



Statutory Report on Corporate Governance according to section 107 b of the Danish Financial Statements Act

March 2012

Royal Unibrew A/S
Faxe Allé 1
DK-4640 Faxe
Tel: +45 56 77 15 00
Fax: +45 56 71 47 64
CVR No: 41 95 67 12
www.royalunibrew.com

Recommendations on Corporate Governance

1. The role of the shareholders and their interaction with the management of the company

1.1. Dialogue between the company and its shareholders

<p>1.1.1. The Committee recommends that the central governing body, for example through investor relations activities, ensure an ongoing dialogue between the company and its shareholders in order that the central governing body knows the shareholders' attitude, interests and views in relation to the company and that investor relations material be made available to all investors on the company's website.</p>	<p>The Company complies</p>	<p>The dialogue with and information to shareholders and stakeholders take place through the issuing of interim reports and other announcements by the Company, through webcasts, meetings with investors, analysts and the press. Interim reports and other announcements are made available on Royal Unibrew's website immediately after being published. Moreover, the website provides material used in connection with investor presentations and webcasts.</p>
---	------------------------------------	--

1.2. Capital and share structure

<p>1.2.1. The Committee recommends that the central governing body every year evaluate whether the company's capital and share structures continue to be in the interests of the shareholders and the company and account for this evaluation in the management commentary in the annual report and/or on the company's website.</p>	<p>The Company complies</p>	<p>Royal Unibrew has one class of shares, and the shares are listed at NASDAQ OMX Copenhagen.</p> <p>The Board of Directors evaluates currently whether the capital and share structures adopted are in the interests of the Company and its shareholders.</p> <p>The Board of Directors' evaluation is accounted for in the Annual Report.</p>
---	------------------------------------	---

1.3. General Meeting

<p>1.3.1. The Committee recommends that the supreme governing body and the executive board promote active ownership, including shareholders' attendance at general meetings.</p>	<p>The Company complies</p>	<p>Royal Unibrew's general meeting and quarterly meetings for investors according to need provide the actual forum for communication and discussion and the place where shareholders put forward their viewpoints and are able to make decisions. All registered shareholders receive a notice convening the general meeting.</p> <p>It is the aim of Royal Unibrew's Management to give a detailed account of the Company's business development and strategy at the general meeting, and Royal Unibrew encourages shareholders to participate in an open discussion about Royal Unibrew's development.</p>
<p>1.3.2. The Committee recommends that the central governing body resolve or submit to the general meeting the question whether the general meeting shall be conducted by physical attendance or as a partly or entirely electronic general meeting.</p>	<p>The Company complies</p>	<p>The Board of Directors has decided that, for the time being, general meetings will be conducted by physical attendance.</p> <p>It is assessed currently whether it would be more appropriate to conduct the general meeting either as a partly or entirely electronic meeting.</p>
<p>1.3.3. The Committee recommends that proxies given to the supreme governing body allow shareholders to consider each individual item on the agenda.</p>	<p>The Company complies</p>	<p>Each individual shareholder is allowed to consider all items on the agenda by means of proxies given to the Board of Directors.</p>

<p>1.3.4. The Committee recommends that all members of the supreme governing body and the executive board be present at the general meeting.</p>	<p>The Company complies</p>	<p>All members of Royal Unibrew's Board of Directors and Executive Board are present at the general meeting except in extraordinary circumstances.</p> <p>All members of the Board of Directors and the Executive Board were present at the general meeting in 2010.</p>
---	------------------------------------	--

1.4. Takeover bids

<p>1.4.1. The Committee recommends that the central governing body, from the moment it obtains knowledge that a takeover bid will be submitted, do not, without the acceptance of the general meeting, attempt to counter the takeover bid by making decisions which in reality prevent the shareholders from deciding on the takeover bid.</p>	<p>The Company complies</p>	<p>Royal Unibrew has no anti-takeover defences by way of voting ceilings or ownership restrictions.</p> <p>Should a takeover bid be submitted, the Board of Directors will consider the specific bid, and any bid will, in the Board of Directors' opinion, have to be approved by the general meeting.</p>
<p>1.4.2. The Committee recommends that the central governing body give the shareholders the opportunity to decide whether or not they wish to dispose of their shares in the company under the terms offered.</p>	<p>The Company complies</p>	<p>See item 1.4.1 above.</p>

2. The role of stakeholders and their importance to the company and the company's corporate social responsibility

2.1. The company's policy in relation to its stakeholders

<p>2.1.1. The Committee recommends that the central governing body identify the company's key stakeholders and their main interests in relation to the company.</p>	<p>The Company complies</p>	<p>As part of Royal Unibrew's strategic work, analyses and identification of the Company's key stakeholders and their main interests in relation to Royal Unibrew are prepared.</p>
<p>2.1.2. The Committee recommends that the central governing body adopt a policy on the company's relationship with its stakeholders, including the investors, and ensure that the interests of the stakeholders are respected in accordance with the company's policy on such issues.</p>	<p>The Company complies</p>	<p>Royal Unibrew wants to have a good dialogue with its stakeholders. Therefore, Royal Unibrew works under a number of management principles defining good business practice for the Company's interaction with authorities, suppliers and other decision makers.</p> <p>Moreover, Royal Unibrew has defined a policy on the relationship with its investors. The policy is available on the Company's website.</p>

2.2. Corporate social responsibility

<p>2.2.1. The Committee recommends that the central governing body adopt a policy on corporate social responsibility.</p>	<p>The Company complies</p>	<p>To Royal Unibrew, corporate social responsibility (CSR) work is an integrated part of our business approach.</p> <p>Royal Unibrew's corporate social responsibility work is based on the principles of the United Nations Global Compact in respect of human rights, labour standards, environment and anti-corruption. Royal Unibrew has prepared a set of ethical guidelines providing the overall framework for the corporate social responsibility work.</p> <p>Royal Unibrew's CSR efforts are an important element in protecting the Company's brands as consumers must be given certainty that Royal Unibrew products have been manufactured in a satisfactory manner. Moreover, the CSR efforts contribute towards ensuring good working relations with customers and suppliers, increasing production efficiency and decreasing wastage, reducing non-financial risks and strengthening the Company's identity and culture.</p> <p>Royal Unibrew intends to join the United Nations Global Compact and to prepare for reporting under the Global Reporting Initiative in the coming years.</p>
---	-----------------------------	--

3. Openness and transparency

3.1. Disclosure of information to the market

<p>3.1.1. The Committee recommends that the central governing body adopt a communication strategy.</p>	<p>The Company complies</p>	<p>Royal Unibrew has a communication strategy adopted by the Board of Directors.</p> <p>Royal Unibrew's communication must reflect the Company's commitment to its stakeholders. Royal Unibrew gives high priority to any type of dialogue which strengthens its relations.</p>
<p>3.1.2. The Committee recommends that information from the company to the market be published in both Danish and English.</p>	<p>The Company complies</p>	<p>Information from Royal Unibrew to the market is prepared in Danish and English.</p>
<p>3.1.3. The Committee recommends that the company publish quarterly reports.</p>	<p>The Company complies</p>	<p>Royal Unibrew publishes quarterly reports.</p>

4. The tasks and responsibilities of the supreme and the central governing bodies

4.1. Overall tasks and responsibilities

<p>4.1.1. The Committee recommends that the central governing body determine the company's overall strategy at least once every year with a view to sustaining value creation in the company.</p>	<p>The Company complies</p>	<p>Royal Unibrew's overall strategy is updated annually. The overall strategy, including long-term financial targets, was most recently updated in January 2012.</p> <p>Every year Royal Unibrew's Management also establishes a number of main priorities for the year ahead. The main priorities are based on the overall strategy.</p>
--	-----------------------------	---

<p>4.1.2. The Committee recommends that the supreme governing body at least once every year discuss and ensure that the necessary qualifications and financial resources are in place in order for the company to achieve its strategic goals.</p>	<p>The Company complies</p>	<p>Every year when the strategy is updated, the Board of Directors ensures that the necessary qualifications and financial resources are in place in order for Royal Unibrew to achieve its strategic goals.</p>
<p>4.1.3. The Committee recommends that the supreme governing body at least once every year define its most important tasks related to the financial and managerial control of the company, including how to supervise the work of the executive board.</p>	<p>The Company complies</p>	<p>The rules of procedure of the Board of Directors lay down the overall framework for the Board's work related to the financial and managerial control of the Company.</p> <p>The Board of Directors ensures that the necessary policies, eg finance policies and insurance policies, are prepared and that they are updated regularly; moreover, the Company's risk management and internal controls are evaluated at least annually.</p> <p>Furthermore, the Board of Directors has laid down guidelines for Management's reporting to the Board of Directors.</p>
<p>4.1.4. The Committee recommends that the supreme governing body annually discuss the company's activities to ensure diversity at management levels, including equal opportunities for both sexes, and that the supreme governing body set measurable objectives and in the management commentary in the annual report and/or on the company's website give an account of both the objectives and the progress made in achieving the objective.</p>	<p>The Company complies</p>	<p>Royal Unibrew aims at promoting diversity, which includes achieving a reasonable representation of women, both on the Board of Directors and on the top management team, based on a wish to strengthen the versatility and total competences of the business, to improve decision-making processes and to strengthen the Company's brand.</p> <p>The members of the Board of Directors discuss the Company's activities annually to ensure diversity and give an account of the objectives and the progress made in achieving them in the Annual Report.</p>

4.2. Procedures

<p>4.2.1. The Committee recommends that the supreme governing body review its rules of procedure annually to ensure that they are adequate and always match the activities and needs of the company.</p>	<p>The Company complies</p>	<p>The rules of procedure and other relevant codes, eg the internal rules, are reviewed at least annually to ensure that the rules of procedure are updated, match business needs and comply with company, accounting and stock market regulations in general.</p>
<p>4.2.2. The Committee recommends that the supreme governing body annually review and approve procedures for the executive board, including establish requirements for the executive board's timely, accurate and adequate reporting to the supreme governing body and for any other communication between the two governing bodies.</p>	<p>The Company complies</p>	<p>The determination and description of the tasks of the Executive Board, including requirements for reporting by the Executive Board to the Board of Directors, as well as communication between the two Boards are integrated in the rules of procedure of the Board of Directors.</p> <p>The rules of procedure are reviewed at least annually.</p>

4.3. The chairman and deputy chairman of the supreme governing body

<p>4.3.1. The Committee recommends that a deputy chairman of the supreme governing body be appointed, who must be able to act in the chairman's absence and also act as an effective sounding board for the chairman.</p>	<p>The Company complies</p>	<p>A Deputy Chairman of the Board of Directors has been elected.</p> <p>The Deputy Chairman of the Board of Directors is elected by the Board itself immediately after the Company's general meeting. The Deputy Chairman's role is in accordance with the recommendations and is described in the Company's Articles of Association and the rules of procedure of the Board of Directors.</p>
<p>4.3.2. The Committee recommends the preparation of a scope of work and task list specifying the tasks, duties and responsibilities of the chairman and deputy chairman.</p>	<p>The Company complies</p>	<p>The duties and responsibilities of the Chairman and the Deputy Chairman are described in the rules of procedure of the Board of Directors.</p>
<p>4.3.3. The Committee recommends that the chairman of the supreme governing body organise, convene and chair meetings to ensure efficiency in the body's work and to create the best possible working conditions for the members, individually and collectively.</p>	<p>The Company complies</p>	<p>The Chairman of the Board of Directors organises, convenes and chairs meetings of the Board of Directors.</p>
<p>4.3.4. The Committee recommends that, if the board of directors in exceptional cases asks its chairman to perform special tasks for the company, including briefly participate in the day-to-day management, a board resolution to that effect should be passed and precautions taken to ensure that the board of directors will maintain responsibility for the overall management and control function. A reasonable distribution of duties must be ensured between the chairman, the deputy chairman, the other members of the board of directors and the executive board. Information about agreements on the chairman's participation in the day-to-day management and the expected duration hereof must be disclosed in a company announcement.</p>	<p>The Company complies</p>	<p>Royal Unibrew's Chairman does not participate in the day-to-day management of the Company.</p>

5. Composition and organisation of the supreme governing body

5.1. Composition

<p>5.1.1. The Committee recommends that the supreme governing body annually specify the skills it must have to best perform its tasks and that the specification be posted on the website. Proposals for the nomination/replacement of members of the supreme governing body to be submitted to the general meeting should be prepared in the light hereof.</p>	<p>The Company complies</p>	<p>The Board of Directors assesses its composition annually, including ensuring that the combined competences and diversity of the members match the Company's business. The Board of Directors strives to achieve a composition so that its members, to the widest extent possible, complement each other in terms of age, background, gender, etc with a view to ensuring a competent and versatile contribution to the board duties at Royal Unibrew.</p> <p>A description of the individual directors' executive functions and special competences is provided in the Company's Annual Report and is available on the Company's website – www.royalunibrew.com</p>
--	------------------------------------	--

<p>5.1.2. The Committee recommends that the supreme governing body ensure a formal, thorough and transparent process for selection and nomination of candidates to the supreme governing body. When assessing its composition and nominating new candidates, the supreme governing body must take into consideration the need for integration of new talent and the need for diversity in relation to international experience, gender and age, etc.</p>	<p>The Company complies</p>	<p>When new members are nominated for the Board of Directors, the knowledge and professional experience required are carefully considered to ensure that all necessary qualifications are present on the Board. At the same time, it is the Board of Directors' objective that its members should, to the widest extent possible, complement each other in terms of age, background, gender, etc.</p>
<p>5.1.3. The Committee recommends that a description of the nominated candidates' qualifications, including information about other executive functions, e.g. memberships of executive boards, boards of directors and supervisory boards, including board committees, held by the candidates in both Danish and foreign companies as well as information on demanding organisational tasks should accompany the notice convening the general meeting when election of members to the supreme governing body is on the agenda.</p>	<p>The Company complies</p>	<p>Royal Unibrew ensures that the notice convening any general meeting for which the agenda includes election for the Board of Directors is accompanied by a description of the nominated candidates' qualifications as well as information on any other executive functions held by the candidates.</p>
<p>5.1.4. The Committee recommends that every year, the annual report contain an account of the composition of the supreme governing body, including its diversity, and of any special skills possessed by the individual members.</p>	<p>The Company complies</p>	<p>A description of the individual directors' executive functions and special qualifications is provided in the Company's Annual Report.</p>

5.2. Training of members of the supreme governing body

<p>5.2.1. The Committee recommends that new members joining the supreme governing body be given an introduction to the company.</p>	<p>The Company complies</p>	<p>New members of the Board of Directors are given a thorough introduction to the Company and their board responsibilities, whether they are elected by the general meeting or by the Company's employees.</p>
<p>5.2.2. The Committee recommends that the supreme governing body annually assess whether the skills and expertise of its members need to be updated.</p>	<p>The Company complies</p>	<p>The Board of Directors assesses annually whether the qualifications of its members need to be updated. This assessment is also considered in connection with the nomination of new members for the Board of Directors.</p>

5.3. Number of members of the supreme governing body

<p>5.3.1. The Committee recommends that the supreme governing body have only so many members as to allow a constructive debate and an effective decision-making process enabling all members to play an active role.</p>	<p>The Company complies</p>	<p>The Board of Directors assesses annually whether the size and composition of the Board of Directors allow a constructive debate and an effective decision-making process.</p>
---	------------------------------------	--

<p>5.3.2. The Committee recommends that in connection with the preparation for each year's general meeting, the supreme governing body consider whether the number of members is appropriate in relation to the requirements of the company.</p>	<p>The Company complies</p>	<p>Pursuant to Royal Unibrew's Articles of Association, the general meeting shall elect four to seven members to the Board of Directors. At present, the Board of Directors consists of six members elected by the general meeting and three members elected by the employees. This number is considered appropriate.</p> <p>Each year when preparing for the AGM, the Board of Directors considers whether the number of members is appropriate.</p>
---	------------------------------------	---

5.4. The independence of the supreme governing body

<p>5.4.1. In order for the members of the supreme governing body to act independently of special interests, the Committee recommends that at least half of the members elected by the general meeting be independent persons.</p> <p>The independent supreme governing body member may not:</p> <ul style="list-style-type: none"> a) be, or have been within the last five years, a member of the executive board/managerial staff of the company or an associated company, b) have received significant additional remuneration from the company/group or an associated company apart from a fee for its services in the capacity as a member of the supreme governing body, c) represent the interests of a controlling shareholder, d) within the last year, have had a material business relationship (e.g. personally or indirectly as a partner or an employee, shareholder, customer, supplier or member of a governing body of companies with similar relations) with the company or an associated company, e) be, or have been within the last three years, an employee or partner of the external audit firm, f) hold cross-memberships of governing bodies, g) have been a member of the supreme governing body for more than 12 years, or h) have close family ties with persons that are not regarded as independent persons. 	<p>The Company complies</p>	<p>All the members elected by the general meeting are considered independent until the AGM in 2012 according to the definition provided. After that, one director will have been a member of the Board of Directors for more than 12 years and will no longer have the status of independent director.</p>
<p>5.4.2. The Committee recommends that at least once every year, the supreme governing body list the names of the members who are regarded as independent persons and also disclose whether new candidates for the supreme governing body are considered independent persons.</p>	<p>The Company complies</p>	<p>The Annual Report lists the names of members who are regarded as independent directors. Moreover, it discloses whether new candidates are considered independent.</p>

5.5. Members of the supreme governing body elected by the employees

<p>5.5.1. The Committee recommends that the individual company explain, in the company's annual report or on its website, the system of employee-elected board members and the company's use hereof in companies where the employees have chosen to apply the provisions of the Companies Act on employee representation.</p>	<p>The Company complies</p>	<p>The description of the rules for electing employee board members is provided on the Company's website under Investor, Corporate governance.</p>
--	------------------------------------	--

5.6. Meeting frequency

<p>5.6.1. The Committee recommends that the supreme governing body meet at regular intervals according to a predetermined meeting and work schedule or when meetings are deemed necessary or appropriate as required by the company and that the number of meetings held be disclosed in the annual report.</p>	<p>The Company complies</p>	<p>According to the rules of procedure, meetings of the Board of Directors are to be held at least four times a year according to a predetermined meeting schedule.</p>
--	------------------------------------	---

5.7. Expected time commitment and the number of other executive functions

<p>5.7.1. The Committee recommends that each member of the supreme governing body assess the expected time commitment for each function in order that the member does not take on more functions than he/she can manage in a satisfactory way for the company.</p>	<p>The Company complies</p>	<p>Each member of the Board of Directors of Royal Unibrew is responsible for allocating adequate time to the board responsibilities so as to manage his/her commitments to the Company in a satisfactory way.</p>
<p>5.7.2. The Committee recommends that the annual report contain the following information about the members of the supreme governing body:</p> <ul style="list-style-type: none"> • the member's occupation, • the member's other executive functions, e.g. memberships of executive boards, boards of directors and supervisory boards, including board committees, in Danish and foreign companies as well as demanding organisational tasks, and • the number of shares, options, warrants, etc. that the member holds in the company and its consolidated companies and any changes in such holdings during the financial year. 	<p>The Company complies</p>	<p>The Company's Annual Report and website provide information about the executive functions held by members of the Board of Directors with other Danish and foreign companies as well as their position. Moreover, the Annual Report provides information on any demanding organisational tasks.</p> <p>Moreover, directors' holdings of shares, options etc are disclosed.</p>

5.8. Retirement age

<p>5.8.1. The Committee recommends that the company's articles of association fix a retirement age for members of the supreme governing body and that the annual report contain information on such retirement age as well as the age of each member of the board of directors.</p>	<p>The Company does not comply</p>	<p>At the AGM in April 2012 a proposal will be made to amend the Company's Articles of Association so as to determine an age limit of 70 for individuals nominated for election or re-election to the Board of Directors. From the rules of procedure of the Board of Directors it appears that the retirement age of the Board of Directors is 65.</p> <p>The age of each member of the Board of Directors is disclosed in the Annual Report.</p>
--	---	--

5.9. Election period

<p>5.9.1. The Committee recommends that members of the supreme governing body elected by the general meeting be up for re-election every year at the annual general meeting.</p>	<p>The Company complies</p>	<p>Pursuant to the Company's Articles of Association, members of the Board of Directors elected by the general meeting are elected for one year at a time.</p>
<p>5.9.2. The Committee recommends that the annual report state when the individual member of the supreme governing body joined the body, whether the member was re-elected and when the current election period expires.</p>	<p>The Company complies</p>	<p>Royal Unibrew's Annual Report discloses when the individual members of the Board of Directors joined the Board and, if re-elected, when.</p>

5.10. Board committees

<p>5.10.1. The Committee recommends that the company publish the following information in the management commentary in its annual report or on the company's website:</p> <ul style="list-style-type: none"> • the terms of reference for the board committees, • important activities of the committees during the year and the number of meetings held by each committee, and • the names of the members of each committee, including the chairmen of the committees, as well as information on which members are independent members and which members have special qualifications. 	<p>The Company complies</p>	<p>Information on the board committees established is provided on the Company's website and in the Annual Report.</p> <p>See also items 5.10.3 - 5.10.8 below.</p>
<p>5.10.2. The Committee recommends that a majority of the members of a board committee be independent members.</p>	<p>The Company complies</p>	<p>It is assessed for all board committees that a majority of their members are independent.</p>
<p>5.10.3. The Committee recommends that the supreme governing body establish an actual <u>audit committee</u>.</p>	<p>The Company does not comply</p>	<p>The Board of Directors of Royal Unibrew has decided to take on the audit committee tasks jointly. This should be viewed in light of the Company's size, transparency of reporting and clear procedures, due to which the Company's Board of Directors finds no need for a separate audit committee.</p>
<p>5.10.4. The Committee recommends that the following be taken into account in composing the audit committee:</p> <ul style="list-style-type: none"> • the chairman of the supreme governing body should not be chairman of the audit committee, and • between them, the members should possess such an amount of expertise and experience as to provide an updated insight into and experience in the financial, accounting and audit conditions of companies whose shares are admitted to trading on a regulated market. 	<p>The Company complies</p>	<p>In consequence of the Board's decision to take on the audit committee tasks jointly, the chairman of the supreme governing body is also the chairman of the audit committee.</p> <p>The audit committee, and thus the Board of Directors as a whole, is considered to have the qualifications and the required experience in financial, accounting and audit conditions of companies whose shares are admitted to trading on a regulated market.</p>
<p>5.10.5. The Committee recommends that, prior to the approval of the annual report and other financial reports, the audit committee monitor and report to the supreme governing body about:</p> <ul style="list-style-type: none"> • significant accounting policies • significant accounting estimates, • related party transactions, and • uncertainties and risks, including in relation to the outlook. 	<p>The Company complies</p>	<p>Royal Unibrew's audit committee, and thus the Board of Directors as a whole, monitors the following matters in relation to the Annual Report:</p> <ul style="list-style-type: none"> • significant accounting policies • significant accounting estimates, • related party transactions, and • uncertainties and risks, including in relation to the outlook.
<p>5.10.6. The Committee recommends that the audit committee:</p> <ul style="list-style-type: none"> • annually consider whether there is a need for an internal audit function, and if so, • formulate recommendations on selecting, appointing and removing the head of the internal audit function and on the budget of the internal audit function, and • monitor the executive board's follow-up on the conclusions and recommendations of the internal audit function. 	<p>The Company complies</p>	<p>Royal Unibrew's audit committee, and thus the Board of Directors as a whole, has assessed that an actual audit department is not required at this time, but financial and business controlling is carried out currently in the Company's central finance and accounting function.</p> <p>It is assessed currently whether internal controlling should be intensified.</p>

<p>5.10.7. The Committee recommends that the supreme governing body establish a <u>nomination committee</u> with at least the following preparatory tasks:</p> <ul style="list-style-type: none"> • describe the qualifications required in the two governing bodies and for a given position, state the expected time commitment for a position and evaluate the balance of skills, knowledge and experience available in the two governing bodies. • annually evaluate the structure, size, composition and performance of the governing bodies and make recommendations to the supreme governing body with regard to any changes, • annually evaluate the skills, knowledge and experience of the individual members of the governing bodies and report such details to the supreme governing body, • consider proposals submitted by relevant persons, including shareholders and members of the governing bodies, for candidates for executive positions, and • identify and recommend to the supreme governing body candidates for the governing bodies. 	<p>The Company complies</p>	<p>Royal Unibrew has established a nomination committee consisting of the Company's Chairman, Kåre Schultz, and Deputy Chairman, Walther Thygesen.</p> <p>In 2011 the primary activities of the nomination committee were the appointment of a new CFO and assessment of the composition of the Board of Directors. The committee members meet on an ad hoc basis and held two meetings in 2011.</p> <p>Both members are independent.</p> <p>The terms of reference of the committee are available on the Company's website under Investor, Corporate governance.</p>
<p>5.10.8. The Committee recommends that the supreme governing body establish a <u>remuneration committee</u> with at least the following preparatory tasks:</p> <ul style="list-style-type: none"> • make proposals, for the approval of the supreme governing body prior to approval at the general meeting, on the remuneration policy, including the overall principles of incentive pay schemes, for members of the supreme governing body and the executive board, • make proposals to the supreme governing body on remuneration for members of the supreme governing body and the executive board and ensure that the remuneration is consistent with the company's remuneration policy and the evaluation of the performance of the persons concerned. The committee should have information about the total amount of remuneration that members of the supreme governing body and the executive board receive from other companies in the group, and • oversee that the information in the annual report on the remuneration of the supreme governing body and the executive board is correct, true and sufficient. 	<p>The Company complies</p>	<p>Royal Unibrew has established a remuneration committee consisting of the Company's Chairman, Kåre Schultz, and Deputy Chairman, Walther Thygesen. The committee members meet on an ad hoc basis and held two meetings in 2011.</p> <p>Both members are independent.</p> <p>In 2011 the committee and the Board of Directors prepared the remuneration policy for the Board of Directors and the Executive Board which was adopted at the AGM on 28 April 2011.</p> <p>The terms of reference of the committee are available on the Company's website under Investor, Corporate governance.</p>
<p>5.10.9. The Committee recommends that the remuneration committee do not consult with the same external advisers as the executive board of the company.</p>	<p>The Company complies</p>	<p>The remuneration committee does not consult with the same external advisers as the Executive Board.</p>

5.11. Evaluation of the performance of the supreme governing body and the executive board

<p>5.11.1. The Committee recommends that the supreme governing body undertake an annual evaluation of the performance and achievements of the supreme governing body and of the individual members of the body.</p>	<p>The Company complies</p>	<p>Royal Unibrew's Board of Directors has established an evaluation procedure under which the contribution and performance of the supreme governing body and of its individual members are evaluated.</p>
<p>5.11.2. The Committee recommends that the chairman be in charge of the evaluation of the supreme governing body, that the outcome be discussed in the supreme governing body and that the details of the procedure of self-evaluation and the outcome be disclosed in the annual report.</p>	<p>The Company complies</p>	<p>The Chairman is in charge of the current evaluation, which is discussed with the supreme governing body.</p>
<p>5.11.3. The Committee recommends that the supreme governing body at least once every year evaluate the work and performance of the executive board in accordance with pre-defined criteria.</p>	<p>The Company complies</p>	<p>Once every year, the Chairman evaluates the work of the Executive Board based on the targets established for this work.</p>
<p>5.11.4. The Committee recommends that the executive board and the supreme governing body establish a procedure according to which their cooperation is evaluated annually through a formalised dialogue between the chairman of the supreme governing body and the chief executive officer and that the outcome of the evaluation be presented to the supreme governing body.</p>	<p>The Company complies</p>	<p>The cooperation between the Executive Board and the Board of Directors is evaluated annually in connection with the evaluation of the Executive Board's performance.</p>

6. Remuneration of members of the governing bodies

6.1. Content and form of the remuneration policy

<p>6.1.1. The Committee recommends that the supreme governing body adopt a remuneration policy applicable to the supreme governing body and the executive board.</p>	<p>The Company complies</p>	<p>A remuneration policy has been adopted for the Board of Directors and the Executive Board as well as overall guidelines for incentive pay, both described on the website. The overall guidelines for incentive pay were adopted at the Company's general meeting in April 2010, and the remuneration policy was adopted at the general meeting in April 2011.</p>
<p>6.1.2. The Committee recommends that the remuneration policy and any changes to the policy be approved by the general meeting of the company.</p>	<p>The Company complies</p>	<p>The remuneration policy and guidelines for incentive pay as well as changes to these are approved by the general meeting of Royal Unibrew.</p> <p>Remuneration for the most recent financial year is approved in connection with the adoption of the Annual Report.</p>

<p>6.1.3. The Committee recommends that the remuneration policy include a thorough description of the components of the remuneration for members of the supreme governing body and the executive board.</p>	<p>The Company complies</p>	<p>Members of the Board of Directors are remunerated only by a fixed annual fee.</p> <p>Members of the Executive Board are remunerated by a fixed salary including usual benefits such as car, telephone and cash bonus scheme. For the time being, remuneration to the Executive Board does not include any share option or warrant grants as the Board of Directors suspended the former share option programme in 2009.</p>
<p>6.1.4 The Committee recommends that the remuneration policy include:</p> <ul style="list-style-type: none"> • the reasons for choosing the individual components of the remuneration, and • a description of the criteria on which the balance between the individual components of the remuneration is based. 	<p>The Company complies</p>	<p>The remuneration policy and the overall guidelines for incentive pay adopted include the reasons for choosing the individual components of the remuneration.</p>
<p>6.1.5. The Committee recommends that, if the remuneration policy includes variable components,</p> <ul style="list-style-type: none"> • limits be set on the variable components of the total remuneration package, • a reasonable and balanced linkage be ensured between remuneration for governing body members, expected risks and the value creation for shareholders in the short and long term, • there be clarity about performance criteria and measurability for award of variable components, and • there be criteria ensuring that vesting periods for variable components of remuneration agreements are longer than one calendar year. 	<p>The Company complies</p>	<p>The remuneration policy includes limits on each of the variable components of the remuneration package.</p>
<p>6.1.6. The Committee recommends that remuneration of members of the supreme governing body do not include share or warrant programmes.</p>	<p>The Company complies</p>	<p>The members of the supreme governing body are remunerated only by a fixed annual fee.</p>
<p>6.1.7. The Committee recommends that if members of the executive board receive share-based remuneration, such programmes be established as roll-over programmes, i.e. the options are granted periodically and should not be exercisable earlier than three years from the date of grant. An explanation of the relation between the redemption price and the market price at the time of grant should be provided.</p>	<p>The Company complies</p>	<p>For the time being, remuneration to the members of the Executive Board does not include any share option or warrant grants.</p>
<p>6.1.8. The Committee recommends that, in exceptional cases, companies should be able to reclaim in full or in part variable components of remuneration that were paid on the basis of data, which proved to be manifestly misstated.</p>	<p>The Company complies</p>	<p>Remuneration agreements of the members of the Executive Board include a right of the Company to reclaim in full or in part variable components of remuneration in exceptional cases.</p>
<p>6.1.9. The Committee recommends that termination payments should not amount to more than two years' annual remuneration.</p>	<p>The Company complies</p>	<p>The termination payment agreed upon represents a value that cannot exceed two years' annual remuneration.</p>

6.2. Disclosure of the remuneration policy

<p>6.2.1. The Committee recommends that the remuneration policy be clear and easily understandable and that it be disclosed in the annual report and posted on the company's website.</p>	<p>The Company complies</p>	<p>Royal Unibrew's remuneration policy and the overall guidelines for incentive pay are clear and easily understandable and are disclosed in the Company's Annual Report and on its website.</p>
<p>6.2.2. The Committee recommends that the company's remuneration policy and compliance with this policy be explained and justified in the chairman's statement at the company's general meeting.</p>	<p>The Company complies</p>	<p>The Company's remuneration policy and overall guidelines for incentive pay as well as compliance with these are explained as part of the Chairman's statement at the general meeting.</p>
<p>6.2.3. The Committee recommends that the total remuneration granted to each member of the supreme governing body and the executive board by the company and other consolidated companies be disclosed in the (consolidated) financial statements and that the linkage with the remuneration policy be explained.</p>	<p>The Company does not comply</p>	<p>Remuneration to the members of the Board of Directors is disclosed in the Annual Report. Disclosure of remuneration to the individual members of the Executive Board is not at present considered material to stakeholders' assessment of the Company. The total remuneration of the Executive Board is disclosed in note 4 to the Annual Report. The remuneration of the Executive Board is considered in line with that of peer companies. The remuneration of the Executive Board is in accordance with the remuneration policy and the overall guidelines for incentive pay.</p>
<p>6.2.4. The Committee recommends that the details of any defined-benefit schemes offered to members of the supreme governing body or the executive board and the actuarial value of such schemes as well as changes during the year be included as part of the information on the total remuneration.</p>	<p>The Company complies</p>	<p>Royal Unibrew has offered no defined-benefit schemes to members of the Board of Directors or the Executive Board.</p>
<p>6.2.5. The Committee recommends that the most important aspects of retention and severance programmes be disclosed in the company's annual report.</p>	<p>The Company complies</p>	<p>The Board of Directors' conditions of employment, including severance terms, are considered to meet the usual standards for positions of this type and do not imply any special obligations on the part of the Company.</p>
<p>6.2.6. The Committee recommends that the proposal for remuneration of the supreme governing body for the current financial year be approved by the shareholders at the general meeting.</p>	<p>The Company complies</p>	<p>In his directors' report at the general meeting, the Chairman submits a proposal for remuneration of the Board of Directors for the current financial year.</p>

7. Financial reporting

7.1. Other relevant information

<p>7.1.1. The Committee recommends that the annual report and other financial reports be supplemented by additional financial and non-financial information, if deemed necessary or relevant in relation to the information needs of the recipients.</p>	<p>The Company complies</p>	<p>Royal Unibrew reports on the Company's corporate social responsibility (CSR).</p>
---	------------------------------------	--

7.2. Going concern assumption

<p>7.2.1. The Committee recommends that, upon consideration and approval of the annual report, the supreme governing body decide whether the business is a going concern, including supporting assumptions or qualifications where necessary.</p>	<p>The Company complies</p>	<p>Upon consideration and approval of the Annual Report, the Board of Directors considers specifically whether the business is a going concern, including supporting assumptions or qualifications where necessary.</p>
--	------------------------------------	---

8. Risk management and internal control

8.1. Identification of risks

<p>8.1.1. The Committee recommends that the central governing body at least once every year identify the most important business risks associated with the realisation of the company's strategy and overall goals as well as the risks associated with financial reporting.</p>	<p>The Company complies</p>	<p>At least once every year, the Executive Board briefs the Board of Directors on the key business risks.</p> <p>Every year a summary of the key business risks is prepared and it is discussed how these may affect the realisation of the targets established and how the individual risks may be mitigated.</p>
<p>8.1.2. The Committee recommends that the executive board currently report to the supreme governing body on the development within the most important areas of risk and compliance with adopted policies, frameworks etc. in order to enable the supreme governing body to track the development and make the necessary decisions.</p>	<p>The Company complies</p>	<p>The Board of Directors is briefed as an element in the current reporting on the status of key business risks.</p>

8.2. Whistleblowing

<p>8.2.1. The Committee recommends that the supreme governing body decide whether to establish a whistleblowing scheme for expedient and confidential notification of possible or suspected wrongdoing.</p>	<p>The Company complies</p>	<p>Royal Unibrew is considering establishing a whistleblowing scheme but has not yet made a final decision to do so.</p>
--	------------------------------------	--

8.3. Openness about risk management

<p>8.3.1. The Committee recommends that the management commentary in the annual report include information about the company's management of business risks.</p>	<p>The Company complies</p>	<p>Management's Review includes information about the Company's management of business risks.</p>
---	------------------------------------	---

9. Audit

9.1. Contact to auditor

<p>9.1.1. The Committee recommends that the supreme governing body maintain a regular dialogue and exchange of information with the auditor.</p>	<p>The Company complies</p>	<p>The Board of Directors maintains a regular dialogue and exchange of information with the auditor.</p>
---	------------------------------------	--

<p>9.1.2. The Committee recommends that the auditor agreement and auditors' fee be agreed between the supreme governing body and the auditor on the basis of a recommendation from the audit committee.</p>	<p>The Company complies</p>	<p>The auditor agreement and the auditors' fee are agreed between the Company's Board of Directors and the auditor.</p>
<p>9.1.3. The Committee recommends that the supreme governing body and the audit committee meet with the auditor at least once every year without the executive board present. This also applies to the internal auditor, if any.</p>	<p>The Company complies</p>	<p>The Board of Directors holds at least one annual meeting with the auditor without the Executive Board present.</p>

9.2. Internal audit

<p>9.2.1. The Committee recommends that the supreme governing body, on the basis of a recommendation from the audit committee, once every year decide whether to establish an internal audit for support and control of the company's internal control and risk management systems and state the reasons for its decision in the annual report.</p>	<p>The Company complies</p>	<p>The Board of Directors considers annually whether an internal audit department is required.</p>
--	------------------------------------	--