

5 March 2020

**NOTICE CONVENING THE ANNUAL GENERAL MEETING
OF ROCKWOOL INTERNATIONAL A/S**

The annual general meeting of shareholders is hereby convened to take place on

Wednesday, 1 April 2020 at 3:00 p.m.

at Roskilde Kongrescenter, Møllehusvej 15, DK-4000 Roskilde, Denmark.

Registration for the general meeting must take place no later than Friday, 27 March 2020 either electronically via the shareholder portal on www.rockwoolgroup.com/shareholder or by returning the completed registration form to Computershare A/S.

During the annual general meeting coffee and cake will be served.

The general meeting will be transmitted in full directly via webcast in Danish and English. The webcast and further information is available at the company's website, www.rockwoolgroup.com/agm. The webcast will only include the platform and rostrum. Information on collection and processing of personal data in connection with the annual general meeting is available on the company's website www.rockwoolgroup.com/agm.

The agenda for the annual general meeting is as follows:

1. The board of directors' report on the company's activities during the past financial year.
2. Presentation of annual report with auditors' report.
3. Adoption of the annual report for the past financial year and discharge of liability for the management and the board of directors.
4. Approval of the remuneration of the board of directors for 2020/2021.
5. Allocation of profits according to the adopted accounts.

The board of directors proposes a distribution of dividends for the financial year 2019 of DKK 32.00 per share of a nominal value of DKK 10. The dividend will be distributed on 6 April 2020 after approval by the general meeting.

6. Election of members to the board of directors.

According to the Articles of Association all members of the board of directors elected at the general meeting resign each year. Members of the board of directors are elected for the period until the next annual general meeting.

Board member Henrik Brandt has informed the board of directors that he will not seek re-election to the board at the annual general meeting.

The board of directors nominates the following board members for re-election: Carsten Bjerg, Søren Kähler, Thomas Kähler, Andreas Ronken and Jørgen Tang-Jensen.

The board of directors proposes that Rebekka Glasser Herlofsen is elected as new member of the board of directors.

A description of the background of and the offices held by each candidate proposed for election by the board of directors, including the board of directors' reasons for the nomination, are enclosed in appendix 1 and are available at the company's website, www.rockwoolgroup.com/agm.

Subject to election of the above candidates, the board of directors expects to appoint Thomas Kähler as Chairman and Carsten Bjerg as Deputy Chairman. Thomas Kähler will resign from his position as Senior Vice President, Systems Division if re-elected.

7. Appointment of auditors.

The board of directors proposes re-election of PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab as auditor of the company.

8. Proposals from the board of directors or shareholders.

Proposals from the board of directors:

8a. Authorisation to acquire own shares.

The board of directors proposes that the general meeting authorises the board of directors to allow the company to acquire own shares during the period until the next annual general meeting, i.e. class A shares as well as class B shares, of a total nominal value of up to 10% of the company's share capital, provided that the price of the shares at the time of purchase does not deviate by more than 10% from the most recent listed price.

8b. Approval of new remuneration policy for the board of directors and registered directors.

The board of directors proposes that the general meeting approves the new remuneration policy for the board of directors and registered directors.

The proposed new remuneration policy is enclosed as appendix 2 and is available at the company's website, www.rockwoolgroup.com/agm.

If the new remuneration policy is approved, section 17 of the Articles of Association on overall guidelines for incentive-based remuneration will automatically be deleted and subsequent Articles will be renumbered accordingly.

Proposals from shareholders:

8c. Assessment of environmental and community impacts from siting of manufacturing facilities and use of water.

Proposal from shareholder Timothy L. Ross:

"So that shareholders can understand and manage risk more effectively, a shareholder proposes that Rockwool prepare and publish an assessment, above and beyond existing disclosures and those required by law, of the results of company policies and practices to minimize the adverse environmental and community impacts, particularly to children, from the company's siting of its manufacturing facilities as well as from the use, storage, and discharge of water associated with its manufacturing processes, and the risks of adverse regulatory and permitting outcomes with respect to the Company's current or planned use, storage or discharge of water impairing the Company's current and scheduled investments in its facilities. Such assessment should be prepared at reasonable cost, omitting confidential information."

The shareholder's supporting statement for the proposal is included in the complete proposals for the general meeting.

The board of directors' position:

The board of directors appreciates the concerns expressed by the shareholder, while noting this proposal is identical to the one submitted last year and reiterating that it believes that the company adequately discloses relevant risks and material impacts via its Annual Report and Sustainability Report. The board of directors further notes that the company observes local and national regulations when locating new manufacturing facilities. As the shareholder's proposal specifically addresses discharge of water associated with manufacturing

processes, the board of directors emphasises that there are no production process waste water discharges into waterways or the ground at any of the company's manufacturing facilities.

Hence, the board of directors does not support the proposal.

9. Any other business.

Share capital, voting right and adoption requirements

At the time of convening the general meeting, the company's share capital amounts to a nominal value of DKK 219,749,230, divided into a class A share capital of a nominal value of DKK 112,316,270 (11,231,627 shares of a nominal value of DKK 10 each) and a class B share capital of a nominal value of DKK 107,432,960 (10,743,296 shares of a nominal value of DKK 10 each). Each class A share of a nominal value of DKK 10 entitles to ten votes, and each class B share of a nominal value of DKK 10 entitles to one vote according to article 9.b of the Articles of Association.

Shareholders are entitled to vote, if they on the record date, Wednesday, 25 March 2020, are registered in the company's register of shareholders or have given notice to the company of a change of ownership, which the company has received for the purpose of registration in the register of shareholders, but which has not yet been registered according to article 9.c. of the Articles of Association, and who have requested admission cards or submitted absentee votes in due time.

All proposals on the agenda may be adopted by a simple majority vote.

Admission cards

As last year the company will issue electronic admission cards. The electronic admission card(s) will be sent to the email address provided by the shareholder in the shareholder portal and which has been registered in the register of shareholders. Shareholders must bring the admission card(s) to the general meeting, either electronically on a smartphone/tablet or in a print version. Shareholders also have the option to collect admission card(s) at the registration counter at the entrance to the general meeting upon providing proper proof of identification.

At the registration counter, shareholders will receive a printed ballot for the general meeting upon providing admission card(s) or proof of identification.

Shareholders wishing to attend the general meeting must request an admission card no later than Friday, 27 March 2020. Admission cards can be obtained as follows:

- (a) electronically via the shareholder portal on www.rockwoolgroup.com/shareholder by using the password and deposit account information sent directly to all registered shareholders or NemID;
- (b) by returning the completed registration form to Computershare A/S, Lottenborgvej 26 D, 1st floor, DK-2800 Kgs. Lyngby. The registration form has been sent to all registered shareholders, who have requested it, and is also available at the company's website, www.rockwoolgroup.com/agm; or
- (c) by contacting Computershare A/S by phone, (+ 45) 4546 0997 (weekdays between 09:00 and 15:30 (CET)) or by email, gf@computershare.dk.

Proxy

A shareholder may utilise his/her voting rights by proxy, provided that the proxy holder substantiates his right to attend the general meeting by presenting an admission card and a dated proxy form in writing. The proxy form is available at the company's website, www.rockwoolgroup.com/agm, and can also be obtained from Computershare A/S.

Computershare A/S must receive the completed proxy form no later than on Friday, 27 March 2020. The proxy form may be sent in writing by ordinary mail or electronically via the shareholder portal on

www.rockwoolgroup.com/shareholder.

Absentee votes (voting by correspondence)

A shareholder may exercise his/her voting rights by submitting an absentee vote. A form for submitting absentee votes may be obtained at the company's website, www.rockwoolgroup.com/agm, and may also be obtained from Computershare A/S.

Computershare A/S must receive the absentee votes no later than Monday, 30 March 2020. Absentee votes can be sent in writing by ordinary mail or electronically via the shareholder portal on www.rockwoolgroup.com/shareholder.

Publication of documents

The notice including the agenda, the complete proposals, information about voting rights and capital structure at the time of the notice convening the annual general meeting, the audited annual report, the form of proxy and absentee votes as well as information on handling of personal data in connection with the annual general meeting will be available at the company's website, www.rockwoolgroup.com/agm, in the period from the publication of the notice and until and including the day of the general meeting.

Questions

The company encourages all shareholders to actively take part in the annual general meeting, by providing questions to the company's management on any matters that may require clarification.

Up until the day before the general meeting the shareholders can submit questions in writing to the company regarding the agenda or documents for the purpose of the general meeting.

Yours sincerely,

ROCKWOOL International A/S

On behalf of the board of directors

Henrik Brandt, Chairman of the board of directors

Appendix 1: Candidates for the board of directors



THOMAS KÄHLER

Date of birth: 2 November 1970

Elected to the Board: 2008

Not independent according to the **corporate governance recommendations**

Nationality: Danish

Senior Vice President, Head of Systems Division, ROCKWOOL International A/S
(Thomas Kähler will resign from his position as Senior Vice President, Systems Division if re-elected)

Education

2016: IMD, High performance Boards

2008: MBA, Copenhagen Business School, Denmark

1998: Business Diploma, 1st part, Copenhagen Business School, Denmark

1993: Electrical / Mechanical Engineer, Technical University of Denmark

Main points of career

2015- : Senior Vice President, Head of Systems Division, ROCKWOOL International A/S

2009-2015 : Managing Director of ROCKWOOL Scandinavia

2004-2009 : Managing Director of RockDelta A/S

2001-2004: Sales Director at RFS Denmark A/S (Alcatel Group)

1998-2001: Regional Sales Manager at RFS Denmark A/S (Alcatel Group)

1996–1998: Regional Sales Manager at Howden Denmark A/S

1994-1996: Area Sales Manager at Ametek Denmark A/S

Other positions related to the company

Member of **Group Management**, and Senior Vice President, Head of Systems Division

Member of the Kähler Family Meeting

Positions in other Danish companies

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Appendix 1: Candidates for the board of directors

Other positions

Member of the Advisory Board of Kraka, Denmark

Re-election motivation

Thomas Kähler has experience with management, marketing, sales and business development in international businesses and has a close relationship with major shareholders.

Remuneration for 2019/2020 as determined by the general meeting April 2019

Other members of the Board DKK 360,000 annually



CARSTEN BJERG

First Deputy Chairman

Date of birth: 12 November 1959

Elected to the Board: 2011

Independent according to the **corporate governance recommendations**

Nationality: Danish

Education

1985: Advanced Course in Production Methods and Management, Cambridge University

1983: Engineering degree from the Technical University of Denmark

Main points of career

2013-: Board member

2007-2013: CEO of Grundfos Holding A/S and President of the Grundfos Group

2003-2006: Deputy CEO, Grundfos Management A/S

2000-2002: EVP, Group Production Director, Grundfos Management A/S

1997-1999: SVP, International Production, Grundfos Management A/S

1994-1997: Product Line Director, Danfoss A/S

1989-1994: Production Manager / Plant Manager, Danfoss A/S

1985-1989: Project Manager, Danfoss A/S

1983-1984: Production Rotation Engineer, Danfoss A/S

Appendix 1: Candidates for the board of directors

Other positions related to the company

Member of the **Chairmanship**

Chairman of the **Audit Committee**

Member of the **Remuneration Committee**

Positions in other Danish companies

Chairman of the Boards of Hydrema Holding ApS, Arminox Investment A/S (and one fully owned subsidiary), Bjerringbro-Silkeborg Håndbold A/S, Bogballe Investment A/S (and one fully owned subsidiary), Ellegaard Investment I ApS (and one fully owned subsidiary), CapHold Guldager ApS (and one fully owned subsidiary), Robco Engineering Investment A/S (and one fully owned subsidiary) and PCH Investment A/S (and one fully owned subsidiary)

Member of the Boards of Vestas Wind Systems A/S*, Agrometer Investment A/S (and three fully owned subsidiaries) and TCM Group A/S* (and one fully owned subsidiary)

* Listed companies

Other positions

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Re-election motivation

Carsten Bjerg has extensive experience in strategic management of an international company (the Grundfos Group) and extensive knowledge of R&D, production and sustainability.

Remuneration for 2019/2020 as determined by the general meeting April 2019

Deputy Chairmen of the Board DKK 720,000

Supplement for Chairman of the Audit Committee DKK 300,000

Supplement for members of the Remuneration Committee DKK 90,000

Appendix 1: Candidates for the board of directors



SØREN KÄHLER

Second Deputy Chairman

Date of birth: 25 July 1950

Elected to the Board: 2013

Not independent according to the **corporate governance recommendations**

Nationality: Danish

Education

1977: MSc. (Engineering) (chemistry), Technical University of Denmark

Main points of career

1994-2005: Finance Manager of ROCKWOOL Engineering, ROCKWOOL International A/S

1988-1993: Vice President, Finance of ROCKMENT A/S

1984-1987: Technical Project Manager of F. L. Smidth & Co. A/S (Denmark)

1980-1983: Project Leader of F. L. Smidth & Co. A/S (Iraq)

1977–1979: Sales Engineer of F. L. Smidth & Co. Ltd. (UK)

Other positions related to the company

Member of the **Chairmanship**

Member of the **Remuneration Committee**

Member of the **Audit Committee**

Member of the Board of the **ROCKWOOL Foundation**

Member of the Kähler Family Meeting

Positions in other Danish companies

Chairman of the Board of A/S Saltbækvig

Other positions

Member of the Board of the Foundation Sagnlandet Lejre

Re-election motivation

Søren Kähler has experience with management in international businesses and has a close relationship with major shareholders.

Appendix 1: Candidates for the board of directors

Remuneration for 2019/2020 as determined by the general meeting April 2019

Deputy Chairman of the Board DKK 720,000

Supplement for members of the Audit Committee DKK 180,000

Supplement for members of the Remuneration Committee DKK 90,000 annually



JØRGEN TANG-JENSEN

Date of birth: 5 August 1956

Elected to the Board: 2017

Independent according to the corporate governance recommendations

Nationality: Danish

Education

1997: Stanford University, USA

1989: IMD, Switzerland

1981: MSc (International Business), Aarhus Business School

Main points of career

2001-2017: CEO of VELUX A/S, Denmark

1990-2000: Group Director of VELUX Industri A/S, Denmark

1984-1990: Managing Director of Novelco A/S, Denmark

1981-1984: Product Manager of VELUX International A/S, Denmark

Other positions related to the company

Member of the Audit Committee

Positions in other Danish companies

Member of the Boards of Coloplast A/S*, VKR Holding A/S, VILLUM FONDEN and Maj Invest Holding A/S (and two fully owned subsidiaries)

* Listed company

Other positions

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Appendix 1: Candidates for the board of directors

Re-election motivation

Jørgen Tang-Jensen has a long term experience from the building materials industry and a vast understanding of corporate governance due to his active role in several organizations.

Remuneration for 2019/2020 as determined by the general meeting April 2019

Other members of the Board DKK 360,000

Supplement for members of the Audit Committee DKK 180,000



REBEKKA GLASSER HERLOFSEN

Date of birth: 26 July 1970

Proposed elected to the Board: 2020

Independent according to the **corporate governance recommendations**

Nationality: Norwegian

CFO at Wallenius Wilhelmsen Logistics ASA (until end April 2020, thereafter independent consultant, investor and professional board member)

Education

2004: CFA (Certified Financial Analyst Programme) from Norwegian School of Economics and Business Administration, Norway

1994: Degree in economics ("siviløkonom") (Economics and Business Administration, Finance and Strategy) from Norwegian School of Economics and Business Administration, Norway

1993: Literature, Undergraduate Level, from University of Bergen, Norway

Main points of career

2017- 2020: CFO of Wallenius Wilhelmsen Logistics ASA, Norway

2012-2017: CFO of Torvald Klaveness, Norway

2012-2011: CFO of Norwegian Energy Company ASA (=Noreco), Norway

2009-2011: Own investments, Professional Board member (Cermaq, Handelsbanken Norge, Klaveness, Sin-Oceanic and Noreco), Norway

2005-2009: Director Business Development of BW GAS ASA / Bergesen d.y. ASA, Norway

Appendix 1: Candidates for the board of directors

2003-2005: Head of Corporate Planning of BW GAS ASA / Bergesen d.y. ASA, Norway

1999-2003: Project Manager, Business Development of BW GAS ASA / Bergesen d.y. ASA, Norway

1997-1999: Associate, Corporate Finance of Enskilda Securities, England

1995-1997: Analyst of Enskilda Securities, Norway

Other positions related to the company

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Positions in other Danish companies

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Other positions

Vice Chairman of the Board of Norwegian Hull Club, Norway

Member of the Boards of SATS ASA and Equinor ASA, Norway

Election motivation

Rebekka Glasser Herlofsen has extensive international experience from executive positions in large Norwegian companies and board positions in Norwegian and foreign companies. Over many years, Rebekka Glasser Herlofsen has developed financial competencies that will be useful in both general Board work as well as in the Audit Committee.

Remuneration for 2019/2020 determined by the general meeting April 2019

New candidate – no remuneration received for 2019/2020

Appendix 1: Candidates for the board of directors



ANDREAS RONKEN

Date of birth: 8 May 1967

Elected to the Board: 2016

Independent according to the **corporate governance recommendations**

Nationality: German

CEO of Alfred Ritter GmbH & Co. KG

Education

2002: Executive Master of Business Administration, University of Bremen, Germany

1993: Dipl. Ing. in Mechanical Engineering, University of Dortmund, Germany

1991: MSc. in Industrial Engineering, and CIMS Certificate, Georgia Institute of Technology, Atlanta, Georgia, USA

1990: Bachelor (Vordiplom), Mechanical Engineering, University of Dortmund, Germany

Main points of career

2015- : CEO of Alfred Ritter GmbH & Co. KG

2005-2014: Managing Director/Vice President, Production and Technology, Alfred Ritter GmbH & Co. KG, Germany

2002-2005: Site Director Supply Chain, Masterfoods/Mars Inc., Breitenbrunn, Austria

1997-2002: R&D Manager, Masterfoods/Mars Inc., Minden, Germany

1996-1997: Shift-/Production Manager, Masterfoods/Mars Inc., Bruck, Austria

1995-1996: Process Engineer, Masterfoods/Mars Inc., Verden, Germany (Dry Petfood Production)

1994-1995: R&D Assignment, Masterfoods/Mars Inc., St. Denis L'Hotel, France

1993-1994: Management Trainee, Masterfoods/Mars Inc., Verden, Germany

Other positions related to the company

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Positions in other Danish companies

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Appendix 1: Candidates for the board of directors

Other positions

Member of the Advisory Board of Melitta Group GmbH & Co. KG, Minden, Germany

Re-election motivation

Andreas Ronken has extensive experience in strategic management in international companies (Mars Inc. and Alfred Ritter Group) and profound knowledge of marketing, branding, supply chain management and R&D.

Remuneration for 2019/2020 as determined by the general meeting April 2019

Other members of the Board DKK 360,000

OTHER MEMBERS OF THE BOARD (NOT UP FOR ELECTION):



CHRISTIAN WESTERBERG

Date of birth: 12 April 1978

Elected to the Board of Directors: 2018

Elected by employees

Nationality: Danish

Design Manager, ROCKWOOL International A/S

Education

2008: BSc. Eng. (Machine), Engineering College of Copenhagen

2002: Airplane technician, Royal Danish Airforce

Other positions related to the company

Member of the Board of the ROCKWOOL Foundation

Positions in other Danish companies

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Appendix 1: Candidates for the board of directors

Other positions

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Remuneration for 2019/2020 as determined by the general meeting April 2019

Other members of the Board of Directors DKK 360,000



CONNIE ENGHUS THEISEN

Date of birth: 20 November 1960

Elected to the Board: 2006

Elected by employees

Nationality: Danish

Director Stakeholder Engagement, ROCKWOOL International A/S

Education

1994: Graduate Diploma in Business Administration (HDA), Odense University

1985: Master of Art, Odense University - Cand. Mag.: principal subject: German, subsidiary subject: English

Other positions related to the company

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Positions in other Danish companies

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Other positions

Member of the Advisory Committee of AktivPLUS, Germany

Remuneration for 2019/2020 as determined by the general meeting April 2019

Other members of the Board DKK 360,000

Appendix 1: Candidates for the board of directors



RENÉ BINDER RASMUSSEN

Date of birth: 6 January 1969

Elected to the Board: 2018

Elected by employees

Nationality: Danish

District Manager, ROCKWOOL NORDICS

Education

2001: Cultivator A/S – BTB Sales

1994: Aarhus Business School

1991: Business School Randers

1986: Technical School

Other positions related to the company

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Positions in other Danish companies

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Other positions

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Remuneration 2019/2020 as determined by the general meeting April 2019

Other members of the Board DKK 360,000

Appendix 2: Remuneration Policy

REMUNERATION POLICY FOR THE BOARD OF DIRECTORS AND REGISTERED DIRECTORS OF ROCKWOOL INTERNATIONAL A/S

This Remuneration Policy for the Board of Directors and Registered Directors of ROCKWOOL International A/S (the “Policy”) has been prepared by the Board of Directors of ROCKWOOL International A/S (“ROCKWOOL Group” or the “Company”) and is submitted for a binding vote at the Company’s annual general meeting on April 1, 2020.

Based on the approval of the Policy by a majority of votes cast, it will replace the Remuneration Policy approved at the annual general meeting on April 6, 2016 and is applicable for agreements on remuneration entered into after the annual general meeting on April 1, 2020.

After approval, the Policy will, every fourth year, be re-submitted for shareholder approval at the Company’s annual general meeting or earlier in case a material change is proposed. The Policy applies to the Board of Directors and Registered Directors of ROCKWOOL International A/S. The Policy is available on the Company’s website along with the date for and result of the vote by the general meeting.

Purpose of the Policy

This Policy is designed to enable the Company to attract and retain members to the Board of Directors and Registered Directors that are competent, engaged and committed to realise our strategy.

The remuneration provided in accordance with this Policy, as well as complementing internal policies, shall promote and support our business success and value creation both on the short- and long-term, and thus encourage performance which is aligned with our shareholders’ interests and supporting our sustainability agenda.

The remuneration philosophy of the ROCKWOOL Group is aligned to our heritage and long standing culture and remuneration schemes shall be designed to drive performance with structures easy to understand and communicate. These principles apply to the Board of Directors and Registered Directors as well as the Company’s broader employee population.

General principles of the Policy

Individual remuneration elements of the Board of Directors and Registered Directors will be set in accordance with this Policy. In addition to the primary purpose of attracting and retaining impactful contributors in a competitive environment, the Policy has been prepared with consideration of well-established remuneration processes covering the executives, and as relevant also the general employee population e.g. the annual salary review process. The Company has a balanced approach to fixed and variable remuneration to discourage excessive risk taking and to continue being a stable and well-performing company with a long-term perspective. Any new remuneration schemes or changes to existing schemes applicable for the Board of Directors and Registered Directors will be in accordance with this Policy.

Remuneration of the Board of Directors

Remuneration of the Board of Directors comprises of a base fee and supplementary fees for the Chairman, Deputy Chairmen and members of board committees. Furthermore, reimbursement of expenses and, in very rare cases, fees for ad hoc tasks may apply.

Appendix 2: Remuneration Policy

Board Fees

Board members, both shareholder and employee elected members, receive a fixed annual base fee which is the same for all.

Supplementary fees

The Chairman, Deputy Chairmen and members of the board committees are entitled to supplementary fees for the extended duties implied by those positions. Chairmen of committees are entitled to a higher supplementary fee than ordinary committee members.

Other remuneration components

The Company reimburses reasonable expenses for Board members such as travel, accommodation or other expenses related to board meetings as well as relevant education.

Individual Board members may take on specific ad hoc tasks outside their normal duties assigned by the Board. In each case, the Board shall determine a fixed fee for the work carried out in respect to these tasks which will be disclosed in the annual Remuneration Report and presented for approval by the shareholders at the general meeting.

Members of the Board of Directors are not offered pension arrangements or any type of incentive-based remuneration, neither in the form of short nor long term incentive schemes in their capacity as non-executive Board members.

Review of fees

The Remuneration Committee monitors the remuneration paid to Board members and provides a recommendation for adjustment, if any, based on relevant benchmark for comparable Danish and European companies. Such adjustment is subject to the approval by the shareholders at the Company's general meeting and covers the period until the next annual general meeting.

In the event a Board member resigns prior to expiry of an election term, only a proportionate amount of the fees will be paid.

Remuneration to members of the Board of Directors is paid in cash.

The individual fees for each member of the Board of Directors are disclosed in the annual Remuneration Report.

Remuneration of Registered Directors

The remuneration package of Registered Directors includes fixed base salary and variable pay elements linked to company performance which may include both short- and long-term incentives. The allocation between fixed and variable remuneration is determined within the boundary conditions set in this Policy, where the variable portion of the Registered Director's remuneration package, measured as short-term incentive maximum and annual long-term incentive grant, can be maximum 50% of the aggregate amount of base salary and incentive value as defined above. In addition, Registered Directors are offered pension and other benefits in line with market practise with a total value not exceeding 20% of base salary.

The individual remuneration elements of each Registered Director are disclosed in the annual Remuneration Report.

Appendix 2: Remuneration Policy

Base Salary

The fixed base salary for Registered Directors is set based on the individual's experience, contribution and in the context of the external market benchmark relevant for the position and the location. The base salary is subject to an annual review by the Remuneration Committee taking into consideration the forecasted salary movement, the individual Registered Director's contribution to the business success and referencing remuneration of external comparable executives. This approach is aligned with the general practice in the Company for other employees eligible for discretionary salary reviews. The Remuneration Committee is informed about the general annual increase forecasts and outcome of the base salary review process in the Company as supporting background information.

Short-term incentives

Registered Directors are eligible to receive short-term incentives on an annual basis in the form of a cash bonus following the short-term incentive programme established by the ROCKWOOL Group. The programme is designed to incentivise Registered Directors to contribute to the Company's strategic priorities for the year by focusing on selected key performance measures.

In the beginning of each year, the Remuneration Committee sets bonus targets for Registered Directors including expected performance levels, each with a minimum and maximum threshold. The performance targets must be clear and measurable, and linked to the performance of the ROCKWOOL Group. The bonus goals may also include targets related to the responsibility area of the particular executive or to the occurrence of certain strategic developments or events.

Bonus pay-outs are made after the annual general meeting to ensure that business results are approved by the shareholders. Any short-term incentive pay-out is excluding pension contributions.

Long-term Incentives

Registered Directors are eligible to receive annual grants of restricted share units and/or stock options as per the ROCKWOOL Group's long-term incentive programme which is designed for attraction and retention of executives, as well as to drive the executives' contribution and long term commitment to the strategy and stability of the Company. Long-term incentives are share-based and thus aligned to the long-term value creation and financial sustainability of the Company.

In the beginning of every year, the Remuneration Committee proposes individual allocations of long-term incentives to each Registered Director, which are approved by the Board of Directors.

Stock options

Stock options will be subject to vesting and exercise periods as determined by the Board of Directors for each grant. The vesting period will be no less than three years and the exercise period will be no less than three and no more than eight years from time of grant.

The exercise price is defined based on an average calculated over a period of three weeks prior to grant. The terms of the stock options may allow for options to be settled in cash in which case, the exercise price shall be the same as where actual shares are delivered.

Restricted Shares

Restricted shares will be subject to a vesting period of no less than three years. The terms of the share incentives may allow for shares to be settled in cash in which case, the gross value shall be the same as the share price at the time of vesting.

Appendix 2: Remuneration Policy

Adjustments to incentive based remuneration

The incentive based remuneration may contain provisions for adjustment in case of dividends and other changes in the capital structure of the Company. Further, the incentive based remuneration may include terms governing the lapse of an incentive scheme, or terms governing accelerated vesting, exercise or adjustment in case of a take-over, divestment of activities or other business combination involving the Company.

Clawback

The incentive based remuneration agreements contains provisions on clawback of incentive based remuneration based on data which subsequently prove to be materially and manifestly misstated.

Pension

Pension schemes for Registered Directors are offered with due regard to local practices. Registered Directors will generally participate in the same defined contribution pension scheme as other salaried employees in the location.

Other benefits

Registered Directors may receive ordinary non-monetary benefits such as but not limited to company car, health and insurance benefits, paid phone etc. in line with local practice.

Registered Directors may in relocation situations be offered time limited benefits such as, but not limited to, housing and school support in accordance with the Company's global mobility policy.

One-Time Awards

The Board of Directors may in individual cases decide to grant a one-time award or other additional incentive remuneration to a Registered Director. Such one-time award may be granted for attainment of certain performance and/or strategic objectives and/or milestones, such as but not limited to retention bonus, sign-on bonus or other schemes in connection with organisational changes or appointments.

The one-time award may be cash and/or share-based remuneration in accordance with this Policy. The value of such award cannot at the time of grant exceed an amount corresponding to 100% of the Registered Director's annual base salary in the year of grant exclusive of pension and other accessory payments. Any such one-time award including its justification will be reported in the Remuneration Report presented at the first proceeding annual general meeting.

General guidelines for contractual terms

Registered Directors have contracts based on Group practice aligned and adapted to national legislation. Contracts are generally without time limitation, but might in certain cases, such as but not limited to global mobility contracts, include fixed term elements. Retirement and early retirement terms generally follow local market practice.

The termination schemes for Registered Directors are designed with due regard to national practice. The aggregate notice period and severance pay cannot exceed 24 months.

The Company generally seeks to secure customary non-compete restrictions to protect its interests.

Unless otherwise defined by legislation, short term incentives are paid if the Registered Director has contributed to the business performance during a full bonus period. If a Registered Director resigns during a short time incentive period, there will be no pay-out. If legislation dictates a pro-rated payment, such will be provided.

Appendix 2: Remuneration Policy

For long term incentives, the Registered Director will in general forfeit the right to any unvested programmes if a resignation is initiated by the Registered Director rather than the Company. If the Company initiates the termination for other reasons than breach, the Registered Director will keep any unvested long term incentives.

Governance

The Remuneration Committee ensures that the Company's Remuneration Policy is updated, market-conform and aligned to the Company's strategy and overall remuneration philosophy. The Remuneration Committee prepares and revises the Policy for the Board's adoption prior to a vote for approval at the general meeting.

The Remuneration Committee reviews and submits proposals for remuneration incl. adjustments and ensures that all remuneration granted to the Board of Directors and Registered Directors are compliant with and promoting the purpose of the Policy, as well as is market-conform to relevant practice. To ensure the best observations of market practice, the Company periodically engages with leading external advisors both for Policy development and review of individual remuneration packages. The Remuneration Committee does not engage the same external advisors as the Registered Directors.

In case of conflict of interest, the relevant member of the Remuneration Committee will abstain from participating in the committee's deliberations.

Deviations to the policy

In extraordinary circumstances, such as for instance take over in whole or in part, significant divesture of activities, demerger, merger or other amalgamation of the Company, the Board of Directors may deviate from the individual elements of this Policy when necessary for the Company's growth and stability. These elements include the vesting, exercise periods and exercise price of stock options, the overall maximums for incentive based remuneration and the restrictions on simultaneous grant of stock options and restricted stock units. The deviations must in each case be consistent with the overall objective of this policy. Any such deviation will be fully disclosed in the first proceeding annual Remuneration Report.