

Carlsberg Remuneration Guidelines

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

1. Preamble

These guidelines include the general guidelines concerning the remuneration of the Supervisory Board and the Executive Board of Carlsberg A/S and for 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 a general meeting of the company. For a number of years, Carlsberg A/S has had incen-

tive programmes for i.a. the Executive Board of the company but not for the Supervisory Board.

These guidelines replace the most recent guidelines which were approved at the general meeting in March 2015.

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 four 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, separate fee for committee work, if any. The Chairman of the Audit Committee receives an additional annual fee of 11.3% of the base fee and the Chairman of other committees receives an additional annual fee of 50% of the base fee. Other members of a Board committee receives 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 the company's incentive programmes and does not receive a bonus upon completion of a takeover bid.

At each year's annual general meeting the remuneration to 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

The fixed salary rewards the executive for the day to day performance of their job and

ensures a balanced overall remuneration package.

B. Variable incentive awards

In order to encourage common goals for the Executive Board and 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 agreement 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 as well as to take into account the short and long-term goals. In addition, the Executive Board's historic 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 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, Carlsberg's delivery of annual business results, the results of one or more business units under Carlsberg or the occurrence of a relevant event.

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 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 longer term business objectives and to maximise alignment with shareholder value. They may be structured as follows:

- Performance shares

A conditional right to receive shares on the third anniversary of grant at nil payment, with 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 one or more targets linked to Carlsberg's business results. Performance is normally measured over a period of at least three years.

- 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. 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.

In general, the company intends to make awards of performance shares to members of the Executive Board on an ongoing basis; Share options would be awarded only by exception.

The value of long term incentive share-based instruments granted in any financial year may have a face value up to 300% of the fixed annual salary of the individual member of the Executive Board.

The executive shall not pay for the award of a share-based instrument unless the Supervisory Board specifically decides otherwise.

In general a long-term incentive arrangement will allow for vesting or exercise no sooner than three years after grant. However, the Supervisory Board may decide that awards may be

subject to early vesting and exercise in various situations including (but not limited to) the retirement or death of an executive or for certain corporate events such as a change of control.

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 over payment 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 General Meeting.

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 General Meeting has adopted guidelines for the incentive remuneration of the Executive Board.

Following approval at Carlsberg's annual general meeting on 30 March 2017, the guidelines will as soon as possible be published on Carlsberg's website (www.carlsberggroup.com). If at a later point in time the General Meeting adopts amendments to the guidelines, the revised guidelines will as soon as possible be published on Carlsberg's website (www.carlsberggroup.com) indicating the date of amendment of the guidelines by the General Meeting.