REMUNERATION POLICY

Approved by the Annual General Assembly, 16 March 2020

Carlsberg Group

REMUNERATION POLICY FOR THE SUPERVISORY BOARD AND THE EXECUTIVE BOARD OF CARLSBERG A/S

1. PREAMBLE AND PURPOSE

This policy has been prepared in accordance with sections 139 and 139a of the Danish Companies Act and provides the framework for the remuneration of the Supervisory Board and the Executive Board of Carlsberg A/S. The "Executive Board" means the executives registered as executives of Carlsberg A/S with the Danish Business Authority.

The purpose of the policy is to attract and retain expertise at both Supervisory Board and Executive Board level, align interests between the Executive Board and Carlsberg A/S' shareholders and ensure that the remuneration of the Executive Board is in line with the remuneration paid to executive board members in similar companies, whilst supporting Carlsberg A/S' long-term interests and sustainability. The remuneration of the Executive Board depends on the achievement of specific performance targets that relate to the performance of the executive in question and to Carlsberg A/S' short and long-term business results.

2. REMUNERATION OF THE SUPERVISORY BOARD

The remuneration of the Supervisory Board consists of a fixed annual base fee. The Chairman receives a fee of four and a half times the base fee and no additional fee for committee work. The Deputy Chairman receives a fee of one and a half times the base fee and an additional, separate fee for any committee work. The Chairman of the Audit Committee receives an additional annual fee of 113% of the base fee, and the chairmen of other committees receive an additional annual fee of 50% of the base fee. Other members of a board committee receive an additional annual fee per committee of 38% 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 Carlsberg A/S' incentive programmes and does not receive a bonus upon completion of a takeover bid.

The remuneration to the Supervisory Board for the financial year in question must be approved at the company's annual general meeting. 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.

Members of the Supervisory Board are elected for one year at a time and the term of office terminates at the end of the annual general meeting in the following calendar year.

3. REMUNERATION OF THE EXECUTIVE BOARD

Remuneration levels are determined by the Supervisory Board on recommendation from the Remuneration Committee and in line with the Remuneration Policy approved at the annual general meeting.

In order to attract and retain managerial expertise, the remuneration of the members of the Executive Board is determined on the basis of their work and the value they create as well as on the conditions in other Danish and global companies.

While the Carlsberg Group does not adhere rigidly to market benchmarks, the Supervisory Board monitors pay levels in peer companies in the principle markets from which the Carlsberg Group recruits. This includes European brewing and consumer goods companies as well as companies across sectors in the Nordic region.

The remuneration of the Executive Board includes a fixed salary, variable incentive awards in the form of an annual cash bonus (short-term incentive) and participation in long-term incentive awards and other usual benefits.

In special events and upon recommendation by the Remuneration Committee, the Supervisory Board may award an extraordinary remuneration such as a sign-on bonus, retention bonus, severance payment or compensation for relocation if this is deemed to support Carlsberg A/S' long-term interests.

Many of Carlsberg A/S' investors are long-term shareholders. We want the members of the Executive Board to share our shareholders' perspective and believe that variable remuneration which is linked to the achievement of specific performance targets and a requirement for share ownership ensure alignment of interests and contributes to the achievement of the short and long-term business strategy.

The general principles that apply to the Executive Board also apply to the global extended leadership team and employees at all levels in the Carlsberg Group. It means that, just as we do for the Executive Board, we aim to ensure that pay levels, structures and employment conditions are aligned to the relevant market for talents at all levels.

A. FIXED SALARY

The fixed salary rewards the members of the Executive Board for the day-to-day performance of their duties and ensures a balanced overall remuneration package.

B. BENEFITS

Members of the Executive Board make their own provisions for retirement. No additional pension contributions are made on their behalf.

Work-related benefits such as company cars, internet connection and mobile phones are made available to the Executive Board. For international executives, relocation or commuting allowances and certain expatriate benefits may be introduced.

C. VARIABLE INCENTIVE AWARDS

In order to encourage common goals for the Executive Board and shareholders of Carlsberg A/S and to meet short and 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 ongoing, one-off and event-based. Any specific incentive agreement with members of the Executive Board will be subject to this policy.

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 promote Carlsberg A/S' business strategy. In addition, the Executive Board's historic and expected performance, motivation, retention and the general situation and development of Carlsberg A/S will also be taken into consideration.

Short-term incentives

Short-term incentives are one-year bonus schemes that drive and reward delivery of short-term business objectives. 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 or be linked to Carlsberg A/S' delivery of annual business results, the results of one or more business units of the Carlsberg Group or the occurrence of a relevant event.

The short-term incentive for the Executive Board allows members to receive a bonus per financial year of up to 100% of their fixed annual salary.

Performance metrics and targets are set on an annual basis by the Supervisory Board in connection with the preparation of Carlsberg A/S' strategy and business planning processes and reflect the short and long-term business strategy of Carlsberg A/S.

No less than 80% of the incentive remuneration is based on financial metrics such as operating profit, addressable cash flow, net sales growth or other relevant measures.

The remainder of the incentive remuneration is based on strategic non-financial priorities as determined by the Supervisory Board on recommendation by the Remuneration Committee.

Specific metrics and their weightings will be disclosed on an annual basis in Carlsberg A/S' remuneration report. No individual metric will have a weighting of less than 10% of the overall scheme.

At the end of the performance period, the overall achievement is determined by the Supervisory Board on recommendation by the Remuneration Committee based on the pre-defined performance criteria, the most recent audited accounts (for financial metrics) and relevant internal measures (for any strategic non-financial priorities).

The Supervisory Board reserves the right to adjust the calculated result of the short-term incentive remuneration in exceptional circumstances, in which case the calculated result will not necessarily reflect the underlying performance. This includes the right to withhold or clawback variable pay if the payment is based on misstated results, calculation errors or gross misconduct by the member.

The Executive Board does not receive a bonus on completion of a takeover bid, but the members' notice period may be extended if justified by business needs. Any changes must be approved by the Supervisory Board.

Long-term incentives

Carlsberg A/S' long-term incentive arrangements are share-based programmes intended to drive and reward long-term business objectives and to maximise alignment with shareholder value and financial sustainability. They may be structured as follows:

Performance shares

A conditional right to receive shares on the third anniversary of the grant at nil payment, with vesting being subject to continuous service and the achievement (in full or in part) of performance targets. The performance targets applying to performance shares must comprise one or more targets linked to Carlsberg A/S' business results such as e.g. earnings, return on invested capital, shareholder returns, and revenue growth. Performance is normally measured over a period of at least three years. At the end of the performance period, the overall achievement is determined by the Supervisory Board on recommendation by the Remuneration Committee, based on pre-defined performance criteria and the most recent audited accounts.

Details of the share-based long-term incentive arrangements and relevant performance metrics for each grant will be set out in Carlsberg A/S' annual remuneration report.

Share options

An option to acquire shares on the third anniversary of the grant at an exercise price per share not less than the average market price of Carlsberg A/S' share over the first five trading days following publication of Carlsberg A/S' financial statements for any period immediately prior to the date of grant. Vesting is subject to continuous service and to the price of Carlsberg A/S' share being higher than the exercise price. Share options may normally be exercised no earlier than three years after the date of award and no later than eight years after the date of award.

In general, Carlsberg A/S wishes to award performance shares to members of the Executive Board on an ongoing basis with share options being awarded only by exception.

The face value of long-term share-based instruments granted in any financial year may represent up to 300% of an Executive Board member's fixed annual salary.

In general, a long-term incentive arrangement will allow for vesting or exercise no sooner than three years after the date of grant. However, the Supervisory Board may allow early vesting and exercise in various situations, including (but not limited to) in connection with the retirement or death of an executive or upon the occurrence of certain corporate events such as a change of control.

If Carlsberg A/S, as part of a share-based incentive programme, does not have enough shares to meet its obligations under the programme, such shares may be obtained through a buy-back of treasury shares or through Carlsberg A/S' holding of treasury shares.

Frequency of making variable incentive awards

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

Share ownership requirements

In order to strengthen the alignment of interests between the Executive Board and the shareholders, the CEO is expected to build up a holding of shares equivalent to 150% of the CEO's annual fixed salary, and the CFO is expected to build up a holding equivalent to 120% of the CFO's fixed annual salary.

Shareholding levels are published in the Carlsberg A/S's annual remuneration report.

Executive directors' service contracts

Service contracts for executive members contain terms and conditions that are considered common to executive board members in Danish listed companies. Notice periods are limited to a maximum of 18 months. In addition to these notice periods, executive members are subject to non-competition clauses with duration of 12 months.

The service contracts are not limited in time, nor do they include any early retirement or additional termination schemes.

D. 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, Carlsberg A/S may reclaim, in full or in part, any excess payment of annual bonus and/or cancel or withdraw any unexercised options or unvested long-term incentive awards.

4. DEVIATIONS FROM THE REMUNERATION POLICY

The Supervisory Board may in extraordinary circumstances, including in particular for recruitment or retention purposes, decide to award a one-off bonus or other extraordinary incentive-based remuneration such as a sign-on bonus, retention bonus or other schemes. Such awards may consist of cash or share-based remuneration. Any deviations must be decided by the Supervisory Board on recommendation from the Remuneration Committee.

5. CHANGES TO AND DISCONTINUATION OF INCENTIVE PROGRAMMES

The Supervisory Board is entitled to change or discontinue one or more incentive programmes introduced in accordance with this policy. Any decision to this effect must be based on the same criteria that formed the basis for the establishment of the programme. Such changes may be made only within the scope of this policy. Any major changes are subject to approval by the General Meeting.

6. APPROVAL AND PUBLICITY

This policy, including any amendments to it, has been prepared, reviewed and approved first by the Remuneration Committee and then by the Supervisory Board. The policy must be reviewed as often as is relevant, but every fourth year as a minimum. The Executive Board does not have any decision-making power with respect to the determination of the remuneration policy.

The remuneration of the Executive Board must be approved by the Supervisory Board. This policy and the Supervisory Board's remuneration both for the current financial year and for the financial year reported at the annual general meeting must be approved by the General Meeting.

On this basis, the Supervisory Board sees no risk of conflict of interest in its work with this policy.

Following approval at Carlsberg A/S' annual general meeting on 16 March 2020, the policy will be published as soon as possible on Carlsberg's website (www.carlsberggroup.com).