

Terms of Reference of the Nomination and Remuneration Committee

Constitution and purpose

In order to continuously evaluate 1) the composition of the Board of Directors, including the appointment of members to the Board, its committees and Executive Management as well as evaluating 2) the remuneration of the Board and Executive Management, a Nomination and Remuneration Committee was established on 15 June 2010.

The responsibilities and competencies of the Nomination and Remuneration Committee's are described in the present terms of reference. The terms are reviewed and approved annually at the meeting of the Board of Directors prior to the general meeting.

Members of the Nomination and Remuneration Committee are hence elected at the first regular meeting of the Board of Directors after the general meeting.

The purpose of the Committee is to support the Board of Directors in the continuous process of ensuring appropriate succession plans for the Board of Directors, Executive Management as well as senior managers and to ensure a competitive remuneration policy.

Members of the Committee

The Board of Directors appoints members to the Committee, which consists of two to three members, and also appoints the Chairman of the Committee.

Participation in meetings

Only members of the Committee are entitled to attend the committee meetings.

In order to ensure the Committee's independence and objectivity, other members of the Board of Directors or Executive Management can only participate in committee meetings at the invitation of the Committee.

The Committee may summon or invite Executive Management, the head of HR or experts/specialists to attend its meetings.

Meetings and their frequency

At least two meetings are held per year. Additional meetings may be held if deemed appropriate by the chairman and/or a majority of the committee members. The regular meetings are held in February and November as per annual wheel for JL's Board of Directors and committees. **Authorisations, etc.**

The Committee reports and makes recommendations to the Board of Directors.

The Committee has the authority to investigate any matter within the scope of the terms of reference.

Responsibilities

Regarding nomination of members of the Board and Executive Management, it is the responsibility of the Committee to:

- Describe the qualifications required of the Board of Directors and Executive Management and assess the competence, knowledge and experience contained in the two governing bodies.
- Evaluate the structure, size, composition and results of the governing bodies as well as to recommend any changes to the Board.
- Recommend candidates for the Board of Directors.

Regarding **remuneration** it is the Committee's responsibility to:

- Once every year to review the remuneration policy and recommend same for the approval of the Board.
- Submit proposals to the Board on overall remuneration including bonus and any fringe benefits, company cars, severance agreements etc. for the Board of Directors and Executive Management.
- Ensure that remuneration etc. is in line with the company's remuneration policy and the assessment of the efforts of the person in question.

Reporting

Minutes of meetings are made of each meeting of the Nomination and Remuneration committee. A copy of the minutes is sent to all Board members.

The Nomination and Remuneration Committee and its responsibilities are presented in the Annual Report.

Adopted at the meeting of the Board of Directors on 22 February 2018.