



On 5 April 2016, at 4:00 pm, the annual general meeting of the company FLSmidth & Co. A/S, CVR no. 58 18 09 12, was held in Tivoli Congress Center, Arni Magnussons Gade 2-4, 1577 Copenhagen V, Denmark.

The agenda of the meeting was as follows:

1. The Board of Directors' report on the company's activities in 2015
2. Presentation and approval of the 2015 Annual Report
3. Approval of the Board of Directors' fees:
  - a. Final approval of fees for 2015
  - b. Preliminary determination of fees for 2016
4. Distribution of profits or covering of losses in accordance with the approved Annual Report
5. Election of members to the Board of Directors
6. Appointment of auditor
7. Proposals from the Board of Directors
  - 7.1. Amendment of the Articles of Association – change from bearer shares to registered shares
    - a) Amendment of Articles 4 and 4a
    - b) Amendment of Article 5
  - 7.2. Amendment of the Articles of Association – update of the Board of Directors' authorisation to increase the company's share capital
  - 7.3. Amendment of the Articles of Association – authorisation for distribution of extraordinary dividends
  - 7.4. Approval of updated guidelines for incentive pay
  - 7.5. Treasury shares
8. Any other business.

The chairman of the Board of Directors, Vagn Sørensen, welcomed the meeting and announced that the Board of Directors had appointed Klaus Søgaard, attorney, to chair the meeting in accordance with Article 7 of the company's Articles of Association.



The chair outlined the provisions of the Companies Act and the company's Articles of Association governing notice of annual general meetings and declared that the general meeting had been lawfully convened and formed a quorum.

The chair summarised the requirements for adopting the items on the agenda and informed that the Board of Directors' proposals for amendments to the Articles of Association, see items 7.1, 7.2 and 7.3 on the agenda, could be adopted by a 2/3 majority of votes and the remaining proposals could be adopted by a simple majority of votes.

At the general meeting, DKK 519,885,480 nominal value, corresponding to 53.13% of the company's total share capital after adjustment for treasury shares, was represented. The capital represented constituted 519,885,480 votes corresponding to 53.13% of the total number of votes excluding the number of votes conferred on treasury shares.

A total of 752 admission cards had been issued for the general meeting, 394 of which were registered admission cards, out of which 290 with voting rights. A total of 0.58% of the votes represented had granted proxy to the Board of Directors, and 62.45% of the votes represented had filled in a proxy form or voted by letter.

The chair informed the meeting that the first four items on the agenda would be presented by the Board of Directors as one item.

Re. 1-4: The Board of Directors' report on the company's activities in 2015; presentation and approval of the 2015 Annual Report; approval of the Board of Directors' fees and distribution of profits or covering of losses in accordance with the approved Annual Report

The chairman of the Board of Directors presented the following review:

"Currently, we find ourselves in a difficult market situation where the investments in both the cement and minerals industries are under pressure. This has led to large fluctuations in the market and limited visibility, affecting both us and our customers.

Management and the Board of Directors are therefore highly focused on managing the company safely through the economic downturn, while building a strong financial platform and ensuring that the company is as well prepared as possible for the upturn that will inevitably occur at a future point in time.

In a cyclical industry, there is an ongoing need to adapt to changing market conditions – both in terms of the level of activity and changing customer needs.

In the previous decade, customers were mainly interested in increasing as much new cement and mineral capacity as quickly as possible. Now and in the next many years to come, it is more about helping customers increase their productivity. In particular the minerals industry has fallen behind on productivity. In the 90s, the mining companies were able to improve their productivity by around 3% per year, while the 2000s saw an annual decrease in productivity of around 8%.

In short, productivity means doing more with less – with fewer resources. For example, it could be products or services with lower maintenance costs or with lower water and energy usage. Alternatively, it could refer to service and process solutions that ensure better uptime and increased output.



We strongly believe that productivity will be the critical success factor in the future, and we are working hard on transforming FLSmidth into the leading supplier of productivity for the cement and minerals industries.

With regard to the Board's agenda in 2015, the market developments and the changing customer needs led us to focus on ensuring an optimal future composition of the Board and staff.

I will discuss the Board composition more closely in connection with item 5 of the agenda, but can already now announce that I am looking forward to presenting the new candidates for the Board of Directors to the Annual General Meeting.

Development of talent and succession planning were also high on the agenda in 2015. The same applies to a long-term incentive scheme based on restricted shares, in line with the guidelines for incentive-based remuneration, which was approved by the Annual General Meeting in 2015. The purpose of the incentive scheme is to retain key employees and to ensure alignment between the interests of shareholders and management by rewarding results in accordance with long-term financial goals.

The total number of employees was 12,969 at the end of 2015, which is a decrease of 1,800 relative to last year. The sale of Cembrit accounts for a reduction of about 1,000 employees, and the remaining part is a reflection of the lower level of activity resulting from the economic downturn.

It is inevitable that the group's short-term results will be affected by the current market situation, however, by continuously improving the efficiency of our business and by focusing on having the right employees and competences, we will provide a strong platform for increasing earnings and improving our competitiveness in the coming years.

FLSmidth's strategy and business model have remained fundamentally unchanged, but now with an even stronger focus on productivity.

FLSmidth is a global leading supplier of sustainable technologies to six growth industries: copper, gold, coal, iron ore, fertilizer minerals and cement, of which cement and copper are the largest and most important segments.

About one third of the revenue comes from adjacent industries such as nickel, aluminium, silver, steel and energy.

As a leading supplier of effective and environmentally-friendly solutions to the global cement and minerals industries, FLSmidth supplies everything from single machines to complete production lines and optimisation of plants and installations. We also offer to subsequently operate the plant. It is not a coincidence that service activities constitute over half of our revenue today.

FLSmidth has a flexible business model that allows us to manoeuvre safely through the different cycles. By far the greatest part of our production is outsourced to subcontractors. We have a lifecycle approach and a unique combination of key products, process knowledge and a broad range of service offerings, which provides a solid foundation irrespective of where we are in the business cycle.

Societies all over the world are growing and becoming more economically developed. With hundreds of millions of people working their way from poverty into the middle class, urbanisation and



industrialisation are driving the need for infrastructure and improved living standards. Minerals and cement are essential components to fulfil this demand.

However, a number of issues are challenging the cement and minerals industries' ability to adequately support the increasing global need for cement and minerals. The cement and minerals industries are increasingly focused on sustainability and their responsibilities to the environment and society in general. They are faced with ever-stricter governmental and environmental regulations in relation to the use of natural resources, such as water and energy, as well as in relation to pollution and emissions. The shortage of energy, water and raw materials is leading to more complex and costly operations. Successfully managing these issues as well as the obligation to hire and develop a local workforce and providing a safe working environment are vital to gaining local support to operate both cement plants and to run mining operations. FLSmidth has both the experience and the technologies to help customers overcome these challenges.

The result in 2015 was strongly affected by a challenging market. The global growth turned out to be lower than expected, and as a consequence of this, FLSmidth's core markets developed more negatively than expected. The expected upturn in the cement industry was delayed and the minerals industry deteriorated more rapidly and more vigorously than expected at the beginning of the year.

Lower growth and decreasing commodity prices put pressure on the results of the mining companies and their cash flows. As a result, the investments in the mining industry decreased and are not expected to increase again until the end of 2017. However, the mining companies maintain record-high production volumes since demand for minerals continues to be high from a historic perspective. This supports the demand for services and spare parts from suppliers such as FLSmidth.

The market for new cement capacity has been at a cyclical trough for several years. The recovery we had hoped for in 2015 did not materialise as a result of the low oil prices which had a strong negative effect on the oil exporting countries while, at the same time, the positive effect is yet to manifest itself in the oil importing countries.

As a consequence of the changing market conditions and large market fluctuations over the summer, the earnings expectation was adjusted downwards in connection with the half-yearly accounts.

At the beginning of the year, the expectation was that in 2015 we would achieve revenue of DKK 19-21 billion and an EBITA margin of 9-10%. In August, the EBITA margin guidance was changed to 7-8% due to the increased market uncertainty and the resulting provisions on projects and customers.

In connection with the accounts for the third quarter of 2015, it was reported that the group's activities within bulk materials handling would be put up for sale. This primarily refers to equipment for port terminals and transport systems, which are not among our core equipment offerings to the minerals industry. We will continue to provide integrated materials handling solutions for the minerals industry. This part of the business is not for sale. The status is that we are about to restructure and prepare the company for sale. A final sales process will be started up during the coming months.

The decision to put the bulk materials handling activities for sale means that, since the third quarter of 2015, these activities have been reported as discontinued activities and they are no longer part of the reported revenue and results. Therefore, our full-year guidance was technically adjusted in connection with the third quarter accounts, so that they no longer include the bulk materials handling



activities. The revenue expectations were specified as DKK 19-20 billion and the EBITA margin guidance was raised to 7.5-8.5%. The year ended with revenue of DKK 19.7 billion and an EBITA margin of 8.0%, in line with the latest expectations.

Order intake increased by 7% to DKK 18.5 billion, while revenue fell 4% to DKK 19.7 billion in 2015. Both were supported by positive currency developments - without which the order intake would also have decreased. The operating profit, EBITA, fell to DKK 1.6 billion, corresponding to an EBITA margin of 8.0%, as previously mentioned. Customer Services and Product Companies deliver most of the earnings, and thus provides a solid foundation for the group in the current cyclical market downturn, whereas earnings in the Cement and Minerals divisions were negatively affected by market conditions and related non-recurring costs.

Free cash flow amounted to DKK 1.3 billion in 2015, which was the highest in six years due to the sale of Cembrit. The sale of Cembrit was concluded at the end of January 2015, as mentioned at the Annual General Meeting last year. Due to the sale and the positive cash flow from operations, the net debt was reduced by DKK 0.9 billion to DKK 3.7 billion.

Since 1 January 2015, FLSmidth has been organised into two global project divisions, Cement and Minerals, as well as two business areas that are less cyclical, namely Product Companies and Customer Services.

The Group structure shows that the Group activities consist of two relatively stable, high margin divisions, Customer Services and Product Companies, and two project divisions, Cement and Minerals, which by their nature are significantly more cyclical. Here, the margins are lower, but on the other hand, the capital employed is low, which means that the return on capital employed will still be attractive. All divisions are expected to grow over time, driven by the underlying global increase in demand for cement and minerals.

As reported on 1 March of this year, the registered management with the Danish Business Authority will from now on only consist of the Group CEO, Thomas Schulz, as well as the Group CFO, Lars Vestergaard. In practice, the executive management team will function as it has thus far.

Taking into consideration that, for many of our customers and our sector in general, 2015 was a very challenging year with regard to liquidity and capital structure, it is reassuring that both of the FLSmidth Group's long-term goals for capital structure were fulfilled by the end of 2015.

The shareholders' equity thus increased to DKK 8 billion, which meant that the equity ratio rose to 33%, exceeding the target of minimum 30%. The net interest bearing debt fell by DKK 900 million in 2015, and amounted to DKK 3.7 billion at the end of the year. This meant that the financial gearing fell to 1.96 by the end of 2015, which is within the target of maximum 2.0.

The aim is to pay out 30-50% of the profit for the year as dividend. Therefore, the Board of Directors proposes to the Annual General Meeting that a dividend of DKK 4 per share be paid out for 2015, equivalent to a total dividend of DKK 205 million, a pay-out ratio of 49% and a dividend yield of 1.7%.

Concerning FLSmidth's shareholder structure, a concentration of ownership occurred in 2015. The number of registered shareholders dropped to 44,000, from 52,000 the year before. Most notably, two new Danish investors have emerged as major shareholders. This refers to the Lundbeck Foun-



dation, which currently owns more than 10% of the shares, and Novo A/S, which in February reported that it owns more than 15% of the shares. From the Board of Director's perspective, we are very pleased to welcome these two new long-term shareholders.

As is recommended by the Danish Committee on Corporate Governance, I will now review and attach some remarks regarding remuneration of management and the Board of Directors.

And let me start by confirming that there have been no deviations in 2015 in regard to the general guidelines for incentive pay that were approved at the Annual General Meeting.

Management's total remuneration in 2015 consisted of a gross salary – i.e. a fixed salary including pension – as well as normal benefits such as company car and telephone. In addition to this, there was a cash bonus, which could at most constitute 40% of the gross salary, and share options, which at the time they were awarded could not exceed 25% of the gross salary in value. The variable salary components are intended to ensure value creation and achievement of the company's short-term and long-term goals. Total remuneration of the Group Executive Management amounted to DKK 37 million in 2015, compared to DKK 41 million in 2014. The remuneration of the Group CEO amounted to DKK 9 million in 2015 and is thus at the same level as in 2014.

At the General Meeting in 2015, an update of the guidelines for incentive pay for the company's Board of Directors and the Group Executive Management was approved, with effect from the financial year of 2016. This means that the existing share option scheme shall be phased out and replaced by a new, long-term incentive scheme based on restricted shares. The purpose of the share scheme is to retain key employees and to ensure alignment between the interests of the shareholders and the Group Executive Management by rewarding results related to the Group's long-term financial goals.

Each year in February, the Board of Directors will rule on whether new restricted shares should be allocated in conjunction with the Annual Report. The earning period is three years, and the final allocation will depend on the fulfilment of specific financial goals calculated as a three-year average. The maximum allocation of restricted shares will require the fulfilment of stretched targets, i.e. results that exceed the specified targets. There will be no earning or allocation if a minimum threshold is not met.

In connection with the Annual Report for 2015, the Board of Directors has decided to allocate restricted shares to a total of 140 people, which includes the Group Executive Management and key employees.

The costs for the scheme constituted DKK 45 million in 2015, and the maximum number of shares is 177,790 calculated on the basis of the average closing rate in the five first trading days after publication of the annual accounts. Earning and allocation will be contingent on meeting financial targets related to the EBITA margin and working capital as a percentage of revenue.

Concerning remuneration of the Board of Directors, there have been no changes to the basic remuneration since 2009. The current remuneration is on the same level as corresponding boards of directors in Denmark. However, it is significantly below the general remuneration level of boards of directors abroad. In order to attract necessary industry-specific competences from abroad, the Board of Directors intends to suggest an increase in the remuneration of the Board of Directors at the Annual General Meeting in 2017.



It is our expectation that 2016 will be yet another difficult year for the mining industry, which means that the number of potential large orders will be few and far between. The growth in the mining companies' investments is not expected to resume until the end of 2017 at the earliest. In the cement industry, the low oil price is expected to continue to put a damper on the willingness to invest in the oil exporting countries, whereas the low oil price is expected to create a positive economic momentum in the oil importing countries. Cement has started off well with a large order from Algeria, exceeding EUR 200 million.

We expect consolidated revenue of DKK 17-20 billion and an EBITA margin of 7-9%. The return on invested capital is expected to be 8-10% in 2016.

In the short-term, management will continue to focus on managing the group safely through the current economic downturn while, at the same time, strengthening the group's competences and technology so as to position FLSmidth as the leading supplier of productivity for the global cement and minerals industries.

Finally, I would like to thank both the Management and the Board of Directors for their strong cooperation and, not least, the approx. 13.000 employees, who have each made a particularly great effort in challenging times. Thank you."

The chair then opened for discussion in relation to items 1-4 on the agenda.

Claus Østergaard, chairman of the Staff Association, started out by mentioning that, in the past year, the Association had decided to "Go English". The reason for this was that there are more colleagues in the Danish part of the organisation who do not understand Danish than colleagues who do not understand English. In addition, Claus Østergaard referred to group CEO Thomas Schulz' remark at his employment three years ago that the company was in the "trough", meaning – he explained – that the company was operating in a market which was at – or the close to – the bottom. He emphasised that Thomas Schulz has said that this would last between three and five years, which at that time, most of the members considered an exaggeration, but he realised that this estimate had been correct and feared that it might even be a low estimate. In addition to this, Claus Østergaard emphasised that life in the "trough" was hard, but that most of the company's employees still enjoy working at FLSmidth in spite of the need for increased prioritisation to save money. In continuation hereof, Claus Østergaard expressed satisfaction with and thanked the management. In spite of the staff cuts, Claus Østergaard expressed his satisfaction with the management's ability to keep their balance to keep FLSmidth okay even though the company is in the "trough". The shareholders get acceptable returns and initiatives, which he is certain will prove their value in the long run, are being prioritised. Finally, Claus Østergaard stressed that the "spirit of FLS" – despite the fierce market terms – was still intact.

The chairman thanked him for the contribution and the good working relationship.

Claus Berner Møller, ATP, (the supplementary labour market pension fund) thanked the chairman of the Board for his report and emphasised that 2015 had been a challenging year for the company. He noted that the turnover target had been reached, but that the EBITA margin came at 8%, against a higher margin budgeted for earlier in the year. Furthermore, Claus Berner Møller noted that also return on investments had fallen below expectations. He explained that the poor results could, among other things, be explained by the very tough markets within both cement and minerals and mentioned that when meeting with companies in the mining industry, they understand the reason for the tough times for suppliers such as FLSmidth. Claus Berner Møller also mentioned that a





comparison of the company with its competitors places the company in the top 50% and emphasised that the financial statements are not poor taking into consideration the market conditions. Furthermore, Claus Berner Møller asked whether the company had hit the right balance between "rightsizing" and securing the long-term potential when the market turns. He called for good arguments for this and pointed out that the past years' restructurings make a certain conclusion difficult, but that it was his impression that the company will find the balance. Finally, Claus Berner Møller praised the Board of Directors for their proposal for new guidelines for incentive pay, which ATP considered reasonable and supported. He then thanked the company for the hard work done during 2015 and wished the company good luck with the challenges in 2016.

Thomas Schulz thanked Claus Berner Møller for the contribution and noted that in 2013, he had pointed out that the company would be facing difficult market conditions in the years ahead and noted that a recovery in the cement and minerals industries remained yet to be seen. He emphasised that, obviously, this was negative, but that the market conditions were the same for everybody in the industry. Thomas Schulz pointed out that cut-downs and divestments are not the answer. Instead, we must be proactive to adjust to the cyclical movements. During recession, one must prepare for recovery. He thanked ATP for the question about the company's preparations for a recovery. Thomas Schulz mentioned the importance of focusing on the qualifications that will be in demand once the recovery emerges and emphasised that the company has had a training programme in place since 2014, which stands out in the industry. Thomas Schulz, furthermore, emphasised that the company has reduced its overheads and that the company has a good reputation among its customers with respect to productivity improvements which is one of the things the company must survive on in future. Thomas Schulz also noted that the fight against the current market conditions is tough, but that he hoped that the prospects will improve by the end of next year and that the company will be able to show improved figures which will confirm that the measures taken by the company are the right ones.

Niels Aage Larsen, the Association of Danish Shareholders (Dansk Aktionærforening), started out by expressing his satisfaction with Thomas Schulz' participation in several of the events of the Association of Danish Shareholders. He, furthermore, noted that he was satisfied with the presentation of the Annual Report, but suggested more links so that the relevant information was more easily found. He emphasised the difficult market conditions in 2015, and guidance for 2016, but pointed out that an EBITA margin of 8% was reasonable. Niels Aage Larsen asked the management whether impact analyses had been made of the effect on the company of a new market collapse as the one in 2008/2009. Niels Aage Larsen, furthermore, expressed his satisfaction with FLSmidth's development of methods for reducing CO<sub>2</sub> emissions and with several innovative measures taken by the company. Niels Aage Larsen asked the management whether they had taken measures to increase the EBITA margin. Finally Niels Aage Larsen expressed satisfaction with the Corporate Social Responsibility report and with the fact that all members of the Board of Directors hold FLSmidth shares.

Thomas Schulz responded in the affirmative to Niels Aage Larsen's first question and pointed out that the company was prepared for potential cyclical fluctuations. Thomas Schulz referred to the challenges of the global economy which have an impact on the company's business activities and noted that the management sets up various scenarios for the development. Thomas Schulz responded to Niels Aage Larsen's second question by stating that the company has developed several innovative and ground-breaking optimisation solutions. Finally, Thomas Schulz emphasised the importance of Corporate Social Responsibility.





Jan Steen Knudsen, Pure Invest, pointed out that he had nothing against share options, but recommended that the Board of Directors to be attentive when allotting the share options as, in his opinion, the value of the allotted share options in November 2015 had a difference of DKK 9 million compared to the information disclosed in the Annual Report. Jan Steen Knudsen asked if new methods of calculation had been applied, which might explain the difference, or whether it was due to a miscalculation.

Lars Vestergaard thanked Jan Steen Knudsen for the question and replied that the company will recalculate the value and check whether an error might have occurred. It was stated that the accounting principles had not been changed.

The chair concluded that no other shareholders wished to take the floor, and the chair then proceeded to the individual items on the agenda.

Re. 1. The Board of Directors' report on the company's activities in 2015.

The chair concluded with the consent of the general meeting that the general meeting had taken note of the Board of Directors' report.

Re 2-4: Presentation and approval of the 2015 Annual Report, approval of the Board of Directors' fees and distribution of profits or covering of losses in accordance with the approved Annual Report

The chair referred to the fact that items 2-4 had been considered and discussed under item 1. Nobody requested to take the floor, and the chair, with the consent of the general meeting, concluded

- that the general meeting approved the 2015 Annual Report presented;
- that the general meeting approved the Board of Directors' fees, including (a) final approval of the fees for 2015, and (b) the preliminary determination of the fees for 2016; and
- that the general meeting approved the Board of Directors' proposal concerning the distribution of profits according to the approved 2015 Annual Report, including the payment of dividend in the amount of DKK 4 per share corresponding to a total dividend amount of DKK 205 million for 2015.

Re. 5. Election of members to the Board of Directors

The chair informed the meeting that all members of the Board of Directors elected by the general meeting are up for election every year, and that the board members elected by the general meeting count not less than five and not more than eight members in accordance with Article 11 of the Articles of Association.

The chair informed the meeting that the Board of Directors had proposed that Vagn Ove Sørensen, Torkil Bentzen, Sten Jakobsson, Tom Knutzen and Caroline Grégoire Sainte Marie be re-elected and in addition that Marius Jacques Kloppers and Richard Robinson Smith (Rob Smith) be elected as new members of the Board of Directors. No other proposals were made.

Further, the chair informed the meeting that Martin Ivert had decided not to seek re-election.



The chairman explained the reasons for the Board of Directors' proposal and emphasised the new candidates' solid professional background, which will strengthen the Board of Directors.

The chair concluded, with the consent of the general meeting, that Vagn Ove Sørensen, Torkil Bentzen, Sten Jakobsson, Tom Knutzen, Caroline Grégoire Sainte Marie, Marius Jacques Kloppers and Richard Robinson Smith (Rob Smith) had been elected as members to the Board of Directors.

Information about management positions and other background information in respect of each candidate were set out in the attached appendix 1 to the notice to convene, and was also available at the company's website.

#### Re 6. Appointment of auditor

The chair informed the meeting that the Board of Directors had proposed that Deloitte Statsautoriseret Revisionspartnerselskab be re-elected as company auditor.

The chair concluded with the acceptance of the general meeting that the proposal had been adopted.

#### Re. 7. Proposals from the Board of Directors

The chair informed the meeting that this year the Board of Directors had submitted five proposals for the approval of the general meeting.

##### *Re. 7.1. Amendment of the Articles of Association – change from bearer shares to registered shares*

The chair informed the meeting that the Board of Directors had submitted a proposal to change the company's shares from being issued to the bearer to being issued in the name of the holder due to changes in legislation. The possibility of issuing new bearer shares was repealed in 2015, due to this change in legislation, meaning, inter alia, that the Board of Directors' authorisation to increase the company's share capital, cf. Article 4a of the Articles of Association, could not be exercised unless the shares were changed to being registered.

If the proposal were adopted the wording of Article 4, paragraph 3, 1st sentence, would be amended to the following:

*“The shares are negotiable shares registered in the name of the holder.”*

Further, it was also proposed to adjust the wording of Article 4a, paragraph 4, 1st sentence, which is linked to the Board of Directors' authorisations to increase the company's share capital, to the following:

*“In the case of a share capital increase pursuant to paragraphs 1 and 2, the new shares shall be issued in the name of the holder.”*

In addition, it was proposed to amend the wording of Article 5, paragraph 3, to the following since it is not a requirement to give notice of general meetings via the IT system of the Danish Business Authority if the shares are registered in the name of the holder:



*“General Meetings shall be called via the Company website, [www.flsmidth.com](http://www.flsmidth.com). General meetings shall also be called by written communication to all shareholders who have so requested.”*

A shareholder requested the chair to elaborate further and explain the proposal.

The chair explained the legislative amendment and the consequences and asked if there were any further comments.

The chair concluded, with the acceptance of the general meeting, that the proposal under items 7.1a and 7.1.b had been adopted with the required majority.

*Re. 7.2. Amendment of the Articles of Association – update of the Board of Directors’ authorisation to increase the company’s share capital*

The chair informed the meeting that the Board of Directors had submitted a proposal to extend the existing authorisation in Article 4a of the Articles of Association to increase the company’s share capital so that it should be applicable until and including 1 April 2021. If the proposal were adopted, Article 4a, paragraph 1, 3rd sentence and paragraph 2, 3rd sentence, would hereafter have the following wording:

*“The authorisation shall apply for the period until and including 1 April 2021.”*

Since no shareholder wished to take the floor, the chair concluded, with the acceptance of the general meeting, that the proposal had been adopted with the required majority.

*Re. 7.3. Amendment of the Articles of Association – authorisation for distribution of extraordinary dividends*

The chair informed the meeting that the Board of Directors had submitted a proposal to insert a new Article 5, paragraph 11 in the Articles of Association authorising the Board of Directors to distribute extraordinary dividends. The purpose of this authorisation was to provide the Board of Directors with the possibility of distributing dividend more than one time per year. If the proposal were adopted, Article 5, paragraph 11 would be worded as follows:

*“The Board of Directors is authorised to distribute extraordinary dividends.”*

The chair invited comments from the floor.

Since no shareholder wished to take the floor, the chair concluded, with the acceptance of the general meeting, that the proposal had been adopted with the required majority.

*Re. 7.4. Approval of updated guidelines for incentive pay*

The chair informed the meeting that the Board of Directors had proposed to update the overall guidelines for incentive pay available to the company’s Board of Directors and group executive management and referred in general to the chairman’s review.



Kjeld Beyer announced that he would like to vote in favour of the proposal on the condition that better information and key figures are provided in the notes to the 5-year summary in the Annual Report.

The chairman thanked him for the contribution and noted that the proposal from Kjeld Beyer would be taken into consideration in the future. The chairman explained the proposal and the background of the updated guidelines for incentive pay, including the purpose of retaining key employees and the desire to make remuneration more performance-based.

The chair informed the meeting that the comments made would be recorded in the minutes. There was no request for this item to be put to the vote.

The chair concluded, with the acceptance of the general meeting, that the proposal had been adopted with the required majority and the comments made.

#### *Re. 7.5. Treasury shares*

The chair informed the meeting that the Board of Directors had submitted a proposal to the effect that it be authorised until the next annual general meeting to let the company acquire treasury shares equivalent to a total of 10% of the company's share capital, provided that the company's total holding of treasury shares at no point exceeds 10% of the company's share capital. The consideration must not deviate by more than 10% from the official price quoted at Nasdaq Copenhagen at the time of acquisition.

The chair invited comments from the floor.

Since no shareholder wished to take the floor, the chair concluded, with the acceptance of the general meeting, that the proposal had been adopted with the required majority.

#### Re. 8. Any other business.

Since no shareholder wished to take the floor, the chair declared that there was no further business to be transacted and gave the floor to the chairman.

Vagn Sørensen thanked everyone for attending the meeting and the shareholders for their commitment to the company.

The general meeting was closed.

The general meeting closed at 17.10 pm.

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Klaus Søgaard  
Chair of the meeting