

# CHEMOMETEC A/S

## REMUNERATION POLICY 2024

### 1. 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 means executive officers 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.

### 2. General principles

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
- ensure that the interests of ChemoMetec's Board of Directors and Executive Management are aligned with the interests of ChemoMetec's shareholders;
- ensure long-term sustainable value creation for the benefit of all ChemoMetec's stakeholders;
- provide transparency to enable shareholders to assess the basis for the remuneration of the Executive Management and the Board of Directors of ChemoMetec.

The execution of ChemoMetec's overall strategy is considered to strengthen the Company's sustainability as the business strategy aims, among other purposes, to contribute to consolidating the stable core business and developing new product solutions to drive future growth.

### 3. Overview of significant changes in 2024

The Company monitors market practice and remuneration trends among peer companies. The Company regularly engages with shareholders, institutional investors and other stakeholders to ensure that its remuneration policy at all times fulfils the intended purpose and facilitates the execution of the Company's strategy.

To achieve a stronger correlation between remuneration and the pursuit of the Company's long-term goals and to promote value creation for the shareholders with due consideration to market practice and based on feedback from major investors, the Board of Directors has made a number of changes to the existing remuneration policy drawn up in 2020.

The policy will take effect when adopted at the Company's 2024 annual general meeting. Subject to adoption by the shareholders, the changes will be effective as from the 2024/25 financial year for all members of the Board of Directors and the Executive Management.

*Overview of changes*

	<b>Future situation</b>	<b>Current situation</b>	<b>Reasons for change</b>
Remuneration Committee	The Company has established a Remuneration Committee consisting of three members of the Board of Directors.	The Company has no remuneration committee, as it previously found that this was not required in view of the Company's size and the limited number of board members. Accordingly, the functions usually undertaken by a remuneration committee are instead undertaken by the entire Board of Directors.	The Company has established a Remuneration Committee in order to comply with the Recommendations on Corporate Governance.
Fees for the chairman and deputy chairman of the Board of Directors	The fees to be received by the chairman and deputy chairman of the Board of Directors are determined as multiples of the fixed-fee remuneration of the Board of Directors.	No specific rules.	The change is a clarification and is deemed to reflect market practice.
Fees for serving on board committees	Board members who sit on board committees or perform duties and responsibilities beyond the ordinary duties of a board member receive an additional annual fee.	No rules.	As the Company previously had no board committees, fees for serving on such committees were not relevant.
Variable cash-based incentive scheme – ESG-related criteria	Option of up to 25% weighting of non-financial ESG-related KPIs in the determination of cash bonus amounts.	Cash bonuses are dependent on the level of the Company's financial results.	The change reflects the Company's wish to be able to make part of cash bonuses dependent on non-financial criteria. It also reflects the expected growing

			importance of ESG issues and related reporting in the coming years.
Long-term incentive scheme	Members of the Executive Management may each receive an annual grant of share options with a value of up to 100% of their base salary. The options have a vesting period of three years and must be exercised within five years.	No long-term incentive scheme.	The long-term incentive scheme is intended to ensure that a significant part of Executive Management members' remuneration is tied up with long-term business performance so as to motivate members of the Executive Management to continually deliver business results and also to ensure alignment with shareholder interests.
Non-cash components	Members of the Executive Management may be awarded usual non-cash employee benefits, such as company car, mileage allowance, insurance, newspaper, company-paid telephone, internet access and special employee benefits may also be awarded in connection with recruitment, dismissal and secondment.	No specific provisions.	The change is a clarification and is deemed to reflect market practice.

#### **4. Remuneration Committee**

The Remuneration Committee of the company consists of three members of the Board of Directors and meets at least twice a year.

At the request of the Committee, members of the Company's Executive Management and other relevant employees as well as external advisers may attend Committee meetings to provide input on selected topics.

The Committee presents the remuneration policy and other terms for the remuneration of the Executive Management to the Board of Directors for approval. The Committee reviews the remuneration policy annually to ensure that it reflects market practises and is aligned with the business strategy. Recommended amendments are reviewed and presented to the Board of Directors.

The Committee will conduct an annual review and make a recommendation to the Board of Directors for approval of the following items:

- The total amount of remuneration payable to the members of the Executive Management,
- the performance parameters used for incentive programmes, including weighting and target requirements, to ensure that the parameters reflect the short and long-term priorities of the company, and
- the level of and terms for the long-term incentive pay before remuneration is awarded.

The Committee is responsible for evaluating and making recommendations to the Board of Directors on the remuneration of members of the Board of Directors. The Board of Directors will present proposals for the remuneration of the members of the Board of Directors to the shareholders in general meeting for approval.

#### **5. Remuneration of the Board of Directors**

The remuneration of the Board of Directors consists of a fixed fee, which is determined annually.

The fixed fee will help ensure that ChemoMetec is able to attract and retain qualified members of the Board of Directors on competitive terms.

The fees to be received by the chairman and deputy chairman of the Board of Directors are determined as multiples of the fixed-fee remuneration of the Board of Directors.

Board members who sit on board committees or perform duties and responsibilities beyond the ordinary duties of a board member receive an additional annual fee.

Members of the Board of Directors do not receive incentive pay in any form, although they may be covered by incentive schemes in their capacity as employees.

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. To the extent that a board member joins or resigns from the Board of Directors during a term of office, the board member will receive a pro-rata share of the annual fee.

## **6. Remuneration of the Executive Management**

The remuneration of the Executive Management may consist of a fixed base salary, a variable cash-based incentive scheme and other usual non-cash benefits.

The total amount of remuneration payable to the Executive Management will help ensure that ChemoMetec is able to attract and retain qualified members of the Executive Management on competitive terms.

The combination of fixed and incentive-based remuneration is intended to support the purpose of the remuneration policy as described above.

The balance between the fixed base salary and the incentive schemes is intended to make an appropriate portion of the remuneration performance-based and, in this manner, to foster sound business decisions.

The total amount of cash bonus, see clause 6.2, and the annual granting of share options, see clause 6.3, may not exceed an amount corresponding to 2.5 years of fixed base salary for each individual member of the Executive Management.

Any bonus earned will be paid to the Executive Management together with the next monthly salary after the annual report has been approved by the annual general meeting of ChemoMetec.

### *6.1 Fixed base salary*

The fixed base 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 skills, efforts and performance of the Executive Management members.

The fixed base salary is primarily intended to attract and retain members of the Executive Management who possess the skills required to manage ChemoMetec.

The fixed base salary of each member of the Executive Management is determined annually based on individual negotiations.

### *6.2 Variable cash-based incentive scheme*

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.

The variable cash-based incentive scheme comprises a cash bonus dependent on the financial results achieved by ChemoMetec and on non-financial ESG-related targets.

Cash bonuses are awarded annually on condition of certain pre-defined performance criteria (KPIs) being achieved. The amount of the cash bonus depends on the degree of achievement of the defined targets.

The variable cash-based incentive scheme offered to members of the Executive Management is tied to certain financial performance criteria and/or non-financial ESG-related criteria. These criteria are determined annually with a view to supporting the overall strategy and annual plans. The close correlation between the financial performance criteria and the non-financial ESG-related criteria for members of the Executive Management, the overall strategy and annual plans ensures that the remuneration policy effectively contributes to achieving the overall strategy and annual plans.

The financial and non-financial targets are determined with due consideration being given to ChemoMetec's strategy, sustainability goals, long-term targets and search for maximum value creation. Based on certain defined criteria for organic growth and EBITDA and/or EBIT, the financial targets are set annually in the context of the budget process and apply to bonuses awarded for the next financial year.

Being aligned with ChemoMetec's financial ratios, the financial targets for the variable remuneration of members of the Executive Management, which is given a weighting of at least 75% of the cash bonus for each Executive Management member, are 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.

### 6.3 *Long-term incentive scheme*

Under the long-term incentive scheme, the members of the Executive Management may each receive an annual grant of share options with a value of up to twelve (12) months' base salary at the date of grant, which is concurrent with the payment of the next monthly salary after the annual report has been approved by the annual general meeting of ChemoMetec.

The share options have a term of five (5) years and are exercisable after three (3) years. The term ensures that the members of the Executive Management are encouraged to generate long-term, and not just short-term, results for the company. When the share options have vested, they can be exercised, each share option entitling its holder to receive one ChemoMetec share. Options are granted at an exercise price corresponding to the closing price on Nasdaq OMX Copenhagen on the last trading day before the grant. Share options that are not exercised before the expiry of their term automatically lapse without compensation. The Board of Directors may decide, at its sole discretion, to introduce relevant targets as a condition for the vesting of the share options if this is deemed relevant to support the company's strategy and long-term value creation. The long-term incentive scheme must contain customary provisions on good leavers and bad leavers for the purpose of promoting retention and a long-term commitment to the achievement of ChemoMetec's strategy.

The share options are hedged by the company's holding of treasury shares.

#### 6.4 *Extraordinary awards*

To be able to attract and retain qualified members of the Executive Management, the Board of Directors may resolve to award an extraordinary one-off bonus, sign-on bonus or stay-on bonus to individual members of the Executive Management. Such amounts will be disclosed in the company's annual report and/or remuneration report.

#### 6.5 *Discretionary awards*

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 award a cash bonus to individual members of the Executive Management. A cash bonus may be awarded, for example, in recognition of an extraordinary work performance, the achievement of specific extraordinary results or efforts to contribute to retention under appropriate circumstances. 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 awarded.

#### 6.6 *Non-cash components*

Members of the Executive Management may also be awarded usual non-cash benefits, such as company car, mileage allowance, insurance, newspaper, company-paid telephone, internet access and reimbursement of transport expenses, and special employee benefits may also be awarded in connection with recruitment, dismissal and secondment, such as relocation, assistance for tax assessment notice, outplacement support, etc. The value of such non-cash benefits will not exceed 20% of the fixed salary and will in most cases be significantly lower.

#### 6.7 *Clawback*

All variable remuneration components may in exceptional cases be clawed back by ChemoMetec if payment of the variable remuneration is based on information which subsequently proves to be incorrect.

### **7. Termination and severance payments**

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

ChemoMetec's notice of termination to a member of the Executive Management cannot exceed 24 months, and the notice of termination to be given by a member of the Executive Management to 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 surviving relatives.

**8. 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.

Any derogation from this policy is described and explained in ChemoMetec's annual report and/or remuneration report.

**9. Approval and review**

The Board of Directors is responsible for compliance with this policy and for conducting an annual review thereof.

The remuneration policy is reviewed on an ongoing basis 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.

The policy must be submitted for approval by the shareholders in general meeting at intervals of not more than four years and in connection with any proposed amendment thereto.

This remuneration policy was approved by the Board of Directors on 11 September 2024 and will be presented to the shareholders for consideration at the annual general meeting of ChemoMetec to be held on 10 October 2024.

The remuneration policy is available at ChemoMetec's website under "Investor Relations" for as long as it remains in force.