerik, Richard Burrows, Cornelis (Kees) Job van der Graaf, Donna Cordner, Elisabeth Fleuriot, Søren-Peter Fuchs Olesen, and Nina Smith*

and election of:

*Carl Bache*

as new member of the Supervisory Board.

In its recommendation of the above candidates, the Supervisory Board has considered the importance of each candidate's specific competencies and experience in light of the "Specification of Competencies required for the Supervisory Board in Carlsberg A/S" as set out by the Board and available on the Company's website, [www.carlsberggroup.com](http://www.carlsberggroup.com).

Please find a description of the proposed candidates and their executive functions/directorships on pages four and five.

## 7. Election of auditor

The Supervisory Board proposes that KPMG 2014 P/S (CVR.No. 25578198) be elected.

Copenhagen, 26 February 2014

**The Supervisory Board of Carlsberg A/S**

### APPROVAL REQUIREMENTS

Approval, adoption and election in accordance with the items on the agenda take place by simple majority. According to section 100a of the Danish Companies Act, the inclusion of the decision of the Annual General Meeting as to agenda item 1 in the Company's Articles of Association does not require separate approval.

### REGISTRATION DATE, RIGHT TO PARTICIPATE AND RIGHT TO VOTE

A shareholder's right to participate in and vote at the Annual General Meeting is determined on the basis of the shares owned on the registration date, i.e. **Thursday 13 March 2014**, cf. Article 20(1) of the Articles of Association.

### ADMISSION CARD

In order to attend the Annual General Meeting, the shareholder, proxy holder and any accompanying advisor must have an admission card. Admission cards must be requested:

- Via VP Investor Services A/S' website [www.uk.vp.dk/agm](http://www.uk.vp.dk/agm), or Carlsberg A/S' website [www.carlsberggroup.com](http://www.carlsberggroup.com), or
- By completing and forwarding the registration form available on [www.carlsberggroup.com](http://www.carlsberggroup.com) by letter to VP Investor Services A/S, Weidekampsgade 14, P.O. Box 4040, DK-2300 Copenhagen S, or by fax +45 4358 8867.

The registration form must be received by VP Investor Services A/S **no later than Monday 17 March 2014**.

Shareholders must use the VP-ID or their CPR number (personal registration number) and postal code when requesting an admission card. Admission cards are issued to anyone who pursuant to the shareholders' register is listed as shareholder on the registration date or from whom the Company on the registration date has received a request for entry in the shareholders' register, cf. Article 20(1) of the Company's Articles of Association.

### PROXY/POSTAL VOTE

Shareholders may vote at the General Meeting by granting proxy to the Supervisory Board or a named third party or by postal voting.

- Proxies must be received by VP Investor Services A/S **no later than Monday 17 March 2014**, and may be submitted either electronically via [\*\*ACCESS:\*\* The doors to TAP1 open at 3.45pm CET and the General Meeting begins at 4.30pm CET. After the General Meeting, beer and soft drinks will be served from the bars which will be open until approximately 6.30pm CET.](http://www.carlsberg-</a></li></ul></div><div data-bbox=)

**PARKING:** If you arrive by car, free parking from 2-7.30pm CET is available across from TAP1 on Ny Carlsberg Vej only. If you choose to park anywhere else in the area please note that you will have to pay a parking fee.

● Entrance  
P Free parking 20 March 2-7.30pm CET



group.com or [www.uk.vp.dk/agm](http://www.uk.vp.dk/agm) by use of Nem-ID or VP-ID; or by sending the proxy form available on [www.carlsberggroup.com](http://www.carlsberggroup.com) to VP Investor Services A/S, Weidekampsgade 14, P.O. Box 4040, DK-2300 Copenhagen S, by letter or by fax +45 4358 8867. The proxy form must be duly signed and dated.

- Postal votes must be received by VP Investor Services A/S **no later than Wednesday 19 March 2014**, and may be submitted either electronically via [www.carlsberggroup.com](http://www.carlsberggroup.com) or [www.uk.vp.dk/agm](http://www.uk.vp.dk/agm) by use of Nem-ID or VP-ID; or by sending the postal vote form available on [www.carlsberggroup.com](http://www.carlsberggroup.com) to VP Investor Services A/S, Weidekampsgade 14, P.O. Box 4040, DK-2300 Copenhagen S, by letter or by fax +45 4358 8867. The postal vote form must be duly signed and dated.

Proxy or postal vote may be submitted for shares owned at the registration date (i.e. Thursday 13 March 2014). Ownership is determined in accordance with the registrations in the Company's share register and requests for registration of ownership received by the Company but not yet registered in the share register, cf. Article 20(1) of the Company's Articles of Association.

### SHAREHOLDER INFORMATION

The share capital of the Company amounts to DKK 3,051,136,120 divided into DKK 673,985,040 ordinary shares named A-shares and DKK 2,377,151,080 preference shares named B-shares. Article 5 of the Articles of Association determines that the A-shares shall carry

10 votes per DKK 10 share and B-shares shall carry one vote per DKK 10 share.

Shareholders are welcome to send questions to the Company's management prior to the Annual General Meeting about the Annual Report 2013, the items on the agenda or the Company's position in general. Such questions must be sent to Carlsberg A/S, Ny Carlsberg Vej 100, DK-1799 Copenhagen V, att.: General Meeting or by e-mail to [generalmeeting@carlsberg.com](mailto:generalmeeting@carlsberg.com). Questions may be answered by making the question and answer available on the Company's website, [www.carlsberggroup.com](http://www.carlsberggroup.com). Shareholders may also ask questions to the Company's management and auditor at the Annual General Meeting.

No later than 26 February 2014, the following documents will be available on the Company's website [www.carlsberggroup.com](http://www.carlsberggroup.com):

1. The notice convening the General Meeting
2. The documents to be submitted to the General Meeting
3. The agenda and the full text of any proposals incl. exhibit for item 5a
4. The Annual Report 2013
5. The proxy and postal voting forms

Dividends that have been declared at the General Meeting will be paid to the shareholders by Danske Bank A/S to the shareholders' custody accounts in their own banks through which the financial rights may be exercised.

# SUPERVISORY BOARD

## Description of the candidates suggested by the Supervisory Board (see item 6)



### 1 FLEMMING BESENBACHER

Born 1952. Professor, D.Sc., h.c. mult., FRSC. Member of the Supervisory Board of Carlsberg A/S since 2005. Chairman of the Supervisory Board and the Nomination Committee since March 2012. Member of Audit and Remuneration Committees 2012-2013. Member of the Board of Directors of the Carlsberg Foundation (Chairman as of 1 January 2012) and of the supervisory boards of property companies affiliated to the Carlsberg Foundation. Mr. Besenbacher is Chairman of the Board of Trustees of the Carlsberg Laboratory and member of the Boards of Directors of the Tuborg Foundation, MedTech Innovation Center and Center LevOss as well as the Danish management development organisation Cfl. Mr. Besenbacher was Director of the Interdisciplinary Nanoscience Center (iNANO), Aarhus University from 2002 to 2012. He has extensive experience of managing large knowledge-based organisations and has strong competences relating to innovation, research, CSR and sustainable development. Mr. Besenbacher is Professor Honoris Causa at 10 international universities and has received a large number of international awards including the Friendship Award and The Chinese Government Highest International Scientific and Technological Cooperation Award of the People's Republic of China. Mr. Besenbacher was most recently appointed Academician, i.e. member of The Chinese Academy of Sciences, which advises the Chinese government on major scientific decisions.



### 2 JESS SØDERBERG<sup>1</sup>

Born 1944. Member of the Supervisory Board of Carlsberg A/S since 2008 (Deputy Chairman since 2009). Chairman of the Audit Committee and member of the Nomination and Remuneration Committees. Former CEO of the A.P. Møller - Mærsk Group (1993-2007) and before that CFO of the same company from 1981. Member of the Supervisory Board and the Finance and Audit Committees of The Chubb Corporation, advisor to Permira and member of Danske Bank's Advisory Board. Managing Director of J.S. Invest ApS and one subsidiary. Mr. Søderberg has broad international experience and extensive experience of financial management and financial reporting processes, performance management, and stakeholder and investor relations management as a result of many years in the senior management of A.P. Møller - Mærsk. He has wide experience of growth markets and the identification and management of business risks.



### 3 LARS STEMMERIK

Born 1956. Professor, D.Sc. Member of the Supervisory Board of Carlsberg A/S since 2010. Member of the Board of Directors of the Carlsberg Foundation and the Board of Trustees of the Carlsberg Laboratory. Mr. Stemmerik was Head of the Department of Geography and Geology at the University of Copenhagen 2007-2012. He is presently member of the Academic Council at the Danish Academy of Technical Sciences. With this background, he has substantial experience in managing knowledge organisations and particular expertise in the analysis of complex issues and the presentation of plans and results.



### 4 RICHARD BURROWS<sup>1</sup>

Born 1946. Member of the Supervisory Board of Carlsberg A/S since 2009. Chairman of the Remuneration Committee and member of the Audit Committee. Richard Burrows has spent most of his career in the drinks business. Mr. Burrows was joint CEO of Pernod Ricard from 2000 to 2005. He is Chairman of British American Tobacco and of VoiceSage Ltd. Mr. Burrows is a non-executive Director of the Board of Rentokil Initial plc. Mr. Burrows has extensive experience of the branded consumer goods sector and wide international business experience gained through his career with Irish Distillers Group plc and Pernod Ricard. He has extensive experience of shareholder and investor relations and a broad understanding of the assessment and mitigation of business risks. Mr. Burrows has worked extensively with developing markets and product innovation and has substantial experience of financial management and reporting processes.



#### 5 CORNELIS (KEES) JOB VAN DER GRAAF<sup>1</sup>

Born 1950. Member of the Supervisory Board of Carlsberg A/S since 2009. Member of the Nomination and Remuneration Committees. Until May 2008, Mr. van der Graaf held the position of President Europe on the Board of Unilever. He is Chairman of the Supervisory Boards of Grandvision BV, MYLAPS BV and the University of Twente and member of the Supervisory Boards of ENPRO Industries, OCI NV, and Ben & Jerry's. Until 1 July 2013, Mr. van der Graaf was also a member of the board of ANWB (the Royal Dutch Touring Club). Between 2008 and 2011, Mr. van der Graaf was an executive-in-residence of the Lausanne-based IMD business school. He is the founder of the FSHD Foundation. Mr. van der Graaf has acquired extensive international management experience through his many years in management positions at Unilever. He has substantial experience of growth markets and of manufacturing, logistics and sales & marketing management. He has also worked extensively with performance management and sustainable development.



#### 6 DONNA CORDNER<sup>1</sup>

Born 1956. Member of the Supervisory Board of Carlsberg A/S since 2012. Member of the Audit Committee from 1 January 2013. Ms. Cordner is a member of the Advisory Board of Vosges Haut Chocolat, managing partner of OKM Capital, a venture fund investing in disruptive medical technology, and CEO of HelpAge USA, the US affiliate of HelpAge International, an international NGO working to address issues that affect older people worldwide. Non-executive Director of Millicom International Cellular SA 2004-2013, where she was also a member of the Audit Committee and CSR Committee. Ms. Cordner was formerly Managing Director and Global Head of Telecommunications and Media Structured Finance at Citigroup and has also held senior management positions at Société Générale and ABN Amro Bank N.V. in the US and Europe. Ms. Cordner has been Chief Executive Officer of HOFKAM Limited, the largest rural microfinance company in Uganda. She has also held the positions of Executive Vice President of Corporate Finance and Treasury and Chief Economic Officer for Russia at Tele2 AB. Ms. Cordner has extensive international management experience, including experience of growth markets. She has substantial experience of financial management and financial reporting processes, stakeholder and investor relations management and the assessment and mitigation of business risks. She has also worked extensively with performance management, CSR and sustainable development.



#### 7 ELISABETH FLEURIOT<sup>1</sup>

Born 1956. Member of the Supervisory Board of Carlsberg A/S since 2012. Member of the Remuneration Committee from 1 January 2013. CEO of MW Brands since August 2013. Prior to this, Elisabeth Fleuriot was Senior Vice President Emerging Markets and Vice President Kellogg Company. Member of the board of Stora Enso Oyj as of 2013. Ms. Fleuriot has substantial international branded consumer goods and management experience through her career in management positions in the Kellogg Company (since 2001) and before that in Yoplait (Sodiaal Group) and the Danone Group. Ms. Fleuriot has extensive experience from sales and marketing management, product innovation and strategic planning, and wide international experience from developed and emerging markets. She has worked on business development, acquisitions and partnerships and has an in-depth understanding of the assessment and mitigation of business risks.



#### 8 SØREN-PETER FUCHS OLESEN

Born 1955. Professor, D.M.Sc. Member of the Supervisory Board of Carlsberg A/S since 2012. Member of the Board of Directors of the Carlsberg Foundation and the Board of Trustees of the Carlsberg Laboratory. Director of the Danish National Research Foundation Centre for Cardiac Arrhythmia at University of Copenhagen and Copenhagen University Hospital since 2005. Mr. Olesen has been involved in starting up and developing several pharma and device companies as co-founder, CEO, Scientific Director and board member. He is chairman of the evaluation committees for visiting scientists at the Danish Central Bank and the Nordea Foundation. He has substantial experience in managing knowledge-based organisations, turning basic science into new products, innovation and planning. Mr. Olesen has furthermore worked extensively with funding and investor relations and has wide experience of CSR.



#### 9 NINA SMITH

Born 1955. Professor, MSc Econ. Member of the Board of Directors of the Carlsberg Foundation, member of the Supervisory Board of Nykredit Realkredit A/S and Nykredit Holding. Deputy Chairman of the Supervisory Board of Foreningen Nykredit. Chairman of the Risk Committee and member of the Audit Committee and Nomination Committee of Nykredit Realkredit A/S. Chairman of KORA, Danish Institute for Local and Regional Government Research. Previously member or chairman of the supervisory board of a number of private companies including the PFA Pension and Nykredit Bank as well as chairman of NIRAS and a number of Danish research institutes and organisations. She is member of the Danish Economic Council (Chairman 1995-1998). In addition to her expertise as a professional board member in private and public sector companies, Ms. Smith has substantial expertise in the analysis of economic and organisational issues and extensive experience from managing large knowledge-based organisations.



#### 10 CARL BACHE

Born 1953. Professor, Ph.D. & Dr.Phil. Member of the Board of Directors of the Carlsberg Foundation. Carl Bache is affiliated with the University of Southern Denmark, where he has specialized in English linguistics and communication, and where he is currently Head of the Doctoral School of the Humanities. In 1990, Carl Bache founded the Institute of Language and Communication - one of the biggest institutes of its kind in Northern Europe. Mr. Bache has many years of senior leadership experience from positions as research coordinator, committee chairman, departmental head, university senator and dean. For a number of years, Mr. Bache has been a member of Danish research councils and committees, i.a. as a member of the Board of the Danish Independent Research Council and chairman of the Research Policies Committee of the Royal Danish Academy of Sciences and Letters. He is a member of the board of a publishing firm and of the Board of Trustees of the art museum Ny Carlsberg Glyptotek in Copenhagen. In addition to his substantial management experience and his aptitude for analytical and strategic thinking, he has a highly developed intercultural understanding from his international education and international work experience.

# EXHIBIT AGENDA ITEM 5A

## Remuneration policy for the Supervisory Board and the Executive Board of Carlsberg A/S, including general guidelines for incentive programmes for the Executive Board.

### 1. PREAMBLE

This policy includes the general guidelines concerning the remuneration of the Supervisory Board and the Executive Board of Carlsberg A/S and the incentive programmes for the Executive Board. "The Executive Board" means the executives registered as executives of the company with the Danish Business Authority.

In accordance with Section 139 of the Danish Companies Act, before a listed company enters into a specific incentive agreement with a member of the company's Supervisory Board or Executive Board, the Supervisory Board must specify general guidelines for incentive programmes for the company's Supervisory Board and Executive Board.

The guidelines must be considered and approved at the company's annual general meeting (AGM). For a number of years, Carlsberg A/S has had incentive programmes for i.a. the Executive Board of the company but not for the Supervisory Board. This present

policy incl. guidelines replaces the most recent policy incl. guidelines which was approved at the AGM in March 2013.

### 2. GENERAL PRINCIPLES FOR THE REMUNERATION OF THE SUPERVISORY BOARD

The remuneration of the Supervisory Board consists of a fixed annual base fee. The Chairman receives a single fee of three and a half times the base fee and no additional fee for committee work. The Deputy Chairman receives one and a half times the base fee and in addition a fee if carrying out committee work. A member of a Board Committee receives in addition to the fixed annual base fee, an annual fee per committee of 38% of the base fee. The Chairman of the Audit Committee receives an additional annual fee of 75% of the base fee and the Chairmen of other Committees receives an additional annual fee of 50% of the base fee. Carlsberg A/S pays travel and accommodation expenses in connection with board meetings.

The Supervisory Board of Carlsberg A/S is not included in the company's incentive programmes and does not receive a bonus on the completion of a takeover bid.

At each year's AGM, the remuneration of the Supervisory Board for the financial year in question shall be approved. The Supervisory Board evaluates its remuneration at least once a year on the basis of a recommendation from the Remuneration Committee. When making its recommendation, the Remuneration Committee takes into account relevant benchmarks for other Danish and global companies.

### 3. GENERAL PRINCIPLES FOR THE REMUNERATION OF THE EXECUTIVE BOARD

In order to attract and retain managerial expertise, the elements of the remuneration of the members of the Executive Board are determined on the basis of the work they do and the value they create as well as of the conditions in other Danish and global companies. The remuneration of the Executive Board includes a fixed salary, an annual cash bonus, long-term incentive awards and other usual allowances. Each element of the remuneration has been weighted in order to ensure a continuous positive development of the company both in the short and long-term.

#### A. Fixed salary

Fixed salary rewards the executives for their day-to-day job performance and ensures a balanced overall remuneration package.

#### B. Variable incentive awards

In order to encourage common goals for the Executive Board and the shareholders of Carlsberg and to meet the short- as

well as long-term goals, the Supervisory Board considers it appropriate that incentive programmes exist for the Executive Board. Such incentive programmes may comprise any form of variable remuneration, including share-based instruments such as shares, share options, warrants and phantom shares as well as non-share-based bonus agreements – both on-going, one-off and event-based. Any specific incentive agreements with members of the Executive Board will be subject to these guidelines.

Any decision to include a particular member of the Executive Board in an incentive programme – and which agreement(s) to specifically conclude – will depend on whether the Supervisory Board considers it expedient in order to encourage common goals for the Executive Board and the shareholders and in order to take into account the short- and long-term goals. In addition, the Executive Board's historical and expected performance, motivation and loyalty concerns and the general situation and development of the company will also be taken into consideration.

#### **General terms of annual bonus arrangements**

Annual bonus arrangements are one-year bonus schemes which drive and reward delivery of short-term business objectives. The annual bonus payments are conditional upon compliance in full or in part with the terms and targets defined in the agreement. These may comprise personal targets linked to the performance of the executive in question, Carlsberg's delivery of annual business results, the results of one or more business units under Carlsberg or the occurrence of a specific event.

The annual bonus schemes for the Executive Board allow members to receive a bonus

per financial year of up to 100% of the member's fixed annual salary. Details of the annual bonus plan are set out in Carlsberg's annual report.

The Executive Board does not receive a bonus on the completion of a takeover bid but its terms of notice change.

#### **General terms of long-term incentive arrangements**

Share-based long-term incentive arrangements are made to drive and reward long-term business objectives and to maximise alignment with shareholder value. They may include:

- Share options

An option to acquire shares as of the third anniversary of grant at an exercise price per share not less than the average market price of the company's stock over the first five dealing days following the date of publication of the company's financial statements for any period immediately prior to the date of grant, vesting subject to continuous service.

- Performance shares

A conditional right to receive shares on the third anniversary of grant for free (i.e. nil payment), vesting subject to continuous service and the achievement (in full or in part) of performance targets.

The performance targets applying to performance shares must comprise at least one or more targets linked to Carlsberg's business results. The performance is normally measured over a period of at least three years. The value of long-term incentive share-based

instruments granted in a given financial year may be up to 200% of the fixed annual salary of the individual member of the Executive Board.

The estimated present value of the share-based incentive programmes which are subject to these guidelines is calculated in accordance with the International Financial Reporting Standards (IFRS). The executive shall not pay for the award of a share-based instrument unless the Supervisory Board specifically decides otherwise.

Share options may normally be exercised no earlier than three years after the time of award and no later than eight years after the time of award. However, the Supervisory Board may decide that any share-based long-term incentive awards may be subject to early vesting and exercise (i.e. before the third anniversary of grant) in various situations, e.g. including (but not limited to) the retirement or death of an executive.

If Carlsberg, as part of a share-based incentive programme, has to obtain shares in order to meet its obligations under the incentive programme, such shares may be obtained through a buyback of treasury shares and through Carlsberg's holding of treasury shares.

Details of the share-based long-term incentive arrangements are set out in Carlsberg's annual report.

#### **Frequency of making variable incentive awards**

Both the annual bonus and long-term incentives are awarded annually to ensure a rolling programme of variable incentives.

#### **Other incentive arrangements**

The Company may also implement other incentive arrangements, which may comprise a form of bonus scheme or a performance contract typically with a term of one or several years and/or may be subject to a specific event occurring in relation to Carlsberg and may also include retention bonus, loyalty bonus or the like, however, always provided that the aggregate value of an individual's variable pay for a financial year shall not exceed the limits described above.

#### **C. Reclaiming variable pay**

In the event of serious misconduct, or if an annual bonus or long-term incentive award is made on the basis of accounts which later prove to be materially misstated, the Company may reclaim, in full or in part, any overpayment from annual bonus and/or cancel or withdraw unexercised options or unvested long-term incentive awards.

#### **4. AMENDMENTS TO AND DISCONTINUATION OF INCENTIVE PROGRAMMES**

The Supervisory Board is entitled to amend or discontinue one or more incentive programmes introduced in accordance with these guidelines. Any assessment to this effect must include the criteria forming the basis of the establishment of the programme. Such amendments may only be effected within the scope of these guidelines. More extensive amendments are subject to approval by the AGM.

#### **5. PUBLICITY AND COMMENCEMENT OF SPECIFIC INCENTIVE AGREEMENTS**

In accordance with Section 139 of the Danish Companies Act, a provision is included in the Company's Articles of Association, stipulating

that the AGM has adopted guidelines for the incentive remuneration of the Executive Board.

Following approval at Carlsberg's AGM on 20 March 2014, the guidelines will immediately be published on Carlsberg's website ([www.carlsberggroup.com](http://www.carlsberggroup.com)). If at a later point in time the AGM adopts amendments to the guidelines, the revised guidelines will immediately be published on Carlsberg's website ([www.carlsberggroup.com](http://www.carlsberggroup.com)) indicating the date of amendment of the guidelines by the AGM.