

**Form for reporting on the recommendations on corporate governance,
November 2017**

This form is meant as a tool for Danish companies with shares admitted to trading on a regulated market who wish to report on the company's compliance with the recommendations on corporate governance in a standard reporting format.

The recommendation text of this form does not replace the recommendations; reference is made to the recommendations on corporate governance with regard to preface, introduction and comments. The Committee's comments on the recommendations may be included as guidelines and inspiration for companies in their work on the recommendations. In this connection the comments are meant as a tool. The reporting on corporate governance itself should only be carried out in compliance with the specific recommendations of the Committee, and not according to the comments or guidelines.

The report must be composed in Danish and must be provided in a corporate governance report published as either part of the management commentary on the annual report or on the company's website with exact reference to the management commentary. The Committee believes that publication of the corporate governance report on the company's website - with exact reference to the report in the management commentary - creates the highest degree of transparency. Publication of the report on the company's website provides easier access for investors and other stakeholders.

Under the Financial Statements Act a publication on the company's website requires that the URL address - where the corporate governance report is published - is stated in the management commentary in the annual report. The URL address must be the internet address which can be used to access the report **directly**.

There are further requirements to the preparation of the report on corporate governance and how it is to be published. The detailed requirements are described in Executive order no. 558 of 1 June 2016 on Publication of Reports pursuant to the Financial Statements Act.

Notice: The form below contains the recommendations of the Committee on Corporate Governance of November 23, 2017. The recommendations are available on the website of the Committee on Corporate Governance www.corporategovernance.dk. Nasdaq Copenhagen A/S has decided to include the recommendations in the Rules for issuers of shares by January 3, 2018. **This form may be used for the preparation of the report on corporate governance in annual reports concerning financial years commencing January 1, 2018 or later.**

“Comply or explain”

If a company deviates from parts of the recommendations, the company has to explain the reasons for the deviations, cf. section 107 b (1) (iii) of the Financial Statements Act. The company has to explain why it has chosen not to comply with a recommendation and what it has chosen to do instead. Failure to comply with a recommendation is not considered a breach of rules, but merely implies that the board of directors of the company has chosen a different approach. The market must decide whether deviations are justified and whether the explanation is satisfactory. A good explanation provides specific insight for stakeholders to be able to decide on any investments. In order to create the transparency necessary for investors, companies must respond to each recommendation and provide information on whether or not they will comply with the recommendation in question.

Note that the reporting must reflect the current style of management at the time of the reporting. In the event of significant changes during the year, or after the balance sheet date, descriptions of the changes should be included in the corporate governance report. Companies must consider each of the recommendations.

If the company complies partially with a recommendation the company must specify which parts it is complying with, why it is deviating from the remaining part of the recommendation and what it has chosen to do instead.

The Committee has observed that many companies choose to provide supplementary information even in cases where the company complies with a recommendation. The Committee encourages companies to provide supplementary information where this increases transparency.

The report concerns the financial year **1 January 2018 – 31 December 2018**

Recommendation	The company complies	The company complies partially	The company does not comply	The explanation for complying partially/not complying with the recommendation
1. Communication and interaction by the company with its investors and other stakeholders				
<i>1.1. Dialogue between company, shareholders and other stakeholders</i>				
1.1.1. The Committee recommends that the board of directors ensure ongoing dialogue between the company and its shareholders so that the shareholders gain relevant insight into the company and in order for the board of directors to be aware of the shareholders' views, interests and opinions in relation to the company.	X			<p>Carlsberg aims at providing information and opportunities for dialogue to its shareholders through regular publication of news, interim reports, annual reports and general meetings.</p> <p>Carlsberg has an Investor Relations department that assists the Executive Board when it holds regular meetings and teleconferences with investors and analysts in or outside Denmark. Carlsberg has a separate section for investor information on its website where it regularly provides comprehensive information about financial and operational issues and where all information announced to the market is easily and readily available.</p>

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				<p>Investors (and others) can sign up on Carlsberg's investor portal to receive regular information from the company. Further, the Investor Relations department meets with proxy advisors to exchange views and in order for both Carlsberg and its stakeholders to gain a deeper understanding of each other,</p> <p>From time to time, the Chairmanship and the Remuneration Committee Chair meet with major shareholders to discuss specific matters raised by the shareholders.</p>
<p>1.1.2. The Committee recommends that the board of directors adopt policies on the company's relationship with its stakeholders, including shareholders, and that the board of directors ensure that the interests of the stakeholders are respected in accordance with company policies.</p>	X			<p>Carlsberg has adopted a Communication Policy and strategy. In its Communication Policy, Carlsberg identifies its key stakeholders and their main interests in relation to the company.</p> <p>The Communication Policy and related procedures also serve to ensure that information of importance to investors (and other key stakeholders as relevant) is made available to them and published in accordance with applicable rules and regulations.</p>
<p>1.1.3. The Committee recommends that the company publish quarterly reports</p>		X		<p>Carlsberg published quarterly reports in 2018 on 7 February (full year 2017) and on 16 August (1st half year) and trading statements on 1 May (Q1) and on 1 November (Q3).</p>

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				<p>Carlsberg finds that half-year reporting is more appropriate due to the seasonality of its business and that Carlsberg historically has seen high volatility in quarterly earnings and margins as a result of phasing of costs. Carlsberg considers the high volatility as potentially misleading for the understanding of the underlying Group performance. For these reasons, Carlsberg finds half-yearly reporting more appropriate.</p>
<i>1.2. General meeting</i>				
<p>1.2.1. The Committee recommends that in organising the company's general meeting, the board of directors plans the meeting to support active ownership.</p>	X			<p>The Supervisory Board and the Executive Board promote active ownership, including shareholders' attendance at general meetings</p> <ul style="list-style-type: none"> • by announcing well in advance the date of the general meeting on its website; • by distributing invitations to shareholders to general meetings to all shareholders either directly or through information on the company's website and through announcements on Nasdaq OMX and the IT-system of the Danish Business Authority, and • by informing shareholders of their right to ask questions and submit proposals for the general meeting.

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				All shareholders and other stakeholders are in addition invited to attend quarterly calls with Carlsberg's top management in relation to quarterly announcements and are able to ask questions and, as mentioned above, the Chairmanship and the Remuneration Committee Chair meet from time to time and often in connection with the annual general meeting with major shareholders to discuss specific matters raised by the shareholders.
1.2.2. The Committee recommends that proxies or votes by post for the general meeting allow shareholders to consider each individual item on the agenda.	X			The proxies used for the general meeting generally allow shareholders to consider each individual item on the agenda. This was also the case with regard to the proxy for the Annual General Meeting in 2018.
<i>1.3. Takeover bids</i>				
1.3.1. The Committee recommends that the company set up contingency procedures in the event of takeover bids, from the time that the board of directors has reason to believe that a takeover bid will be made. The contingency procedures should establish that the board of directors should not without the acceptance of the general meeting, attempt to counter the takeover bid by making decisions which, in reality, prevent the shareholders from deciding on the takeover bid themselves.	X			The Supervisory Board of Carlsberg has a Takeover Manual with procedures and guidance in the event of a takeover offer. According to the Takeover Manual, the Supervisory Board is not at any time entitled to take any steps that in reality prevents that a future takeover offer is presented to the shareholders at a General Meeting. The Supervisory Board will in the event of a takeover offer, consider specifically what will be in the best interest of all shareholders (and

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				<p>more widely of the company) before it decides whether or not to present an offer to the shareholders.</p> <p>Carlsberg's articles of association do not contain any provisions that limit ownership or voting rights or that make it possible for the Supervisory Board generally to prevent takeover bids.</p> <p>Carlsberg's Supervisory Board will consider a potential bid to take over the company's shares in accordance with applicable legislation and the Takeover Manual. Carlsberg's principal shareholder, the Carlsberg Foundation, is obliged to hold at least 51% of the votes of the share capital of Carlsberg A/S according to its charter.</p>
2. Tasks and responsibilities of the board of directors				
<i>2.1. Overall tasks and responsibilities</i>				
2.1.1. The Committee recommends that at least once annually the board of directors consider the matters that should be included in the board's performance of its work.	X			The Supervisory Board once a year defines its most important tasks and decides on an annual plan for the following year. In the board evaluation process the Supervisory Board considers whether all its responsibilities have been dealt with.

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				Once a year, the Supervisory Board also reviews its rules of procedures in accordance with the annual plan and considers if any changes are required.
2.1.2. The Committee recommends that at least once annually the board of directors consider the overall strategy of the company with a view to ensuring value creation in the company.	X			The Supervisory Board discusses Carlsberg's strategy Sail22 and Carlsberg's overall organisation continuously and in particular in a dedicated annual strategy seminar. In June 2018 the Supervisory Board held its strategy seminar where it reviewed, discussed and gave input to various inorganic options in light of Sail22.
2.1.3. The Committee recommends that the board of directors ensure that the company has a capital and share structure which supports that the strategy and long-term value creation of the company are in the best interest of the shareholders and the company, and that the board of directors explain this in the management commentary and/or on the company's website.	X			The Supervisory Board regularly assesses whether the company's capital and share structures fulfill the interests of the Carlsberg Group and its shareholders and supports the long term profitable growth and development of the business. This assessment is accounted for in the Annual Report.
2.1.4. The Committee recommends that the board of directors annually review and approve guidelines for the executive board; this includes establishing requirements for the executive board's reporting to the board of directors.	X			The Supervisory Board supervises the work of the Executive Board and has as part of its Rules of Procedures issued Guidelines for the Executive Board. These Guidelines (together with the Rules of Procedure for the Supervisory Board) are considered by the Supervisory Board approximately once a year.

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				The Rules of Procedure for the Supervisory Board and the Guidelines for the Executive Board jointly set out the overall duties and obligations of the Executive Board, procedures for the Executive Board's reporting to the Supervisory Board and for any other communication and decision processes between the two bodies.
2.1.5. The Committee recommends that at least once annually, the board of directors discuss the composition, developments, risks and succession plans of the executive board.	X			In connection with its annual evaluation process, the Supervisory Board also evaluates the composition and performance of the Executive Board and it has at least once a year a structured discussion of succession planning with regard to the Executive Board as well as a general review and discussion of talent management and succession planning in the company.
<i>2.2. Corporate social responsibility</i>				
2.2.1. The Committee recommends that the board of directors adopt policies on corporate social responsibility.	X			Carlsberg has adopted CSR policies and published them on its website and reports on its sustainability approach and initiatives in the Annual Report. Carlsberg has a dedicated sustainability department and provides detailed information on the implementation of its initiatives through the annual sustainability report. This report covers the Carlsberg Group's material sustainability themes, its long term

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				targets on each area and the progress it has made towards reaching these. In 2017, Carlsberg launched a new ambitious sustainability programme "Together Towards Zero" and has in 2018 made good progress on the programme as further described in the Carlsberg Group Sustainability Report.
<i>2.3. Chairman and vice-chairman of the board of directors</i>				
2.3.1. The Committee recommends appointing a vice chairman of the board of directors, who will assume the responsibilities of the chairman in the event of the chairman's absence, and who will also act as effective sparring partner for the chairman.	X			The Supervisory Board has appointed a deputy chairman who acts in the chairman's absence and acts as an effective sounding board for the chairman. The Rules of Procedure for the Supervisory Board set out tasks etc. for the chairman and, in his absence, the deputy chairman. The chairman and the deputy chairman form the chairmanship of the company who prepare Supervisory Board meetings together with the Executive Board in accordance with an annual meeting plan.
2.3.2. The Committee recommends that, if the board of directors, in exceptional cases, asks the chairman of the board of directors or other board members to perform special activities for the company, including briefly participating in the day-to-day management, a board resolution to that effect should be passed to ensure that the board of directors maintains its independent, general management and control function. Resolutions on the chairman's or other board members' participation in day-	X			The chairman does not participate in the day-to-day management of the company and does not carry out other tasks for the company than handling the task as chairman of the company. There were no exceptions to this in 2018.

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to-day management and the expected duration hereof should be publicly announced.				
3. Composition and organisation of the board of directors				
<i>3.1. Composition</i>				
<p>3.1.1. The Committee recommends that the board of directors annually evaluate and in the management commentary account for</p> <ul style="list-style-type: none"> • the competencies that it must have to best perform its tasks, • the composition of the board of directors, and • the special competencies of each member. 	X			<p>In accordance with its annual plan, the Supervisory Board once a year (on the basis of a recommendation from the Nomination Committee) considers the skills that should be represented on the board and takes this into consideration when preparing proposals for new candidates for the Supervisory Board. A "Specification of Competencies required for the Supervisory Board in Carlsberg A/S" has been developed by the Supervisory Board, is reviewed annually and available on Carlsberg's website.</p> <p>The Annual Report and Carlsberg's website contain a section describing the composition of the Supervisory Board and also detailed information about each Supervisory Board member.</p>
3.1.2. The Committee recommends that the board of directors annually discuss the company's activities to ensure relevant diversity at management levels and		X		The Supervisory Board at least once a year discusses the company's activities to ensure diversity at relevant management levels. The Supervisory Board has established objectives

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<p>prepare and adopt a policy on diversity. The policy should be published on the company's website.</p>				<p>for diversity at the Supervisory Board level and in the annual report it accounts for the objectives and the progress made. In addition, on the basis of a policy made by the Supervisory Board, the company has prepared and implemented specific action plans to increase the number of the underrepresented gender (in this case women) in senior management positions in the company. This is explained in more details in the Annual Report.</p> <p>Generally, diversity is a focus area for Carlsberg and an embedded part of Carlsberg's "People Agenda". The Board adopted a gender diversity policy in 2013 and will consider a broader diversity policy for publication in due time.</p>
<p>3.1.3. The Committee recommends that the selection and nomination of candidates for the board of directors be carried out through a careful and transparent process approved by the board of directors. When assessing its composition and nominating new candidates, the board of directors should, in addition to the need for competencies and qualifications, take into consideration the need for integration of new talent and diversity.</p>	X			<p>The Nomination Committee heads the process for selecting and nominating candidates for the Supervisory Board. In this process a number of factors are taken into consideration, including the Specification of Competencies, the company's strategy, the need for specific experience or skills as well as diversity.</p>

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				The Nomination Committee has a mandate to propose candidates to the Supervisory Board who will then decide on the final nomination to the Annual General Meeting of candidates for the Supervisory Board.
<p>3.1.4. The Committee recommends that the notice convening a general meeting where the agenda includes the election of members to the board of directors, include (in addition to the statutory requirements) a description of the qualifications of nominated candidates, including information about the candidates’</p> <ul style="list-style-type: none"> • other executive functions, including positions on executive boards, boards of directors and supervisory boards, including board committees, in Danish and foreign enterprises, and • demanding organisational tasks. <p>Furthermore, it should be indicated if the candidates to the board of directors are considered independent.</p>	X			<p>Carlsberg’s notices of a general meeting contains the recommended information about the candidates for the Supervisory Board in relation to both new candidates and candidates that are proposed for re-election.</p> <p>Carlsberg explains in the Annual Report and on its website which Supervisory Board members have links to the Carlsberg Foundation and therefore are not independent of Carlsberg as defined in the recommendations. The four Supervisory Board members that are considered independent as defined in the recommendations are Lars Rebieen Sørensen, Richard Burrows, Magdi Batato and Donna Cordner</p>
<p>3.1.5. The Committee recommends that members of the company’s executive board be not members of the board of directors and that a resigning chief executive officer be not directly elected as chairman or vice chairman for the same company.</p>	X			<p>No member of Carlsberg’s executive board is member of the Supervisory Board.</p> <p>Carlsberg has not had nor does Carlsberg plan to have a resigning CEO directly elected as chair or deputy chair.</p>

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3.1.6. The Committee recommends that members of the board of directors elected by the general meeting be up for election every year at the annual general meeting.	X			According to the Company's Articles of Association, section 27(3), Supervisory Board members are elected for one year at a time. Re-election is possible.
3.2. Independence of the board of directors				
3.2.1. The Committee recommends that at least half of the members of the board of directors elected by the general meeting be independent persons, in order for the board of directors to be able to act independently of special interests. To be considered independent, this person may not: <ul style="list-style-type: none"> • be or within the past five years have been a member of the executive board, or senior staff member in the company, a subsidiary or an associated company, • within the last five years, have received large emoluments from the company/group, a subsidiary or an associated company in a different capacity than as member of the board of directors, • represent or be associated with a controlling shareholder, • within the past year, have had significant business relations (e.g. personally or indirectly as partner or employee, shareholder, customer, supplier or member of management in companies with corresponding connection) with the company, a subsidiary or an associated company. 		X		Five of the ten members of Carlsberg's Supervisory Board elected by the Annual General Meeting have close links to Carlsberg's principal shareholder, the Carlsberg Foundation as they make up the Foundation's Board. The other members elected by the general meeting have an international business background. These members with an international business background are all independent as defined in the recommendations. In May 2018, Nancy Cruickshank, independent member, stepped down from the Supervisory Board to join the Carlsberg organisation as head of Digital Business Transformation, and the number of independent members is thus four until the replacement for Nancy Cruickshank joins the Supervisory Board at the coming AGM.

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<ul style="list-style-type: none"> • be or within the past three years have been employed or been a partner in the same company as the auditor elected by the general meeting, • be the chief executive officer in a company with cross-memberships with the company, • have been a member of the board of directors for more than 12 years, or • be a close relative with persons who are not considered independent. <p>Even if a member of the board of directors is not covered by the above criteria, certain conditions may exist that will lead the board of directors to decide that one or more members cannot be regarded as independent.</p>				
<p><i>3.3. Members of the board of directors and the number of other management functions</i></p>				
<p>3.3.1. The Committee recommends that each member of the board of directors assess the expected time commitment for each function so that the member does not take on more functions than he/she can complete at a satisfactory level for the company.</p>	X			<p>Each member of the Supervisory Board is responsible for assessing the expected time commitment for the functions they carry out to ensure that they each have the necessary time to carry out their tasks as board members in Carlsberg. This obligation is also set out in the Rules of Procedure and in a Letter of Appointment introduced in 2015 (a "board contract" setting out the fundamental duties of Supervisory Board members elected by the Annual General Meeting).</p>

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<p>3.3.2. The Committee recommends that the management commentary, in addition to the provisions laid down by legislation, includes the following information about the members of the board of directors:</p> <ul style="list-style-type: none"> • the position of the relevant person, • the age and gender of the person in question, • the person’s competencies and qualifications that are relevant to the company • whether the member is considered independent, • the member’s date of appointment to the board of directors, • expiry of the current election term, • the member’s participation in the meetings on the board of directors and committee meetings, • other management functions, including memberships in executive boards, boards of directors, and supervisory boards, including board committees in Danish and foreign enterprises and demanding organisational tasks, and • the number of shares, options, warrants and similar owned by the member in the company and other group companies, as well as changes to the member’s portfolio of the mentioned securities which have occurred during the financial year. 	X			<p>The Annual Report (and the Company’s website) contains this information in the section describing each member of the Supervisory Board.</p> <p>Carlsberg explains in the Annual Report and on its website which Supervisory Board members have links to the Carlsberg Foundation and therefore are not independent of Carlsberg as defined in the recommendations.</p> <p>The 2018 Annual Report contains information about each Supervisory Board member's occupation and about all managerial positions and directorships at other companies in Denmark and abroad, as well as demanding organisational tasks, held by members of the Supervisory Board. It also includes information on the individual holdings of shares in Carlsberg by Supervisory Board members.</p>
<p>3.3.3. The Committee recommends that the annual evaluation procedure, cf. section 3.5, include an evaluation of what is regarded as a reasonable level for the number of other management functions, where the</p>	X			<p>As part of the annual evaluation process, the Supervisory Board members are asked to consider and discuss with the Chairman in the 1:1 evaluation conversation what is regarded</p>

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number, level and complexity of the other individual management functions are taken into account.				as a reasonable level for the number of other management functions.
3.4. Board committees				
3.4.1. The Committee recommends that the company publish the following on the company's website: <ul style="list-style-type: none"> • the terms of reference of the board committees, • the most important activities of the committees during the year and the number of meetings held by each committee, and • the names of the members of each committee, including the chairmen of the committees, as well as information regarding which members are independent members and which members have special competencies. 	X			The Annual Report and the Company website contain the information recommended for all three board committees. The Terms of Reference for each committee are approved by the Supervisory Board and reviewed annually.
3.4.2. The Committee recommends that a majority of the members of a board committee be independent.	X			According to the terms of reference for each committee, the majority of the committee members must be independent members of the Supervisory Board. In 2018, three of the four members of the Audit Committee were independent in accordance with the criteria set out in the recommendations. All three members of the Remuneration Committee in 2018 were independent. Two of the three members of the Nomination Committee are independent in accordance with the criteria set out in the recommendations

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<p>3.4.3. The Committee recommends that the members of the board of directors set up an <u>audit committee</u> and that a chairman is appointed who is not the chairman of the board of directors.</p>	X			<p>The Supervisory Board established an Audit Committee in 2009. In 2018 the Audit Committee fulfilled all tasks set out in its terms of reference. The work of the committee is described in the Annual Report (the Corporate Governance section).</p> <p>The Audit Committee is appointed for one year at a time. In 2018, Carlsberg's Audit Committee had four members appointed by the Supervisory Board (Donna Cordner (chair), Lars Rebien Sørensen, Richard Burrows and Nina Smith). The Audit Committee is appointed for one year at a time. Three members (Donna Cordner (chair), Lars Rebien Sørensen and Richard Burrows) are independent in accordance with the definition in the recommendations and all four have expertise and experience of relevance to the company's sector and several members have qualifications within accounting and audit.</p>
<p>3.4.4. The Committee recommends that, prior to the approval of the annual report and other financial reports, the audit committee monitor and report to the board of directors about:</p> <ul style="list-style-type: none"> • significant accounting policies, • significant accounting estimates, • related party transactions, and 	X			<p>The Audit Committee has five regular meetings every year in accordance with a detailed annual meeting plan, and in addition arranges ad hoc meeting when relevant. Prior to the approval of the annual report and other financial reports, the Audit Committee monitors and reports to the Supervisory Board on the recommended matters.</p>

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<ul style="list-style-type: none"> uncertainties and risks, including in relation to the outlook for the current year. 				
<p>3.4.5. The Committee recommends that the audit committee:</p> <ul style="list-style-type: none"> annually assesses the need for an internal audit function and, in such a case, presents mandates and recommendations on selecting, appointing and removing the head of any internal audit function and on the budget of the internal audit function, ensure that if an internal audit has been established, a description of its functions is available and approved by the board of directors, ensure that if an internal audit has been established, adequate resources and competencies are allocated to carry out the work, and monitor the executive board's follow-up on the conclusions and recommendations of the internal audit function. 	X			<p>Carlsberg has established an internal audit function. The head of the internal audit function participates in all Audit Committee meetings and reports to the Audit Committee on all significant matters, including the executive board's follow-up on the conclusions and recommendations of the internal audit function. Once a year, the Audit Committee evaluates the internal audit function and monitors that it has adequate resources and competencies.</p> <p>The work of the internal audit function is further described in the Annual Report.</p>
<p>3.4.6. The Committee recommends that the board of directors establish a <u>nomination committee</u>, which is at least, responsible for the following preparatory tasks:</p> <ul style="list-style-type: none"> describing the qualifications required by the board of directors and the executive board and for a given position, indicating the time expected to be spent carrying out a specific position, as well as assessing the competencies, knowledge and experience found in the two governing bodies, 	X			<p>The Supervisory Board has a Nomination Committee that works in accordance with Terms of Reference set out by the Supervisory Board. The Terms of Reference are available on the company's website and the duties of the committee comprises all of the recommended preparatory tasks as well as the following:</p> <ul style="list-style-type: none"> Evaluation and recommendation to the Supervisory Board with regard to potential

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<ul style="list-style-type: none"> annually assessing the structure, size, composition and results of the board of directors and the executive board and recommend any changes to the board of directors, annually assessing the competencies, knowledge, experience and succession of the individual members of management and report to the board of directors in this respect, recommending candidates for the board of directors and the executive board, and proposing an action plan to the board of directors on the future composition of the board of directors, including proposals for specific changes. 				<p>training and updating of the expertise and skills of the Supervisory Board and the Executive Board</p> <ul style="list-style-type: none"> Recommendations to the Supervisory Board with regard to diversity on the Supervisory Board and the Company's objectives for such diversity and monitoring and advising the Supervisory Board on the overall succession planning for the Executive Committee.
<p>3.4.7. The Committee recommends that the board of directors establish a <u>remuneration committee</u>, which is at least, responsible for the following preparatory tasks:</p> <ul style="list-style-type: none"> recommending the remuneration policy (including the "General Guidelines for incentive-based Remuneration") to the board of directors and the executive board for approval by the board of directors prior to approval by the general meeting, making proposals to the board of directors on remuneration for members of the board of directors and the executive board, as well as ensuring that the remuneration is in compliance with the company's remuneration policy and the assessment of the performance of the persons concerned. The committee should have information on the total remuneration that 	X			<p>The Supervisory Board has a Remuneration Committee, which works in accordance with Terms of Reference set out by the Supervisory Board.</p> <p>The Terms of Reference are available on the Company's website and the duties of the committee comprises all of the recommended tasks as well as monitoring and advising the Supervisory Board on any major changes to the policy on senior employee benefit structures for the Group, including for the Executive Committee.</p>

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members of the board of directors and the executive board receive from other companies in the group, <ul style="list-style-type: none"> recommending a remuneration policy applicable for the company in general and assisting with the preparation of the annual remuneration report. 				
3.4.8. The Committee recommends that the remuneration committee do not consult with the same external advisers as the executive board of the company.	X			The Remuneration Committee uses an Aon Hewitt company as its independent external advisor. Aon Hewitt does not provide any other services to the Executive Board of Carlsberg and the Committee is satisfied as to the independence of its advisors.
3.5. Evaluation of the performance of the board of directors and the executive board				
3.5.1. The Committee recommends that the board of directors establish an evaluation procedure for an annual evaluation of the board of directors and the individual members. External assistance should be obtained at least every third year. The evaluation should inter alia include: <ul style="list-style-type: none"> contribution and results, cooperation with the executive board, the chairman's leadership of the board of directors, the composition of the board of directors (including competencies, diversity and the number of members), the work in the committees and the committee structure, and the organisation and quality of the material that is submitted to the board of directors. 	X			Once a year, the chairman of the Supervisory Board heads a structured evaluation of the board's work, accomplishments and composition. The evaluation process takes place in accordance with written procedures established by the Supervisory Board on the basis of a recommendation from the Nomination Committee. The chairman conducted in November and December 2018 1:1 evaluation meetings with each Supervisory Board member based on a detailed questionnaire filled in and submitted in advance by each member, covering together the recommended topics. The chairman then

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<p>The evaluation procedure and the general conclusions should be described in the management commentary and on the company's website. The chairman should account for the evaluation of the board of directors, including the process and general conclusions on the general meeting prior to the election of the board of directors.</p>				<p>prepared a report on the outcome of the evaluation process to the Supervisory Board and this report formed the basis for a discussion of the matter in the Supervisory Board. Finally, the evaluation process includes a meeting without the presence of the chairman (headed by the deputy chairman) at which the performance of the chairman is discussed.</p> <p>Headed by the chairman, and on the basis of a recommendation from the Nomination Committee, the Supervisory Board considers regularly and at least once a year in connection with the annual evaluation of the Supervisory Board, if there are areas where members' expertise and skills need to be updated and whether the Supervisory Board's Specification of Competencies should be updated.</p>
<p>3.5.2. The Committee recommends that at least once annually, the board of directors evaluate the work and performance of the executive board in accordance with pre-defined criteria. Furthermore, the board of directors should evaluate the need for changes to the structure and composition of the executive board, in light of the company's strategy.</p>	X			<p>The evaluation headed by the chairman of the Supervisory Board also includes an evaluation of the cooperation between the Supervisory Board and the Executive Board and the work, accomplishments and composition of the Executive Board. The process includes a Supervisory Board meeting without the presence of the Executive Board at which the performance of and cooperation with the Executive Board is discussed. The Supervisory</p>

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				Board continuously considers the appropriate composition of the executive committee, including the executive board and also succession planning.
<p>3.5.3. The Committee recommends that the executive board and the board of directors establish a procedure according to which their cooperation is evaluated annually through a formalised dialogue between the chairman of the board of directors and the chief executive officer, and that the outcome of the evaluation be presented to the board of directors.</p>	X			The Supervisory Board has an ongoing dialogue among itself and with the Executive Board on the cooperation between the Supervisory Board and the Executive Board and further, the Supervisory Board has issued procedures on its evaluation process which include an annual formalized dialogue between the chairman and the Executive Board, the outcome of which is presented to and discussed by the Supervisory Board.
4. Remuneration of management				
<i>4.1. Form and content of the remuneration policy</i>				
<p>4.1.1. The Committee recommends that the board of directors prepare a remuneration policy for the board of directors and the executive board, which includes</p> <ul style="list-style-type: none"> • a detailed description of the components of the remuneration for members of the board of directors and the executive board, • the reasons for choosing the individual components of the remuneration, 	X			The Supervisory Board has adopted a Remuneration Policy (the "Carlsberg Remuneration Guidelines") which in the Supervisory Board's view is clear and transparent. This policy was last approved by the General Meeting in March 2018 and is described in the Annual Report 2018. On recommendation from the Supervisory Board, the General Meeting has as part of the Remuneration Policy approved the general

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<ul style="list-style-type: none"> a description of the criteria that form the basis for the balance between the individual components of the remuneration, and an explanation for the correlation between the remuneration policy and the company's long-term value creation and relevant related goals. <p>The remuneration policy should be approved by the general meeting at least every fourth year and upon any material amendments and it should be published on the company's website.</p>				<p>guidelines for an incentive programme for the Executive Board, cf. Section 139 of the Danish Companies' Act. The Remuneration Policy and guidelines are available on the Company's website.</p> <p>The Remuneration Policy and the general guidelines for an incentive programme for the Executive Board include a description of the components of the remuneration for the Supervisory Board and the Executive Board and how the remuneration policy correlate with the Company's long-term goals. The Remuneration Report in the Annual Report 2018 also includes a detailed description of the current remuneration structures.</p>
<p>4.1.2. The Committee recommends that if the remuneration policy includes variable components,</p> <ul style="list-style-type: none"> limits be set on the variable components of the total remuneration package, a reasonable and balanced composition be ensured between remuneration for members of management and the value creation for shareholders in the long term, clarity be established about performance criteria and measurability for the award of variable components, it is ensured that variable remuneration not only consists of short-term remuneration components, and 	X			<p>The remuneration policy and incentive programme fulfill the recommendations.</p>

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<p>that long-term remuneration components must have a vesting or maturity period of at least three years, and</p> <ul style="list-style-type: none"> it be ensured that the company has the ability to reclaim, in full or in part, variable components of remuneration that were paid on the basis of information, which subsequently are found to be incorrect. 				
<p>4.1.3. The Committee recommends that remuneration of members of the board of directors does not include share options or warrants.</p>	X			The Supervisory Board members do not participate in share option, bonus or warrant programs.
<p>4.1.4. The Committee recommends that if, in relation to long-term incentive programmes, a share-based remuneration is used, the programmes should have a vesting or maturity period of at least three years after being allocated and should be roll-over programmes, i.e. the options should be granted periodically.</p>	X			The Executive Board is subject to share-based remuneration. The conditions of the existing share option scheme comply with the recommendation. Please refer to the detailed description in the Remuneration Report in the Annual Report 2018.
<p>4.1.5. The Committee recommends that the total value of the remuneration relating to the notice period, including severance pay, do not exceed two years of remuneration, including all components of the remuneration.</p>	X			Carlsberg complies with this recommendation.
<p><i>4.2. Disclosure of remuneration</i></p>				
<p>4.2.1. The Committee recommends that the company's remuneration policy and compliance with this policy be</p>	X			The chairman's report at the Annual General Meeting in March 2018 included an explanation

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explained and justified annually in the chairman's statement at the company's general meeting.				of the remuneration policy and compliance with this policy.
4.2.2. The Committee recommends that shareholders at the general meeting consider proposals for approval of remuneration for the board of directors for the current financial year.	X			The Annual General Meeting is each year asked to approve the proposed remuneration for the Supervisory Board for the year to come Latest, the Annual General Meeting in March 2018 was asked to approve the 2018 remuneration and similarly, the Annual General Meeting will be asked to approve the remuneration for 2019 in March 2019.
4.2.3. The Committee recommends that the company prepares a remuneration report that includes information on the total remuneration received by each member of the board of directors and the executive board from the company and other companies in the group and associated companies for the last three years, including information on the most important content of retention and resignation arrangements and that the correlation between the remuneration and company strategy and relevant related goals be explained. The remuneration report should be published on the company's website.	X			Carlsberg's 2018 Annual Report provides information on the Group's remuneration schemes, the remuneration components and the remuneration granted to each member of the Supervisory Board and the Executive Board. Carlsberg discloses the most important aspects of retention and severance programs in its Annual Report.
5. Financial reporting, risk management and audits				
<i>5.1. Identification of risks and transparency about other relevant information</i>				

Recommendation	The company complies	The company complies partially	The company does not comply	The explanation for complying partially/not complying with the recommendation
<p>5.1.1. The Committee recommends that the board of directors consider and in the management commentary account for the most important strategic and business-related risks, risks in connection with the financial reporting as well as for the company's risk management.</p>	X			<p>The management commentary in the Annual Report 2018 includes a detailed description of Carlsberg's risk management.</p> <p>The Supervisory Board reviews the overall risk exposure and the individual risk factors associated with the Carlsberg Group's activities. Such reviews are conducted as required and at least once a year. On behalf of the Supervisory Board, the Audit Committee monitors the overall strategic risk exposure and the individual risk factors associated with the Group's activities. Monitoring is mainly performed in connection with the reporting process.</p> <p>The Supervisory Board (through the Audit Committee) adopts guidelines for the key areas of risk, monitors the development and observes that plans are in place for the management of individual risk factors, including commercial and financial risks. For a more detailed description of the review of the overall risk exposure associated with the Group's activities and the current high-risk issues identified, please refer to the risk management section of the Annual Report.</p>

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<i>5.2. Whistleblower scheme</i>				
5.2.1. The Committee recommends that the board of directors establish a whistleblower scheme for expedient and confidential notification of serious wrongdoing or suspicions thereof.	X			A whistleblowing scheme has been in place in Carlsberg since 2010. The Audit Committee is provided with quarterly reports on matters reported in the whistleblower scheme and on action taken as a result of such matters reported.
<i>5.3. Contact to auditor</i>				
5.3.1. The Committee recommends that the board of directors ensure regular dialogue and exchange of information between the auditor elected by the general meeting and the board of directors, including that the board of directors and the audit committee meet with the auditor elected by the general meeting at least once annually without the executive board present. This also applies to the internal auditor, if any.	X			<p>The Supervisory Board maintains a regular dialogue and exchange of information with the auditor. The auditors participate in all Audit Committee meetings and in the Supervisory Board meeting at which the annual statement is discussed and approved. The auditors' report any significant findings regarding accounting matters and any significant internal control deficiencies to the Supervisory Board through the Audit Committee and through its written long-form audit reports to the Supervisory Board which are issued at least twice a year. All Supervisory Board and Audit Committee material is available to the auditors.</p> <p>The Supervisory Board (through the Audit Committee) meets regularly with the auditor without the Executive Board present. The Audit</p>

Recommendation	The company complies	The company complies partially	The company does not comply	The explanation for complying partially/not complying with the recommendation
				Committee regularly meets with the internal auditor without the Executive Board.
5.3.2. The Committee recommends that the audit agreement and auditor's fee be agreed by the board of directors and the auditor elected by the general meeting based on a recommendation from the audit committee.	X			The Supervisory Board has approved the agreement with the auditor on the basis of a recommendation from the Audit Committee on the agreement and the fees.