# TERMS OF REFERENCE FOR
# THE NOMINATION & REMUNERATION COMMITTEE OF ØRSTED A/S

## 1. Establishment and objective

The Nomination & Remuneration Committee (the "Committee") is a committee under the Board of Directors of Ørsted A/S (the "Company") established in accordance with clause 7.10 of the Rules of Procedure for the Board of Directors.

The Committee works as a preparatory committee for the Board of Directors. The Committee assists the Board of Directors with reviewing, and prepares recommmendations for the Board of Directors in respect of, the composition and performance of the Board of Directors and the Executive Board ("Nomination related responsibilities"). Moreover, the Committee assists the Board of Directors with reviewing, and prepares recommmendations for the Board of Directors in respect of, remuneration issues ("Remuneration related responsibilities").

As such, the primary responsibilities of the Committee are to support the Board of Directors in carrying out its tasks within the following areas:

*Nomination related responsibilities*

- The qualifications required by the members of the Board of Directors and the Executive Management.
- The annual assessment of the composition and results of the Board of Directors and the Executive Board.
- The nomination of candidates for the Board of Directors and the Executive Board.

*Remuneration related responsibilties*

- The remuneration policy.
- Salary adjustments, bonus agreements and long-term variable pay schemes.
- Retention schemes and one-off payments.
- Remuneration of members of the Board of Directors and the Executive Board.

The Nomination related responsibilities and the Remuneration related responsibilities of the Committee are described in more detail in section 3 below.

## 2. Organisation

### 2.1 Terms of reference

These terms of reference are to be reviewed by the Committee at least once annually, and any proposals for amendments are to be submitted to the Board of Directors for approval.

### 2.2 Members and composition

The Committee consists of 2 - 4 members who are appointed by the Board of Directors.

Members of the Committee are appointed among the members of the Board of Directors at the first meeting of the Board of Directors after the Annual General Meeting for a term expiring at the time of the next Annual General Meeting. The Board of Directors shall appoint the Chairman of the Committee.

Members of the Committee may be removed by the Board of Directors at any time.

Any member of the Committee who resigns from the Board of Directors must also resign from the Committee.

In the event that a member of the Committee resigns from the Board of Directors or from the Committee in the middle of a term of office, a new member shall be appointed in replacement of the resigning member of the Committee at the first meeting of the Board of Directors following the resignation of the said member.

The majority of the members of the Committee must satisfy the requirements on independence stipulated in the Danish Recommendations on Corporate Governance. The Board of Directors determines whether any member of the Committee can be deemed independent or not.

### 2.3 Meetings

The Committee holds three ordinary meetings annually. Moreover, the Committee is to hold meetings at the request of a member of the Committee or the Chief HR Officer.

No later than at the last meeting of the Committee each year, the Executive Board presents for the Committee's consideration an overview of the expected meetings and agenda items of each meeting in the coming year.

Meetings shall be convened by the Chairman of the Committee at a notice of at least 7 days. Specifically, the Chairman shall send a notice of meeting to all members of the Committee, and the notice shall include the agenda for the said meeting. Wherever possible, all written material concerning the agenda items shall be submitted to the members together with the notice of meeting.

To the extent that it may be necessary, the Chairman of the Committee may convene meetings at a shorter notice.

The Chairman of the Committee is authorised to decide whether virtual participation in the individual Committee meeting is allowed.

In exceptional circumstances, the Committee may adopt a resolution on the basis of a written procedure. The proposed resolution is to be submitted to the members of the Committee. The Chairman then seeks to obtain a written, oral or electronically transmitted statement from all members of the Committee and sees to it that the resolution is entered in the book of minutes.

The Chief HR Officer attends the meetings; however, the Chairman of the Committee may decide that a meeting is to be held without the attendance of the Chief HR Officer if this is deemed appropriate.

### 2.4 Quorum - Valid resolutions

The Committee constitutes a quorum when two members are present.

All resolutions by the Committee must be passed by a simple majority of votes.

Any decision or resolution by the Committee made in writing and signed by all Committee members shall have the same validity as a decision or resolution made at a duly convened and held meeting.

### 2.5 Minutes of meeting

Minutes of all Committee meetings shall be taken documenting the Committee's exercise of its responsibilities. Draft minutes of meeting are to be sent to the Chairman for approval within ten working days of a meeting. The meeting minutes are to be approved by the Committee at the next meeting at the latest. The approved meeting minutes are to be sent to all members of the Board of Directors, and shall subsequently be kept together with the Company's minute books and files.

### 2.6 Reporting to the Board of Directors

The Committee is to inform the Board of Directors on its discussions and to submit recommendations to the Board of Directors on a recurring basis. Moreover, the Board of Directors is to receive approved minutes of meeting, cf. above under clause 2.5. Any material presented to or prepared by the Committee is to be made available to the members of the Board of Directors upon request from the said Board member.

The rules on the members' work on the Board of Directors, including the rules stipulated in the Rules of Procedure for the Board of Directors on the duty of confidentiality and filing of material (clause 5 of the Rules of Procedure), shall also apply to their work on the Committee.

### 2.7 Fee to Committee members

All members of the Committee shall receive an annual fee approved by the Annual General Meeting.

## 2.8 Nomination related responsibilities

The Committee is responsible for the following preparatory tasks:

(i) The Committee shall describe the qualifications required by the Board of Directors and the Executive Board, and for a specific membership, state the time expected to be spend on having to carry out the membership, as well as assess the competences, knowledge and experience of the two governing bodies combined.

(ii) The Committee shall annually assess the structure, size, composition and results of the Board of Directors and the Executive Board as well as recommend any changes to the Board of Directors.

(iii) The Committee shall, in cooperation with the chairman of the Board of Directors, handle the annual evaluation of the Board of Directors and annually assess the competences, knowledge, experience and succession of the individual members of the Board of Directors and the Executive Board and report to the Board of Directors in this respect.

(iv) The Committee shall handle the recruitment of new members of the Board of Directors and the Executive Board, and nominate candidates for the Board of Directors' approval.

(v) The Committee shall prepare an action plan to the Board of Directors on the future composition of the Board of Directions, including proposals for specific changes.

(vi) The Committee shall ensure that a succession plan for the Executive Board and other key positions is prepared for the Board of Directors' approval.

(vii) The Committee shall supervise the Executive Board's policy for employment of executive employees.

(viii) The Committee shall supervise the preparation of a diversity policy for the Board of Directors' approval.

## 2.9 Remuneration related responsibilties

### 2.9.1 The remuneration policy

The Committee submits recommendations to the Board of Directors on the remuneration policy applicable to the Board of Directors and the Executive Board for approval. Material changes to the policy shall also be approved by the Company's general meeting.

### 2.9.2 Proposals for remuneration

The Committee shall submit recommendations to the Board of Directors on the remuneration of the Executive Board for approval and the remuneration of the Board of Directors prior to the presentation at the general meeting.

The Committee shall oversee that the actual remuneration of the Board of Directors and the Executive Board is in compliance with the remuneration policy and the assessment of the individual member's performance .

The Committee shall be informed about the total amount of remuneration that members of the Board of Directors and the Executive Board receive from other companies in the Group.

### 2.9.3 Proposals for salary adjustments, etc.

The Committee shall submit recommendations to the Board of Directors for approval on:

(i) Salary adjustments, bonus for the preceding year, bonus agreements for the coming year, as well as long-term variable pay grants for the Executive Committee.

(ii) Application of one-off payments for the Executive Committee.

(iii) Application and introduction of new compensation elements for employees at or above senior manager level, for example new bonus elements.

### 2.9.4 Review of peer group(s) under the Ørsted Share Programme

The Committee shall review the peer group(s) under the Ørsted Share Programme before each grant of performance share units and submit changes to the peer group(s), if any, to the Board of Directors for approval.

### 2.9.5 Retention schemes and remuneration of top 25

The Committee shall approve the application of retention schemes for key employees.

The Committee shall monitor the Remuneration of the Top 25 highest earners as set out by the Committee.

### 2.9.6 Annual remuneration report and information on remuneration in the annual report

The Committee shall assist with the preparation of the annual remuneration report for the Board of Directors approval prior to the presentation for the general meeting's advisory vote, and oversee that the section in the annual report on remuneration of the Board of Directors and the Executive Board is accurate, fair and adequate.

## 3. Delegation of responsibilites

The Committee shall also handle any other tasks relating to nomination and remuneration which the Board of Directors may at any time delegate to the Committee.

To the extent requested by the members of the Committee, the Committee shall be assisted by the Company's organisation, including the Secretariat of the Board of Directors, when preparing material for the Committee and for the Board of Directors.

The Committee must avoid using the same external advisers as the Executive Board in relation to nomination and remuneration of the Executive Board.

## 4. Publication of information

These terms of reference are to be published on the Company's website. Annually, the management commentary of the annual report shall describe:

(i) The Committee's most significant activities and the number of meetings in the past year.
(ii) The members of the Committee, including the chairman and the independence of the members.

Approved by the Board of Directors on 1 December 2021.