

Terms of reference for the Remuneration Committee of NKT Holding A/S

The Remuneration Committee is a Board of Directors' committee charged solely with preparing the resolutions to be taken by the Board of Directors. The Committee works in accordance with the terms of reference. The terms of reference are updated and approved annually by the Board of Directors. Minutes of meetings are submitted to the Board of Directors.

Committee members

The Remuneration Committee consists of [Jutta af Rosenborg](#) as Chairman and [Jens Maaløe](#) as the other member.

The Committee convenes when it is deemed necessary or appropriate in relation to the Company's needs, but a minimum of once annually.

Committee tasks

- To update, prepare and submit the remuneration policy for the Board of Directors and the Executive Management Boards of NKT and its Business Units to the whole Board of Directors for approval when deemed necessary, however at least once a year.
- To prepare and submit the general guidelines on incentive pay for the Executive Management Board and the Board of Directors of NKT Holding to the whole Board of Directors for approval prior to final approval by the Annual General Meeting as required by the Danish Companies Act.
- To submit proposals to the Board of Directors regarding remuneration for members of the Board of Directors prior to approval by the Annual General Meeting.
- On behalf of the Board of Directors to implement and agree customary adjustments to the pay and employment conditions of the Executive Management Boards of NKT and its Business Units, including remuneration, customary bonus agreements as well as employee benefits, car arrangements and severance agreements, while signature of new agreements and establishment or adjustment of share-based incentive schemes is negotiated by the Committee and submitted to the whole Board of Directors for approval or determined by the Committee pursuant to specific mandate from the whole Board of Directors.
- To ensure that the remuneration (and other benefits accruing to the Board of Directors and Executive Management Boards) are consistent with the Company's remuneration policy and with the assessment of the individual's contribution.
- To monitor the remuneration and other benefits of second level managers of NKT and its Business Units to secure that is in line with the principles of the remuneration policy - second level managers being all managers reporting directly to the Executive Management Boards.
- To monitor that the disclosures in the annual report regarding remuneration to the Board of Directors and Executive Management Board are correct, give a true and fair view and are adequate.
- To monitor other factors in relation to the tasks stated which the Remuneration Committee may find necessary in its judgement as well as other tasks which the rest of the Board of Directors may ask the Committee to prepare or assess.

- The Chairman of the Remuneration Committee shall also be a member of the Nomination Committee in order to ensure adequate coordination between the committees.

Remuneration

- The Committee's Chairman is remunerated with DKK 100.000 and the other member with DKK 50.000.

Changes

- Changes to the terms of reference of the Remuneration Committee can only take place at a Board of Directors' meeting where the whole Board of Directors is present and has the requisite majority pursuant to the Company's rules of procedure.
- The changes are proposed on the basis of an annual self-assessment submitted to the Board of Directors.

Adopted by the Remuneration Committee 3 November 2014 and the Board of Directors 12 November 2014.