

## Specification of Competencies required for the Supervisory Board in Carlsberg A/S

### CARLSBERG

The Carlsberg Group is one of the leading brewery groups in the world, with a large portfolio of beer and other beverage brands, selling its products in more than 150 markets. The Group operates in particular in three regions: Western Europe, Eastern Europe and Asia. It employs more than 45,000 and is characterized by a high degree of diversity in brands, markets and cultures.

In March 2016 the Supervisory Board approved Sail22, a seven year strategy with the ambition for Carlsberg to become **the most successful, most professional and most attractive brewer in our markets**. To achieve this aim, four strategic thrusts are defined, each with specific priorities identified to reach the ambition:

- 1) **Strengthen #1 and #2 positions:** Revitalise core beer and transform Carlsberg's business in Russia
- 2) **Positions for growth:** Build craft & speciality, actively shape NAB, grow in VIC (Vietnam, India, China) and target big cities.
- 3) **Excel in execution:** Drive brands and portfolio management, win with consumer-driven research and development, manage complexity smartly, master value management, step change with digital and excel at point of purchase.
- 4) **Create a winning culture:** Foster team-based performance, connect with our foundation and live by our compass.

### MANAGEMENT IN CARLSBERG A/S

Carlsberg A/S' Supervisory Board has a total of 15 members of whom ten members are elected by the General Meeting and five members are elected by the employees. The Supervisory Board has appointed an Audit Committee which primarily monitors a) the financial reporting process, b) the effectiveness of the internal control and risk management systems, c) the internal audit function, and d) the external audit of financial reporting and the independence of the external audit. The Supervisory Board has also a remuneration committee and a nomination committee.

The Supervisory Board appoints the CEO and the other member(s) of the Executive Board. The Executive Board is responsible for the day-to-day management of the Group and for the preparation and implementation of strategic plans. The Supervisory Board ensures that the Executive Board observes the goals, strategies and business procedures established by the Supervisory Board. The Supervisory Board and the Executive Board constantly strive to ensure that the Group's management structure and control systems are appropriate and work satisfactorily.

### ASSESSMENT OF COMPETENCIES REQUIRED

Once a year, in accordance with its annual plan, the Supervisory Board considers the skills which should be represented in the Supervisory Board. The assessment is facilitated by input and recommendations from the Nomination Committee.

The present Specification of Competencies describes the competencies that the Supervisory Board members together must possess as well as the individual competencies which each member must possess. The Supervisory Board will consider these skills when preparing proposals for candidates for the Supervisory Board and when considering potential training and updating of the expertise and skills of the Supervisory Board members (on the basis of a recommendation from the Nomination Committee).

The Supervisory Board recognises that membership of the board is time consuming and demanding, not least due to the number of meetings, the amount of pre-read material meetings, the complexity of issues and the expected contribution from each board member.

## Competencies

Against the background of Carlsberg as a Group and its strategy, the Supervisory Board has defined the below competencies to be possessed by each of the Supervisory Board members or the Supervisory Board as a whole to support the execution of Sail22.

### Competencies to be held by each Supervisory Board member

All Supervisory Board members elected by the General Meeting must possess the following competencies:

- Integrity and ability to demonstrate alignment, accountability and action.
- Substantial management experience obtained from management positions in international FMCG/beverages companies, other international or large companies or institutions or knowledge-based organisations.
- Analytical thinking and strong strategic understanding.
- Good interpersonal skills to establish and maintain good working relationships and interaction with the Supervisory Board members, the Executive Board and other members of management.
- Be role models of Carlsberg's winning culture.

Furthermore, each Supervisory Board member must spend as much time as is required to carry out their tasks, duties and obligations as a Supervisory Board member. It is the responsibility of each Supervisory Board member to assess the expected time commitment required.

### Competencies to be held by the Supervisory Board members collectively

The collective experience basis of the Supervisory Board members elected by the General Meeting should in addition to the above individual competencies include experience with the following:

- Substantial, international experience from FMCG companies, preferably the drinks industry, which manufacture and market their products globally.
- Insights in the beverage category dynamics such as micro vs. mass markets, new trade channels and e-commerce.
- Insights in mega trends and potential disruption factors relevant for Carlsberg and its industry, such as business to consumer digital, big data, e-commerce, social media and the internet of things.
- Understanding of relevant regulatory framework and trends, such as taxation, health, safety and environmental issues.
- M&A&D (mergers, acquisitions and divestitures)
- Substantial experience from growth/emerging/BRIC markets.
- Substantial experience with innovation, research and development, preferably consumer-driven.
- Manufacturing, logistics and sales and marketing management.
- Performance management.
- Identification and management of business risks.
- Analysis of complex issues and the presentation of plans and results.
- Financial management and financial reporting processes.
- Experience with management of stakeholder relations and investor relations.
- CSR and sustainable development.

At least two members of the Supervisory Board should have relevant financial experience and fulfil the criteria to be eligible for membership of the Audit Committee.

The Supervisory Board should be composed in a way that the board is able to inspire and guide the Executive Board and to deal effectively with the Carlsberg Group's strategic direction and decisions, general and financial management as well as the Group's challenges and opportunities at all times.

## Supervisory Board members elected by the employees

In addition to the Supervisory Board members elected by the General Meeting, a number of employee representatives are elected by the employees in accordance with the Danish Companies Act. The Supervisory Board encourages the employees to ensure that the Carlsberg Group employees are widely represented on the Company's board and to consider ways to

elect employee representatives also from outside of Denmark. The Supervisory Board encourages the employees to elect employee representatives who are trusted and have broad experience and knowledge of the Company and its employees.

### **Diversity**

The Supervisory Board believes that members should be chosen first and foremost for their overall competencies. The Supervisory Board also recognises the benefits of a diverse board in respect of experience, style, culture, international experience and gender.

Carlsberg A/S' Supervisory Board has laid down the company's objectives for the diversity of the Supervisory Board members elected by the General Meeting when it comes to gender and international experience. The objectives are the following:

- The Supervisory Board's objective is to increase the proportion of the underrepresented gender on the Supervisory Board so that no later than during 2017 it will reach at least 40% of the Supervisory Board members elected by the General Meeting.
- Currently, women are underrepresented compared to men both on Carlsberg's Supervisory Board and in senior management positions in the Company. On that basis, the Company also has a general aim of increasing the number of women in senior management positions in the Company and the Carlsberg Group. The Executive Board is implementing the policy set out by the Supervisory Board and specific action plans to do so.
- The Annual Report will each year contain a report on the progress and status for fulfilment of the objectives and on the policy.
- With regard to international experience it is the objective that 50% or more of the Supervisory Board members elected by the General Meeting should have substantial international experience from management in and of large corporations or institutions.

Finally, the Supervisory Board believes that diversity in respect of experience and competencies will be achieved through the selection of members who collectively fulfil the experience base set out in the "Competencies" section above.

Carlsberg A/S, December 2016  
The Supervisory Board