

Remuneration policy

Introduction

This remuneration policy for ChemoMetec A/S (ChemoMetec) sets out the principles and guidelines governing the overall remuneration of the members of the company's Board of Directors and Executive Management. The Executive Management includes management members registered with the Danish Business Authority.

The remuneration policy has been prepared in accordance with the Recommendations on Corporate Governance and sections 139 and 139a of the Danish Companies Act.

The Board of Directors is responsible for the preparation of the remuneration policy.

Purpose

The general purpose of the remuneration policy is to:

- achieve results in accordance with the general strategy and annual plans;
- ensure that ChemoMetec is able to attract, motivate and retain highly qualified members of the Board of Directors and the Executive Management;
- align the interests of management with those of ChemoMetec and its shareholders;
- provide transparency to enable shareholders to assess the basis for the remuneration of the Executive Management and the Board of Directors of ChemoMetec.

General principles

The remuneration of the Board of Directors consists of a fixed fee. Members of the Board of Directors do not receive any form of incentive pay. Members of the Board of Directors may be comprised by incentive schemes in their capacity as employees.

The remuneration of the Executive Management consists of a fixed base salary, a variable cash-based incentive scheme, and other usual benefits. In special circumstances, the Board of Directors may resolve to grant a member of the Executive Management an extraordinary one-off bonus. Each of the components, including their relative shares, are described below. The combination of fixed and incentive-based remuneration is intended to support the purpose of the remuneration policy as described above.

The central aim of the fixed base salary is to enable ChemoMetec to attract and retain qualified members of the Executive Management on competitive terms. The same applies in relation to the fixed fee paid to members of the Board of Directors. The variable cash-based incentive scheme offered to members of the Executive Management is primarily intended to ensure that the interests of management and shareholders are aligned and that ChemoMetec's value creation is furthered as much as possible.

Variable cash-based incentive schemes must be linked to financial performance criteria and non-financial ESG-related criteria. The criteria are defined annually to support the overall strategy and annual plans. The close correlation between the financial performance criteria and the non-financial ESG-related criteria, the overall strategy and annual plans for members of the Executive Management

ensure that the remuneration policy effectively contributes to achieving the overall strategy and the annual plans.

The execution of ChemoMetec's overall strategy also serves to strengthen the company's sustainability as the business strategy ensures, among other things, a consolidation of the stable core business and the development of new product solutions to drive future growth.

Decision-making process and conflicts of interest

The remuneration policy is reviewed as required to ensure consistency between the remuneration of management and the overall purpose of the remuneration policy. The regular reviews are also intended to ensure that ChemoMetec upholds its competitiveness and its ability to attract and retain qualified members of management.

Board of Directors

Members of the Board of Directors receive a fixed fee, which is determined annually. No special terms of termination apply to members of the Board of Directors, and board members are not entitled to compensation on resignation or any special retention and severance payments.

Executive Management

The fixed salary payable to members of the Executive Management is determined by the Board of Directors based on market levels, ChemoMetec's financial situation and the Executive Management's qualifications, efforts and performance. In addition to the fixed base salary, the remuneration of members of the Executive Management consists of variable cash-based incentive schemes and usual non-cash benefits.

The balance between the fixed base salary and the variable cash-based incentive scheme is intended to make an appropriate portion of the remuneration performance-based and to foster sound business decisions.

Service contracts for members of the Executive Management are generally open-ended and include a reciprocal right of termination.

ChemoMetec's notice of termination towards a member of the Executive Management cannot exceed 24 months, and the notice of termination of a member of the Executive Management towards ChemoMetec should generally not exceed 12 months. Severance payments for members of the Executive Management, including in connection with change of control, must not exceed an amount corresponding to two years' remuneration. In case of the death of a member of the Executive Management, ChemoMetec may pay an amount corresponding to up to six months' remuneration to the member's family members.

Fixed base salary

The fixed base salary is primarily intended to attract and retain members of the Executive Management who possess the qualifications required to manage ChemoMetec. The fixed base salary of each member of the Executive Management is determined annually based on individual negotiations. In addition, members of the Executive Management may be granted usual non-cash benefits, such as a company

car, insurance, newspaper subscription, company-paid telephone, internet access and reimbursement of transport expenses.

Variable cash-based incentive scheme

Variable cash-based incentive schemes consist of a cash bonus based on the level of ChemoMetec's financial results and on non-financial ESG-related targets. Cash bonus is granted annually based on the achievement of certain pre-defined performance targets. The amount of cash bonus depends on the degree of fulfillment of the defined performance targets. Cash bonus cannot exceed an amount corresponding to 2.5 the annual fixed base salary.

The financial and non-financial performance targets are set with due consideration to ChemoMetec's strategy, sustainability goals, long-term targets and the aim of maximum value creation. The financial targets applicable for the following financial year's bonuses must be based on defined criteria for organic growth and EBITDA and/or EBIT and are set in connection with the budget process.

The financial performance targets, which carry a weight of at least 75% for each of the members of the Executive Management, for the variable remuneration payable to members of the Executive Management are aligned with ChemoMetec's financial ratios and measured carefully and regularly as part of ChemoMetec's reporting to the market and specifically in connection with the presentation of the annual report. This ensures transparency with respect to the measurability of the Executive Management's achievement of targets, which is tested by ChemoMetec's auditors as part of their audit of the annual report.

In addition, with a view to ensuring that the overall objectives of the incentive scheme are met, the Board of Directors may at its sole discretion resolve on an annual basis to grant individual members of the Executive Management a cash bonus. A cash bonus may be granted, for example, in recognition of extraordinary efforts or the achievement of specific extraordinary results. The present value of such individual discretionary cash bonuses cannot be determined. The cost of a cash bonus will be recognised in the financial statements for the financial year in which the cash bonus is granted.

In special circumstances, the Board of Directors may also resolve to grant other extraordinary incentive-based remuneration to individual members of the Executive Management, such as a retention bonus, sign-on bonus or other appointment compensation.

In special cases, variable remuneration paid to members of the Executive Management may be clawed back if, for example, variable remuneration has been paid on the basis of information that subsequently proves to be incorrect.

Derogation from the remuneration policy

In exceptional circumstances, and based on objective and verifiable criteria, the Board of Directors may resolve to derogate from the remuneration policy if doing so is deemed to benefit the long-term interests of ChemoMetec, its shareholders or its sustainability progress.

Approval and publication

This remuneration policy was approved by the Board of Directors on 18 September 2023. The remuneration policy will be presented to the shareholders for consideration at the annual general meeting to be held on 12 October 2023.

The remuneration policy is available on ChemoMetec’s website under “Investor Relations” for as long as it remains in force.

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