



**Danish Crown**

**Articles of  
Association of  
Leverandørselskabet  
Danish Crown  
AmbA**

*September 2024*



# Articles of Association of Leverandørselskabet Danish Crown AmbA

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## **1. NAME AND REGISTERED OFFICE**

- 1.1. The name of the Company is "LEVERANDØRSELSKABET DANISH CROWN AmbA".
- 1.2. The registered office of the Company is situated in the Municipality of Randers, Denmark.
- 1.3. The Company is a cooperative society (in Danish: andelsselskab) with limited liability for its cooperative owners.

## **2. OBJECTS**

- 2.1. The objects of the Company are to sell on the best terms possible the cooperative owners' output of slaughter pigs, piglets and sows, cattle and calves, and to carry on such other business as the Board of Directors deems to be of commercial interest to the Company and for the benefit of its cooperative owners.
- 2.2. The Company will sell cooperative owners' supplies on market terms and optimise the returns on and the value of its investments.
- 2.3. Purchases may be made from sources outside the group of cooperative owners, and the Company may engage in the production of slaughter animals.
- 2.4. The Company may participate in such activities to promote the production of live-stock and the food industry as the Board of Directors deems to be of

commercial relevance to the Company and its cooperative owners.

- 2.5. The Company may achieve its objects by owning, in full or in part, businesses and companies.

## **3. COOPERATIVE OWNERS**

- 3.1. The cooperative owners of the Company are:

- A Anyone who was a cooperative owner of LEVERANDØRSELSKABET DANISH CROWN AmbA as at 1 October 2000;
- A Anyone who, after having filed a signed application for admission, has been approved as a cooperative owner by the Board of Directors after 1 October 2000, see Article 3.6;
- B Anyone who after 1 October 2000 has been registered as a cooperative owner of the Company on a collective basis pursuant to Article 3.7.

- 3.2. Natural and legal persons, see Article 3.11, who are producers of animals as stated in Article 3.3, and whose business(es) is/are located within the natural area of the Company can be admitted as cooperative owners. A "producer" is a person – natural or legal – who for his own account and risk rears animals as stated in Article 3.3. A "business" is the production of animals as stated in Article 3.3 in a per-



sonal setting (personal business) or in a corporate setting (business operated by a legal person).

3.3. The cooperative owners of the Company are divided into the following membership categories based on their production and supplies to the Company:

- C Producers of slaughter pigs (pig-supplying cooperative owners);
- D Producers of piglets (piglet-supplying cooperative owners);
- E Producers of sows (sow-supplying cooperative owners);
- F Producers of cattle and calves (cattle-supplying cooperative owners).

3.4. The membership of a cooperative owner may cover one or more of the above-mentioned membership categories.

3.5. A person wishing to be admitted as a cooperative owner must submit to the Company a written application to that effect not later than three months prior to the first day of the month in which the membership for the relevant category, see Article 3.3, is to commence. However, producers of cattle and calves may be admitted as cooperative owners of the category in question immediately if it is the first time they are applying for membership of the Company, see Article 3.3.

3.6. Taking into consideration the capacity of the Company, the Board of Directors will decide on the admission of cooperative owners and determine any special admission conditions, but see Article 3.7 on collective application for membership.

3.7. However, in the event of collective application for membership, including in connection with the enrolment of an abattoir company, admission will be decided on by the Board of Representatives, who, based on the proposal of the Board of Directors, will lay down any special admission conditions.

### 3.8. **Newly established producers**

3.8.1 Notwithstanding the provisions of Article 3.5, newly established producers may be admitted as cooperative owners immediately after the Company has approved their application for admission.

Newly established producers do not include producers who have formerly, directly or indirectly from a business falling within the scope of Article 3.11.1 or Article 3.11.2 supplied animals of the membership category in question to the Company.

3.9. Where very special circumstances apply to the person applying for admission, the Board of Directors of the Company may derogate from the admission provisions.

3.10. Cooperative owner's supplies means supplies of animals for further rearing



and/or slaughtering within the membership category/categories comprised by the membership of the cooperative owner which stem from businesses comprised by the cooperative owner's membership which have been bred for the cooperative owner's own account and risk and which are supplied in accordance with the terms from time to time applicable to the membership category.

### 3.11. **Personal and legal cooperative ownership etc.**

3.11.1 For personal cooperative ownership (natural persons), the cooperative ownership comprises any business within the natural area of the Company operated by the personal cooperative owner or a business in which the cooperative owner has a direct or indirect ownership interest of at least 50%.

3.11.2 For legal cooperative ownership (legal persons), the cooperative ownership comprises any business within the natural area of the Company operated by the legal cooperative owner or a business in which the cooperative owner has a (direct or indirect) ownership interest of at least 50% (subsidiary) or by a business which has a (direct or indirect) ownership interest of at least 50% in the cooperative owner (parent company).

3.11.3 Cooperative owners must ensure that the obligations following from the cooperative ownership are satisfied with

respect to all businesses comprised by the cooperative ownership.

Cooperative owners must immediately inform the Company of changes resulting in the ownership interest exceeding or dropping below 50%.

3.11.4 Regardless of the provisions of Article 3.11.1 and Article 3.11.2, each business is entitled to one membership only. The Company must be informed as to which personal or legal cooperative owner is entitled to exercise the membership, including to bind the business, vote and be elected.

3.11.5 When deciding whether or not a business is covered by a membership, the Board of Directors may disregard any arrangements or structures deemed to have been designed to circumvent the Articles of Association of the Company, including the relevant definitions of "business", "producer", "parent company" and "subsidiary", etc. The Board of Directors prepares and communicates to the cooperative owners examples to illustrate the interpretation of the Company's Articles of Association and relevant definitions, etc.

3.12. Any cooperative owner is obliged to comply with the Articles of Association of the Company applicable from time to time and with any rules and conditions laid down or applicable pursuant thereto, including the Company's Code of Practice.



3.13. Notices, including notices convening meetings, from the Company to its cooperative owners and suppliers are published on the Company's website or by means of digital communication as directed and announced by the Board of Directors from time to time.

3.14. Where, according to these Articles of Association, communication between the cooperative owners and the Company must be in writing, such requirement of written communication may be satisfied by digital communication as directed and announced by the Board of Directors from time to time. Notwithstanding this provision, any communication concerning elections must be conducted in accordance with the Company's election regulations as laid down by the Board of Directors, see Article 9.10.1.

#### **4. TERMINATION AND TRANSFER OF MEMBERSHIP ETC.**

4.1. Cooperative owners who during two full financial years have not provided any cooperative owner's supplies will be considered to have resigned from the Company with effect from the end of that period.

4.2. A cooperative owner may resign his membership of the Company and his obligations as a cooperative owner by giving at least 12 months' written notice to the Company to expire at the end of a month. Resignation may be effected in respect of the membership as a whole or in respect of

specific membership categories only. Any notice of resignation received by the Company cannot be withdrawn, and the cooperative owner in question cannot resume his membership of the Company until at least three months after the resignation has become effective, see Article 3.5.

4.3. If a cooperative owner company is the discontinuing company in a merger, the conclusion of the merger agreement will be considered a notice of termination, and the membership will terminate simultaneously with the discontinuation of the company. If the surviving company in the merger or the new company resulting from the merger is a cooperative owner or is obliged to be a cooperative owner under the provisions of Article 3, the membership will continue as before regardless of the merger.

4.4. In the event of a successive transfer of ownership of the business constituting the basis of membership, the membership will be deemed to have terminated when the ownership requirement in Article 3.11 is no longer fulfilled and the cooperative owner simultaneously transfers his rights and obligations as a cooperative owner of the Company in accordance with Article 4.6.

4.5. The Board of Directors of the Company may in very special circumstances derogate from the above provisions.

4.6. In connection with the transfer of ownership or the letting out on a lease of a cooperative owner's business, the



cooperative owner in question may transfer to the buyer or lessee his rights and obligations as a cooperative owner of the Company for the membership category or categories covered by his membership.

4.7. Notwithstanding the provisions of Articles 4.3 to 4.6, in the event of any of the following transfers, the transferor's membership of the Company will terminate only upon giving notice and expiry of the same as stated in Article 4.2, unless the Board of Directors derogates from this provision: (i) Any transfer to the transferor's spouse or cohabitant, (ii) any transfer by which the transferred business, regardless of the transfer, must still be attributed to the membership of the transferor.

4.8. If a legal cooperative owner is terminated with final effect in order for the previous participants in the cooperative owner to join the Company as personal cooperative owners, the legal cooperative owner's owner's account, see Article 21.3, seniority and previous cooperative owner's supplies will be transferred to the incoming cooperative owners proportionately as notified to the Company by the outgoing cooperative owner.

4.9. Several cooperative owners may join forces and contribute their membership, seniority and owner's accounts, see Article 21.3, to a legal person, which will thereby become a legal cooperative owner in the Company. A contributing cooperative owner will withdraw

his contributed owner's account on resignation of the legal cooperative owner and ultimate cessation as a producer. Seniority earned in the legal cooperative owner and capital earned in its owner's account will remain in the legal co-operative owner until its dissolution. However, on resignation from the legal cooperative owner due to retirement (+65 years), a participant may take his share of any earned owner's account.

4.10. The Board of Directors may expel a cooperative owner in the event of such cooperative owner's

G breach of the special admission terms;

H neglect of the duty to deliver;

I breach of other provisions of the Articles of Association or rules and conditions laid down or applicable pursuant thereto, including the Company's Code of Practice;

J disloyal conduct towards the Company or violation of its interests.

4.11. The cooperative owner may appeal the expulsion to the Board of Representatives, who will decide at their next meeting whether to approve the expulsion.

4.12. Any appeal against an expulsion must be filed within one month of the coop-



erative owner's receipt of the Board of Directors' notification of expulsion. The appeal will act as a stay of execution, and an appealed expulsion will not become effective until it has been approved by the Board of Representatives.

4.13. In situations where the Board of Directors is authorised to expel a cooperative owner pursuant to the rules outlined above, the Board of Directors is also entitled – regardless of whether or not the Board decides on an expulsion – to order the cooperative owner to pay a penalty to the Company, see Article 5.7.

4.14. Whenever a membership is terminated, the cooperative owner will forfeit any claim to a share in the Company's assets and property except for the balances of the co-operative owner's cooperative owner's account and owner's account, which will be paid out in accordance with the applicable rules.

## 5. DUTY TO DELIVER

5.1. Subject to the exceptions described below, the cooperative owners have a duty to deliver to the Company their entire output of animals (cooperative owner's supplies) within the membership category or categories covered by their membership.

5.2. The duty to deliver under Article 5.1 applies to all the businesses covered by the membership pursuant to the rules set out in Article 3.

5.3. Exempt from the duty to deliver are, however:

- A Pigs with a carcass weight of less than 50 kg, unless they are comprised by a piglet-supplying cooperative ownership, see Article 3.3 b;
- K Pigs and/or sows that are emergencyslaughtered in accordance with the applicable veterinary rules or sold for use as breeding animals;
- L Calves and cattle that are emergencyslaughtered in accordance with the applicable veterinary rules or sold for use as breeding or production animals;
- M Sucking calves without any slaughter value;
- N Animals that are slaughtered for use in the household of the cooperative owner or his employees or in the household of the owner under a lease agreement.

### 5.4. Split delivery

5.4.1 Slaughter pig-supplying and sow-supplying cooperative owners are entitled to deliver on the belowmentioned terms the below-mentioned shares of their supplies of slaughter pigs and/or sows to parties other than the Company in either of the following two ways:





- O The cooperative owner must, by giving at least six weeks' notice, notify the Company in writing of the share of the cooperative owner's weekly supply – which is not to exceed 20% – which the cooperative owner intends to deliver to parties other than the Company.

- P The cooperative owner must, by giving at least six weeks' notice, notify the Company in writing of the share of eight weeks' supplies – which is not to exceed 12.5% – which the cooperative owner intends to deliver to parties other than the Company. The Company will determine the date of commencement of the eight-week period forming the basis for calculating the share which the cooperative owner may deliver to parties other than the Company during the last week of the eight-week period.

5.4.2 The cooperative owner may, by giving at least six weeks' notice, notify the Company in writing that he wishes to switch from the delivery model set out in Article 5.4.1a) to the delivery model set out in Article 5.4.1b) – or vice versa.

5.4.3 The cooperative owner may, by giving at least nine weeks' notice, notify the Company in writing that he wishes to cease exercising his right to deliver to parties other than the Company.

5.4.4 For the supplies comprised by the notification to the Company described in Article 5.4.1a) or b), the cooperative owner will receive no supplementary payment and no share of other distributable amounts, regardless of the scope of the cooperative owner's supplies to parties other than the Company.

5.4.5 If, in the Company's opinion, based on supplies already delivered or notifications already given concerning future supplies to parties other than the Company, it seems highly probable that the slaughter pig-supplying and/or sow-supplying cooperative owners will between them deliver more than 15% of their total annual supply of slaughter pigs and/or sows to parties other than the Company, the Company may reduce the share which slaughter pig-supplying and sow-supplying cooperative owners are individually entitled to deliver to other parties, see Article 5.4.1, so that the total supply from the slaughter pig-supplying and sow-supplying co-operative owners to parties other than the Company does not exceed 15% of their total annual supply at the end of the current financial year. However, slaughter pig-supplying and sow-supplying cooperative owners will in any circumstances be entitled to deliver 15% of their weekly supplies to parties other than the Company on the terms specified in Articles 5.4.1 – 5.4.7. A reduction will be distributed proportionately among those cooperative owners who have given or later give notification pursuant to Articles 5.4.1a) and b).



- 5.4.6 Regardless of whether a cooperative owner has notified the Company of his intention to exercise the right to deliver to parties other than the Company, the Company must accept and buy the cooperative owner's full output of slaughter pigs and sows.
- 5.4.7 The Board of Directors of the Company will from time to time determine the rules governing the right to deliver supplies to parties other than the Company, including rules on opt-in and opt-out, the duty to disclose supplies to parties other than the Company, spot and voucher checking and the submission of auditor-endorsed statements of the supplies delivered to the Company and other parties.
- 5.5. The duty to deliver will become effective and cease to be effective simultaneously with the commencement and termination of a membership.
- 5.6. If the Board of Directors finds it appropriate to receive information on herd size and on past or expected output from the cooperative owners within a membership category, the cooperative owners are required to submit such information, including appropriate documentation.
- 5.7. In the event of any non-compliance with the duty to deliver, the Board of Directors may order the cooperative owner in question to pay to the Company a discretionary penalty of up to 25% of the value of the animals which the cooperative owner was obliged but failed to deliver to the Company.
- 5.8. On suspicion of evasion of the duty to deliver, the Board of Directors may order the cooperative owner to provide documentation that the duty to deliver has been met – including that animals sold as breeding animals and calves and cattle sold for production have actually been used for those purposes. If the cooperative owner refuses to provide the documentation requested, such refusal will be deemed to be a confession of the cooperative owner's evasion of the duty to deliver. The Board of Directors may fix the amount of the penalty at its discretion if the cooperative owner fails to provide adequate documentation of the volume of non-delivered supplies.
- 5.9. In the event of a nationwide strike or lockout in the abattoir industry, a cooperative owner may deliver, by invoicing through the Company, slaughter pigs as well as cattle and calves covered by the duty to deliver for slaughtering abroad or to persons or businesses in Denmark of whom the cooperative owners know that they will themselves transport or resell the animals for slaughtering abroad. Animals invoiced through the Company are settled at the price achieved and without any right to supplementary payment or any share of other distributable amounts.
- 5.10. In very exceptional circumstances, the Company may grant – to all cooperative owners, groups of cooperative owners



or individual cooperative owners – an ex-emption from the duty to deliver.

## **6. RIGHT TO DELIVER**

- 6.1. The Company is under a duty to accept and buy the cooperative owners' cooperative owner's supplies, provided that all the relevant rules laid down by the authorities and trade organisations are complied with and that the veterinary status is maintained.
- 6.2. To the extent allowed by the Company's capacity and subject to compliance with the conditions of Article 6.1, the Company will accept supplies from any producer of slaughter pigs, sows, cattle and calves within the natural business area of the Company.
- 6.3. In the event of fire, war, export prohibition, strike, lock-out and/or notice or start of a sympathy action by the cooperative owner's or the Company's workers or any other force majeure event, or in the event of collective measures decided by an organisation of which the Company is a cooperative owner, the Company's duty to accept and buy ceases to apply to the extent determined by the Board of Directors.
- 6.4. Cooperative owners will have no claim for compensation and will have no right to make deliveries to other parties if the Company's capacity is temporarily insufficient or if the Company's duty to accept and buy has ceased pursuant to Article 6.3. Similarly, cooperative owners will have no right to resign their

membership of the Company in that connection without observing the rules set out in Article 4.2. The Company may permit in writing delivery of supplies to other parties pursuant to the rule in Article 5.9 or otherwise if required for veterinary, animal ethical or other reasons.

## **7. DELIVERY AND SETTLEMENT**

- 7.1. Notification and delivery must take place in accordance with specific rules laid down by the Board of Directors.
- 7.2. All supplies to the Company are settled in accordance with the rules laid down by the Board of Directors. Where veterinary or other circumstances which are not attributable to the Company result in extraordinary expenses for the Company, the Board of Directors may set the settling price with due allowance for such expenses.
- 7.3. The Company is obliged to collect cooperative owner's supplies at the cooperative owner's premises, provided that the access and collection conditions are in order and in keeping with the times in terms of health & safety, animal welfare and means of transport.
- 7.4. The Company plans the collection of animals notified by the cooperative owners and pays the incidental costs in accordance with rules laid down by the Board of Directors.
- 7.5. Cooperative owners are entitled to transport their own animals to the



Company's premises in accordance with the Rules for Cooperative Owners Providing their own Transport ("Regler for Selvkøriere") laid down by the Board of Directors and against payment of a transport allowance which will also be determined by the Board of Directors.

- 7.6. Prior to any payment by the Company to a cooperative owner, including supplementary payments, distributions or other amounts, the Company is entitled to offset any amounts owed by the cooperative owner, regardless of whether or not such amounts are due for payment at the time of the offset.

## **8. LIABILITY**

- 8.1. Cooperative owners are personally, jointly and severally liable for the Company's obligations. However, such liability may be asserted only by the Company or the Company's estate.
- 8.2. The liability of each individual cooperative owner cannot exceed DKK 25,000.00.
- 8.3. Between themselves, the cooperative owners are liable in proportion to their cooperative owner's supplies to the Company during the last five concluded financial years, calculated as the number of slaughter units pursuant to the rules set out in Article 27.6.4.1. In the event of failure to comply with the duty to deliver, a cooperative owner's liability will be calculated on the basis of an average of the cooperative owner's supplies during the preceding financial

years of the membership period if this period is shorter than five financial years.

- 8.4. However, if liability has not been asserted by the end of the second full financial year after termination of the membership, the liability will be totally extinguished.
- 8.5. The liability set out in Article 8.1, see Article 8.2, can only be asserted against the cooperative owners if, in the opinion of the Company or the receivers, the Company's liabilities exceed its assets.

## **9. VOTING RIGHTS, ELIGIBILITY AND ELECTION RULES**

- 9.1. Each cooperative owner has one vote.
- 9.2. For legal cooperative owners, the voting right must be exercised by a cooperative owner who is authorised to bind the legal person.
- 9.3. The voting right will lapse upon termination of the membership.
- 9.4. The voting right is exercised in the local district in which the business constituting the basis of membership is located.
- 9.5. Where a cooperative owner has two or more businesses within the same membership category which qualify for membership in two or more local districts, such cooperative owner is free upon admission to choose in which of those districts he wishes to exercise his



voting right. A subsequent change of that choice is subject to the approval of the Board of Directors.

9.6. To be eligible for election or re-election to and to serve on the Company's bodies, the person in question must:

Q be a cooperative owner and not have definitively ceased to be an active supplier;

R not have given notice of termination of his membership;

S not serve on a body of a competing abattoir company;

T in case of a new election have indicated in writing or orally that he is willing to accept election;

U after acceptance of his election sign a non-disclosure agreement concerning commercial information from the Company.

9.7. A person representing a legal cooperative owner will be eligible if the person satisfies the requirements set out in Article 9.6 c) and d), provided that the legal cooperative owner satisfies the requirements of Article 9.6 a) and b).

9.8. If a person serving on one of the Company's bodies no longer satisfies the requirements for holding such position pursuant to Article 9.6, the person in question must immediately resign from that position.

9.9. Eligibility follows the local district in which the voting right may be exercised.

## 9.10. Election procedure

9.10.1 Where more than one candidate is to be elected to the Company's bodies etc., the election of persons, which will be conducted by ballot, will be held in accordance with the priority method according to the election regulations of the Company as determined by the Board of Directors.

9.10.2 In case of election of members to the Board of Representatives, the Beef Forum, the Owners' Committee and the Pork Supplier Panel, the number of names listed on each ballot paper must as a minimum be equal to one more than one third (rounded down) of the number of candidates to be elected.

9.10.3 In connection with the election of members to the Board of Directors by the Board of Representatives and election of members to the Nomination and Evaluation Committee, the number of names listed on the ballot paper must be precisely equal to the number of candidates to be elected.

9.11. For the purposes of these Articles of Association, a simple majority means that the number of votes cast for the candidate or proposal in question is more than half of the votes counting in the election, disregarding any blank or invalid votes.



9.12. Where only one candidate is to be elected, each participant in the election casts one vote. Election requires a simple majority of votes. If necessary, the process of voting will be repeated until a simple majority has been attained in such a manner that the candidate obtaining the smallest number of votes in the preceding round of voting is left out of the voting. In the event of an equality of votes, one more vote will be carried out. If there is again an equality of votes, the election will be decided by drawing lots.

9.13. The Board of Directors will determine the detailed rules on and the control of the exercise of voting rights in accordance with the applicable provisions. In this connection, the Board of Directors may direct that, for any given two-year period, each individual cooperative owner must state in advance in which local district and membership category the cooperative owner wishes to use his vote.

9.14. Newly elected members will join the relevant body or committee, etc. immediately after the conclusion of the election.

9.15. On the recommendation of the Board of Directors, the Board of Representatives will from time to time lay down the Company's policy for ensuring that the Company's bodies have the relevant skills, diversity, etc., see also Article 18.2.

## **10. COMPANY BODIES**

10.1. The bodies of the Company are the local district meetings, the Beef Forum, the Board of Representatives, the Board of Directors and the Executive Board.

## **11. LOCAL DISTRICTS**

11.1. The slaughter pig-, piglet- and sow-supplying cooperative owners of the Company are divided into three local districts (the pig districts).

The cattle-supplying cooperative owners of the Company are divided into four local districts (the cattle districts).

The local districts follow the municipal boundaries wherever possible.

11.2. The object of a local district is to serve as a forum for:

- ✓ Communication of information from the Board of Directors to the cooperative owners and communication of matters from the cooperative owners to the Board of Directors. Communication will normally be handled by the members of the Board of Directors attached to the relevant local district. Subject to resolution by the Board of Directors, each pig district will have a board member elected by the pig districts attached, see Article 16.1A For the cattle districts, communica-



tion is handled by the chairman of the Beef Forum. Subject to resolution by the Board of Directors, each district may have an additional board member attached.

- W Election of members to the Board of Representatives of the Company (in respect of the pig districts) and to the Beef Forum (in respect of the cattle districts).

11.3. The division into local districts effective as at 05 September 2024 is set out in Appendix 1 to the Articles of Association.

11.4. The division into local districts may be changed as directed by the Board of Representatives.

## **12. LOCAL DISTRICT MEETINGS**

12.1. Ordinary local district meetings are held as soon as possible and not later than two months after the ordinary meeting of the Board of Representatives. Besides the ordinary local district meeting, one additional local district meeting is held if possible.

12.2. Additional local district meetings and other kinds of membership activities are held if an attached member of the Board of Directors or a majority of the representatives of a local district consider it necessary, or when at least 25 cooperative owners within a local district submit a written request to that

effect to an attached member of the Board of Directors, stating the issues they wish to be considered.

12.3. Local district meetings are convened by giving not less than 14 days' notice in the Company's members' journal or by means of digital communication. Such notice must contain the agenda of the meeting. Prior to the ordinary local district meeting, the audited annual report will, if practicable, be sent to the cooperative owners entitled to vote.

12.4. Extraordinary local district meetings must be convened within one month of the receipt by an attached member of the Board of Directors of a request to that effect, see Article 12.2.

12.5. Proposals from cooperative owners for consideration at a local district meeting must be sent in writing to an attached member of the Board of Directors in time for the proposal to be included on the agenda. Proposals for consideration at ordinary local district meetings must be received by the attached member of the Board of Directors not less than ten days before the date of the local district meeting.

12.6. A proposal adopted at a local district meeting must be considered by the Board of Representatives at their first subsequent meeting, unless, due to the nature of its contents, the proposal must be considered by the Board of Directors.



- 12.7. The agenda of ordinary local district meetings must include the following:
1. Election of counters
  2. Election of chairman of the meeting
  3. Report on the activities of the Company
  4. Review of the audited annual report as approved by the Board of Representatives
  5. Consideration of any proposals submitted
  6. Election of:
    - A Members and alternates to the Board of Representatives (in respect of the pig districts)
    - B Members and alternates to the Beef Forum (in respect of the cattle districts)
  7. Any other business.
- 12.8. If a cooperative owner entitled to vote is prevented from attending the local district meeting, the cooperative owner may in writing appoint as proxy another cooperative owner, his spouse or cohabitant or a person employed in his business to vote on his behalf. A cooperative owner or proxy may vote as proxy for one cooperative owner only.
- 12.9. Any proposals brought to a vote are decided by a simple majority of votes. In the event of an equality of votes, the proposal is rejected.
- 12.10. Nominations of candidates for election must be in writing. However, nominations may be made orally at a local district meeting as directed by the chairman of the meeting if this is necessary to elect members and alternates, see Article 13.3, and the chairman considers the eligibility criteria set out in Article 9.6 to be satisfied.
- 12.11. Votes to elect persons, which must be conducted by ballot, are conducted in accordance with Article 9.10.
- 12.12. In respect of special areas, e.g. island communities, the Board of Directors may decide to hold separate local district meetings to elect members to the Board of Representatives or decide that votes may be cast by proxy also in situations other than those outlined in Article 12.8 and will lay down detailed rules in this respect. A cooperative owner or proxy may vote as proxy for no more than three cooperative owners unless otherwise accepted by the Board of Representatives.
- 13. BEEF FORUM**
- 13.1. The beef forum consists of up to 40 members elected as follows:
- A 38 members are elected by the cattle districts





- X Subject to the approval of the Board of Directors, up to two members are elected by special minority groups among the Company's cattle-supplying cooperative owners.

The election to the Beef Forum takes place simultaneously with the election to the Board of Representatives in the pig districts and according to the same electoral procedure as the election to the Board of Representatives, see Article 9.10.

- 13.2. Articles 14.4 and 14.5 also apply in connection with the distribution of the members stated in Article 13.1a) among the cattle districts.

- 13.3. In connection with the election of members to the Beef Forum, two alternates are also elected for each cattle district. The candidates receiving the highest number of votes without being elected to the Beef Forum will be considered elected as alternates. If the number of candidates nominated in a local district is not such as to allow the local district to elect the full number of members (see Article 14.4, cf. Article 13.2) and two alternates using this method (including the electoral procedure described in Article 9.10), the chairman of the local district meeting in question may adopt a specific electoral procedure aimed at ensuring that the remaining members and alternates may be elected.

- 13.4. Members and alternates are elected for a term of two years.

- 13.5. If a member is definitively prevented from attending, the alternate from the same local district who received the highest number of votes will replace him. If in such a situation there are no alternates in the relevant local district, a by-election will not be held in that connection.

- 13.6. The objects of the beef forum are:

- A Election of member to the Company's Board of Directors, see Article 13.7i

- Y Election of other members and alternates to the Company's Board of Representatives, see Article 13.7ii

- Z Nomination of members for group committees etc. to which the Company has a right of nomination, see Article 13.7iii

- AA Communication of information on the Company's matters and matters of relevance to the cattle-supplying cooperative owners and from the Board of Directors to the cattle-supplying cooperative owners

- AB Communication of matters from the cattle-supplying cooperative owners to the Board of Directors



13.7. At its first meeting following the election, the Beef Forum elects from among its members:

- i. A chairmanship consisting of a chairman and a vicechairman. The Chairman is elected first and the Vicechairman second. Both will be considered elected to the Board of Rep-resentatives and the Owners' Committee. The elected chairman is also considered elect-ed to serve as a member of the Company's Board of Directors.
- ii. An additional six members and two alternates to the Company's Board of Representatives. The candidates receiving the highest number of votes without being elected to the Board of Representatives will be considered elected as alternates. If the number of candidates nominated is not such as to allow the Beef Forum to elect seven members and two alternates using this method (including the electoral procedure described in Article 9.10), the chairman of the Beef Forum meeting may adopt a specific electoral procedure aimed at ensuring that the remaining members and alternates may be elected.
- iii. Nominees for group committees etc. to which the Company has a right of nomination. These persons are elected among the eight members of the Board of Representatives elected by the Beef Forum.

The elections are presided over by a chairman of the meeting elected by the Beef Forum and are conducted as separate elections. For each such election, the nomination of candidates and the election are conducted by ballot. However, nominations may be made orally as directed by the chairman of the meeting if this is necessary to elect members and alternates, see Article 13.7ii, and the chairman considers the eligibility criteria set out in Article 9.6 to be satisfied. Elections are conducted in accordance with Article 9.

13.8. Articles 15.1 - 15.12 (however not Article 15.8) also apply to meetings of the Beef Forum. Meetings of the Beef Forum are convened by the chairman of the Beef Forum.

13.9. The agenda of the ordinary meeting of the Beef Forum is:

1. Election of vote counter
2. Election of chairman of the meeting
3. Report on the Company's activities and matters of relevance to the cattle-supplying cooperative owners
4. In even years: Elections to the Board of Directors and the Board of Representatives and nomination of candidates for group committees etc.
5. Consideration of any proposals submitted
6. Any other business.



13.10. The Company's chairmanship has the right to attend and speak at the meetings of the Beef Forum.

#### **14. BOARD OF REPRESENTATIVES**

14.1. The Board of Representatives is the supreme authority of the Company within the framework laid down by these Articles of Association and by law.

14.2. The Board of Representatives consists of up to 60 representatives elected by the pig districts, the Beef Forum and minority groups. The employees of the group may, subject to agreement with the Board of Directors, elect a number of observers to the Board of Representatives, see Article 17.1.

14.3. The pig districts elect 50 representatives. The Beef Forum elects eight representatives. Subject to the Board of Directors' approval, up to two representatives are elected by minority groups among the Company's pig-supplying cooperative owners.

14.4. For purposes of distributing representatives among pig districts, a calculation is made of the number of slaughter units in the most recently concluded financial year. This calculation provides the basis for determining the number of slaughter units (distribution figure) required to qualify to elect one representative, and each local district elects the number of representatives corresponding to the number of slaughter units divided by the distribution figure (rounded off).

14.5. For purposes of calculating the number of slaughter units, one slaughter pig counts as one unit, one sow counts as 1½ units, and one head of cattle or one calf with a carcass weight of more than 100 kg counts as six units. Piglets are deemed to be included in the number of slaughter units attributed to slaughter pigs.

14.6. In connection with the election of representatives, two alternates are also elected for each local district. The candidates receiving the highest number of votes without being elected to the Board of Representatives will be considered elected as alternates. If the number of candidates nominated in a local district is not such as to allow the local district to elect the full number of members (see Article 14.4) and two alternates using this method (including the electoral procedure described in Article 9.10), the chairman of the local district meeting in question may adopt a specific electoral procedure aimed at ensuring that the remaining members and alternates may be elected.

14.7. Representatives and alternates are elected for a term of two years.

14.8. If a representative is definitively prevented from attending, the alternate from the same local district who received the highest number of votes will replace him. If, in such a situation, there are no alternates in the relevant local district, a by-election will not be held in that connection.



## 15. MEETINGS OF THE BOARD OF REPRESENTATIVES

presented to the Board of Representatives at an earlier meeting.

- 15.1. An ordinary meeting of the Board of Representatives is held every year in the October quarter.
- 15.2. In addition to the ordinary meeting of the Board of Representatives in the October quarter, at least three additional meetings are held every year. Meetings of the Board of Representatives may also be held at the Board of Directors' discretion and must be held when at least six representatives make a request to that effect to the Board of Directors, stating the issues they wish to be considered.
- 15.3. Meetings of the Board of Representatives are convened in writing or by means of digital communication by giving each individual representative at least two weeks' notice. The provisional agenda is enclosed with the notice convening the meeting. If no new proposals are submitted for the agenda, the provisional agenda will be considered final.
- 15.4. Not later than seven days before the meeting of the Board of Representatives, the final agenda is sent to each individual representative together with the proposals from the Board of Directors, representatives and local districts which are to be considered at the meeting. The audited annual report must also be circulated at least seven days prior to the ordinary meeting of the Board of Representatives unless a preliminary annual report has been presented to the Board of Representatives at an earlier meeting.
- 15.5. Meetings of the Board of Representatives to be held pursuant to Article 15.2 are convened not later than two weeks after the Board of Directors has received the request.
- 15.6. The Board of Directors is responsible for convening and holding meetings of the Board of Representatives. A meeting must be held not later than one month after it has been convened.
- 15.7. Proposals to be included on the agenda of a meeting of the Board of Representatives at the request of representatives or local districts must be sent in writing to the Chairman of the Board of Directors and must be received by the Chairman not later than ten days prior to the date of the meeting of the Board of Representatives.
- 15.8. The agenda of the ordinary meeting of the Board of Representatives must include the following items:
  1. Election of counters
  2. Election of chairman of the meeting
  3. Report on the activities of the Company
  4. Presentation of the audited annual report for approval



5. Consideration of the Board of Directors' proposal for the distribution of profit or covering of loss
  6. Authorisation to make payments from membership accounts and owner's accounts for the coming year
  7. Consideration of any proposals submitted
  8. Appointment of auditors
  9. Any other business.
- 15.9. In even years, the Board of Representatives also convenes to elect and approve members and alternates to the Company's Board of Directors, see Article 16.1A and Article 16.1C, to the Owners' Committee, see Article 18.1, to the Nomination and Evaluation Committee, see Article 18.2, and to the Pork Supplier Panel, see Article 18.3, immediately after the most recent ordinary district meeting, see Article 12.1.
- 15.10. Each member of the Board of Representatives has one vote. Voting rights may only be exercised by personal attendance. However, if prevented from attending the meeting of the Board of Representatives, any member entitled to vote may appoint in writing another representative as his proxy to vote on his behalf at elections under Article 15.9. A proxy may vote as proxy for only one representative.

- 15.11. Any proposals brought to a vote are decided by a simple majority unless otherwise provided by the Articles of Association. In the event of an equality of votes, the proposal is rejected.
- 15.12. The Board of Representatives determines the remuneration of its members.

## **16. BOARD OF DIRECTORS**

- 16.1. The Board of Directors consists of up to 13 members, who are elected as follows in even years:
- A The pig district representatives and minority representatives among the Company's pig-supplying cooperative owners elect four members and two alternates.
  - AC The chairman of the Beef Forum is always automatically elected to the Board of Directors, see Article 13.7i.
  - AD The Nomination and Evaluation Committee recommends up to five board members who are not cooperative owners of the Company for approval by the Board of Representatives.
  - AE Employees of the group elect a number of board members subject to agreement with the Board of Directors.



- 16.2. Elections under Article 16.1A are conducted in accordance with the rules set out in Articles 9.10-9.14. The candidates receiving the highest number of votes without being elected will be considered elected as alternates. If the number of candidates nominated is not such as to allow election of the full number of members and two alternates, the chairman of the meeting may adopt an electoral procedure aimed at ensuring that the remaining members and alter-nates may be elected. Approvals under Article 16.1c) are conducted in accordance with the rules set out in Article 15.11. Elections under Article 16.1d) are conducted in accordance with the rules laid down in pursuance of Article 17.1.
- 16.3. Members of the Board of Directors are elected for a term of two years.
- 16.4. If a member of the Board of Directors elected pursuant to Article 16.1A is definitively prevented from attending, the alternate will join the Board of Directors. Alternates will join the Board of Directors in the order in which they have been elected. If the chairman of the Beef Forum, see Article 16.1B, is definitively prevented from attending, a by-election will be held in the Beef Forum. If a member of the Board of Directors elected pursuant to Article 16.1C is definitively prevented from attending, the Board of Directors will resolve whether to hold a by-election on the Board of Representatives or whether to wait until the next ordinary election.
- 16.5. At the first meeting of the Board of Directors after the election, the Board of Directors elects from among its members (i) a chairmanship consisting of a Chairman and two Vicechairmen. One member of the chairmanship must always be a member who is not a cooperative owner of the Company and one Vicechairmen must always be a cooperative owner, (ii) nominees for group committees etc. to which the Company has a right of nomination, except for any members elected by the Beef Forum. The election is presided over by the most senior member of the Board of Directors. If two or more members have equal seniority, the oldest member will preside over the election. The nomination of candidates and the election are conducted by ballot.
- 16.6. The Chairman is elected first and the Vicechairmen second. More than half of the votes cast are required in order to be elected.
- 16.7. The Board of Directors oversees that the Board of Directors of Danish Crown A/S always consists of the chairmanship and the Executive Board of Danish Crown A/S.
- 16.8. The Board of Directors is responsible for the overall management of the Company's affairs. The Board of Directors is responsible for ensuring that the Company's bookkeeping and asset management are satisfactory considering the circumstances of the Company.



16.9. The Board of Directors convenes four to six times a year. However, the Chairman will convene additional meetings whenever he deems necessary or if requested by three members of the Board of Directors.

16.10. The Board of Directors forms a quorum when at least seven members are present.

16.11. Resolutions by the Board of Directors are passed by a simple majority of votes. In the event of an equality of votes, the Chairman has the casting vote, and in the Chairman's absence the most senior Vicechairman has the casting vote. If both Vicechairmen have equal seniority, the oldest Vicechairman has the casting vote.

16.12. Minutes of the business transacted at Board meetings are entered in a minute book to be signed by all Board members attending the meeting. Any member of the Board of Directors who disagrees with a decision made by the Board of Directors is entitled to have his opinion entered in the minute book.

16.13. The specific rules governing the activities of the Board of Directors are laid down in rules of procedure drawn up by the Board of Directors.

16.14. The Board of Directors determines the remuneration of its members and committee members and informs the Board of Representatives of such remuneration.

16.15. The Board of Directors may decide that the Company will take out and pay for insurance in respect of each or some of its members, covering the liability which the relevant member of the Board of Directors may incur to the Company or a third party in connection with the discharge of his duties.

## **17. EMPLOYEE REPRESENTATION**

17.1. The employees of the group may, subject to agreement with the Board of Directors, elect a number of observers to the Company's Board of Representatives and a number of members to the Company's Board of Directors. The Board of Directors adopts a set of election regulations setting out detailed guidelines for the holding of elections among employees.

## **18. COMMITTEES ETC.**

### **18.1. Owners' Committee**

18.1.1 In even years, the Board of Directors will set up an Owners' Committee, which is an advisory and recommendation committee reporting to the Board of Directors and handling matters related to ownership and suppliers, including recommendations in cases involving penalty and exclusion, and political matters of special relevance to the cooperative owners.

18.1.2 The Owners' Committee consists of one of the Vicechairmen of the Board of Directors, who must be a cooperative owner and who will be chairman of



the Owners' Committee, one other member of the Board of Directors, the chairmanship of the Pork Supplier Panel, the chairmanship of the Beef Supplier Panel and three members and one alternate elected by the Board of Representatives.

## 18.2. **Nomination and Evaluation Committee**

18.2.1 In even years, the Board of Representatives elects a Nomination and Evaluation Committee, which, involving the chairmanship of the Board of Directors and together with external advisers commissioned by the Nomination and Evaluation Committee, is responsible for conducting skills assessments of potential external candidates for the Company's Board of Directors and for conducting an evaluation of the Board of Directors and informing the Board of Representatives about the results thereof ahead of the election of members to the Company's Board of Directors.

18.2.2 The Nomination and Evaluation Committee consists of four members of the Board of Representatives and one alternate elected by and among the pig district representatives and minority representatives among the Company's pig-supplying cooperative owners and one member and one alternate elected by and among the members of the Board of Representatives elected by the Beef Forum. Members of the Nomination and Evaluation Committee cannot also be members of the Board

of Directors or the Owners' Committee. The Nomination and Evaluation Committee elects a chairman from among the members of the Committee.

## 18.3. **Pork Supplier Panel**

18.3.1 The Pork Supplier Panel is tasked with advising the Owners' Committee on supplier matters relating to the pig-supplying cooperative owners.

18.3.2 The Pork Supplier Panel consists of nine members. Seven members and two alternates are elected in even years by and among the pig district representatives and minority representatives among the Company's pig-supplying cooperative owners, and two members are elected by and among the members of the Board of Directors elected by the pig district representatives and minority representatives among the Company's pig-supplying cooperative owners. The Pork Supplier Panel elects a chairman and a vicechairman who cannot also be members of the Company's Board of Directors.

## 18.4. **Beef Supplier Panel**

18.4.1 The Beef Supplier Panel is tasked with advising the Owners' Committee on supplier matters relating to the cattle-supplying cooperative owners.

18.4.2 The Beef Supplier Panel consists of eight members who are the representatives elected by the Beef Forum or, in case of their absence, their alternates. The Beef Supplier Panel's chairman-





ship consists of the chairman and the Vicechairmen of the Beef Forum.

- 18.5. The Board of Directors may set up other committees as required.

## **19. EXECUTIVE BOARD**

- 19.1. The Board of Directors appoints and dismisses the Company's Executive Board, which may consist of one or more members. One member of the Executive Board is appointed as the Company's chief executive officer.

- 19.2. The Board of Directors prepares instructions for the Executive Board, which also set out the qualifications and responsibilities of the Executive Board.

## **20. POWERS TO BIND THE COMPANY**

- 20.1. The Company is bound by the joint signatures of the Chairman and a Vice-chairman of the Board of Directors, by the joint signatures of the Chairman of the Board of Directors and a member of the Executive Board or by the joint signatures of four members of the Board of Directors and one member of the Executive Board.

- 20.2. The Board of Directors may grant powers of procuration.

- 20.3. Powers of procuration, which may be granted individually or collectively, are exercisable only in connection with the day-to-day operations.

## **21. EQUITY**

- 21.1. The equity of the Company comprises the undistributed equity, cooperative owner's accounts, owner's accounts and any additional special-purpose accounts established by the Company.

### **21.2. Cooperative owners' accounts**

- 21.2.1 After the 2016/17 financial year, the annual payments into cooperative owner's accounts will cease. The balances of these accounts have accumulated by way of set-off against the annual supplementary payments which the cooperative owners would otherwise have received. At the annual ordinary meeting of the Board of Representatives, however not earlier than for the 2020/21 financial year, the Board of Representatives will on the recommendation of the Board of Directors pass a resolution authorising the Board of Directors to make payments from the cooperative owner's accounts to existing members, see Article 21.4.1, provided and to the extent that the Board of Directors considers such payments to be justifiable taking into consideration the Company's creditors. The authorisation will remain in force until the next year's ordinary meeting of the Board of Representatives.

- 21.2.2 Cooperative owner's account balances may accrue interest if so resolved by the Board of Representatives, provided that the Board of Representatives simultaneously resolves to pay out the interest, see Article 22.2 d).



21.2.3 On termination of a membership, the balance of the account is made up at the end of the financial year in which the membership terminated. The resulting balance is paid out in annual instalments of 1/5, see Article 21.4.1. If a membership terminates during the first six months of a financial year, the first payment is made six months after the end of the financial year in which the membership terminated. If a membership terminates during the last six months of a financial year, the first payment is made one year after the end of the financial year in which the membership terminated. The last four payments will be made in the subsequent four years at the same time of the year as the first payment, such that the balance of the account is fully disbursed when these five payments have been made. If the Board of Directors resolves to pay out the remaining balance of cooperative owner's accounts according to Article 21.2.1, such resolution will also include the balances of former members' cooperative owner's accounts to the effect that the balance of such account is fully disbursed not later than at the same time as the balance of other cooperative owner's accounts.

## 21.3. Owner's accounts

21.3.1 An owner's account has been set up for each cooperative owner, to which such amounts as the Board of Representatives decides in pursuance of Article 22.2 b) are transferred.

21.3.2 Balances in owner's accounts do not accrue interest.

21.3.3 On termination of a membership, the balance of the owner's account is made up at the end of the financial year in which the membership terminated. Subject to Articles 21.3.4 and 21.4.1, the resulting amount is paid out over the course of ten financial years in equal annual instalments. The first payment relates to the financial year in which the membership terminated and is made at the time of the Company's disbursement of supplementary payments for this financial year and subsequently at the time of ordinary supplementary payments for the following nine financial years.

21.3.4 If the total amount to be paid out for a given financial year in pursuance of Article 21.3.3 exceeds the total amount which in pursuance of Article 22.2 b) is transferred to owner's accounts for the same financial year, the amount paid out for the financial year in question is reduced so that it corresponds to the total transfer for the year. The reduction is distributed proportionately between all the resigned cooperative owners who are entitled to receive payments from owner's accounts for the financial year in question, as a result of which the annual payment from the owner's account is reduced. The reduction for the financial year in question is forfeited and will not be paid out in a later financial year.



#### 21.4. **Common rules for cooperative owner's accounts and owner's accounts**

21.4.1 At the annual ordinary meeting of the Board of Representatives, the Board of Representatives decides on the authorisation to the Board of Directors to make payments from cooperative owner's accounts and owner's accounts, respectively, in accordance with the applicable rules set out in the Articles of Association – provided and to the extent that this is deemed justifiable considering the creditors of the Company. The authorisation will remain in force until the next year's ordinary meeting of the Board of Representatives.

21.4.2 Owner's account balances will be paid out only if the membership has been terminated in accordance with the rules set out in Article 4, see also Article 21.4.4. The balance of a cooperative owner's account may be paid out if the membership has been terminated in accordance with the rules set out in Article 4, in connection with the discontinuation of membership accounts pursuant to Article 21.2.1 or on another basis according to regulations laid down pursuant to Article 21.4.5, if the Board of Representatives on the recommendation of the Board of Directors issues such authorisation, see Article 21.4.1. However, payments under Article 21.2.1 cannot be adopted earlier than for the 2020/21 financial year.

21.4.3 Where under the rules set out in Article 21.4.2 the balance of a cooperative owner's account or an owner's account is not to be paid out, the balances of these accounts are considered to be comprised by a transfer, if any, in accordance with Article 4.6.

21.4.4 If through a transfer of or other transactions relating to the business constituting the basis of membership, e.g. in connection with the formation of companies or otherwise, one or more cooperative owners seek to advance payments from the cooperative owner's account referred to in Article 21.2 and/or the owner's account referred to in Article 21.3, the Board of Directors may disregard such arrangements and agreements and make continued membership conditional upon no payments being made for the business in question from these accounts.

21.4.5 The Board of Representatives adopts a set of regulations setting out detailed provisions for cooperative owner's accounts and owner's accounts.

21.5. On the recommendation of the Board of Directors, the Board of Representatives may decide to make distributions from the Company's undistributed equity. The distribution is distributed according to the distribution key set out in Article 27.6.4. The distribution may be made in cash or in the form of marketable assets.



## 22. PROFIT OR LOSS FOR THE YEAR, PROVISIONS AND DISTRIBUTION

22.1. Together with the draft annual report approved by the Board of Directors, the Board of Directors presents a proposal for the distribution of the profit for the year as stated in the annual report.

22.2. The Board of Representatives may, on the recommendation of the Board of Directors, decide that the profit for the year will be allocated as follows:

AF For supplementary payments

AG For consolidation of the Company through transfer to the Company's undistributed equity, it being noted, however, that up to 50% of the consolidation amount may be transferred to owner's accounts, see Article 21.3.<sup>1</sup>

The Company's cooperative owners contribute to the consolidation in proportion to their shares of slaughter units for the respective membership categories in the most recent financial year, see Article 27.6.4.1. This applies to the share transferred to the Company's undistributed equity as well as the share transferred to owner's accounts. The share of the total consolidation transferred to owner's

accounts is converted into DKK/kg within each membership category based on cooperative owner's supplies by cooperative owners during the financial year and determined as a specific DKK amount per kg. Notwithstanding the above, the Board of Directors may, however, in its proposal make such deviations from the distribution keys described as are necessary to take into account special circumstances pertaining to each membership category as well as any rounding in the calculation.

AH For transfer to other special-purpose accounts, including for the purpose of covering future losses

AI For paying interest on balances in the cooperative owner's accounts referred to in Article 21.2 upon simultaneous resolution to pay out the interest accrued

AJ For other purposes.

### 22.3. Supplementary payments

22.3.1 Supplementary payments are determined with due regard being had to the earnings of each membership category and the share of the Company's profit from joint activities. Payments may

<sup>1</sup> Until the consolidation for the 2024/25 financial year, up to 75% of the consolidation amount may be transferred to owner's accounts.



thus be differentiated in respect of the different categories of cooperative owner's supplies. The amounts are determined as a fixed amount per kg for each of the membership categories in question. Piglets are deemed to be included under slaughter pigs, and the internal distribution between pig-supplying and piglet-supplying cooperative owners will be made in accordance with the Company's settlement rules.

22.3.2 The supplementary payment will normally be based on cooperative owner's supplies for the relevant financial year. In very special circumstances, e.g. if extraordinary income does not exclusively pertain to or should not reasonably be allocated to the relevant financial year, the Board of Representatives may decide, on the recommendation of the Board of Directors, that the supplementary payment in respect of this income should be calculated on the basis of the cooperative owner's supplies during the past five financial years.

22.4. In the event that the annual report shows a loss, such provisions for bad debts as have been made in previous financial years are first allocated towards covering the loss. Any additional amount required will be covered first by the undistributed equity to the extent possible and secondly through a pro rata reduction of, first, owner's account balances and, secondly, cooperative owner's account balances.

22.5. If the Board of Representatives does not approve the draft annual report

approved by the Board of Directors or the proposal contained therein for the distribution of the profit for the year, the Board of Directors will be given the opportunity to discuss this issue again for the purpose of presenting another proposal if relevant.

22.6. The proposal from the Board of Directors pursuant to Articles 21.5 and 22.1 must make due allowance for the Company's financial condition, including the amount and composition of its equity, the Company's equity ratio and liquidity, the need to make provisions for special purposes and the adequacy of the working capital.

## **23. FINANCIAL STATEMENTS AND AUDIT**

23.1. The Company's financial year runs from 1 October to 30 September.

23.2. On the recommendation of the Board of Directors, the Board of Representatives appoints for a term of one year one or more state-authorised public accountants to carry out the audit.

## **24. DANISH AGRICULTURE & FOOD COUNCIL ETC.**

24.1. The Company may be a member of the Danish Agriculture & Food Council ("Land-brug & Fødevarer") and other trade organisations as decided by the Board of Directors.

24.2. If the Company is a member of the Danish Agriculture & Food Council, the



Company and its cooperative owners and suppliers will be under an obligation to comply with any legal decisions made by the Danish Agriculture & Food Council or by any committee set up by the Danish Agriculture & Food Council and with any previous decisions by the board of directors of Danske Slagterier for purposes of implementing joint measures deemed to be in the business and commercial interest of all abattoirs and producers, even if such decisions result in an interruption in the business of one or more businesses for a shorter or longer period of time.

24.3. Penalties or sanctions may be imposed on cooperative owners or suppliers of the Company in the event of their non-compliance with decisions made by the Danish Agriculture & Food Council or Danske Slagterier in accordance with Article 24.2 which the Company has communicated to its cooperative owners and suppliers and published on the Company's website.

24.4. Where a penalty or sanction is imposed on a cooperative owner or a supplier pursuant to Article 24.3, the Company will, irrespective thereof, be entitled to claim damages from such cooperative owner or supplier for any loss suffered by the Company due to the matter in question. Cooperative owners or suppliers cannot claim damages from the Company in consequence of any decisions made by the Danish Agriculture & Food Council or Danske Slagterier, see Article 24.2.

## **25. TRADE ORGANISATIONS**

25.1. The Company may be a member of trade organisations as decided by the Board of Directors.

25.2. If the Company is a member of a trade organisation as referred to in Article 25.1, the Company and its cooperative owners and suppliers will be obliged to comply with any legal decisions made by such trade organisation.

## **26. AMENDMENTS TO THE ARTICLES OF ASSOCIATION, MERGER AND SURRENDER OF VOTING MAJORITY**

26.1. Any decision of the Board of Representatives to amend the Articles of Association or to merge the Company with another company requires a majority of at least 2/3 of the votes cast, not including blank or void ballot papers, and at least half of all the members of the Board of Representatives must participate in the vote.

26.2. Irrespective of the provisions of Article 26.1, however, the Board of Directors may carry out a merger provided that the Company is the surviving company, that the merger – based on an assessment of e.g. the acquired assets and liabilities – must be deemed not to be of decisive importance to the Company and that new cooperative owners are not admitted to the Company in that connection.



26.3. Any merger as described in these Articles of Association must be carried out in accordance with section 21 a of the Danish Act on Undertakings Carrying on Business for Profit ("Lov om erhvervsdrivende virksomheder").

26.4. Any decision by the Board of Representatives to surrender the voting majority in Danish Crown A/S must be made at two consecutive meetings of the Board of Representatives held with an intervening period of at least two weeks. At both meetings of the Board of Representatives, the decision requires a majority of at least 2/3 of the votes cast, not including blank or void ballot papers.

## **27. DISSOLUTION OF THE COMPANY**

27.1. Any decision to dissolve the Company must be made at two consecutive meetings of the Board of Representatives held with an intervening period of at least two weeks. At both meetings of the Board of Representatives, the decision requires a majority of at least 2/3 of the votes cast, not including blank or void ballot papers.

27.2. Following a decision to dissolve the Company, the Board of Representatives will elect a liquidation committee of three to five persons (liquidators), who will take the place of the Board of Directors and the Executive Board. Two members of the liquidation committee will have the power to bind the Company in every respect.

27.3. The liquidation must be carried out in accordance with section 20 of the Danish Act on Undertakings Carrying on Business for Profit.

27.4. The liquidation committee will wind up the Company's business and sell the Company's assets on the best terms possible and subsequently satisfy all the Company's creditors.

27.5. If this results in a loss, such loss will be allocated and settled in accordance with the provisions of Article 8.

### **27.6. Distribution of liquidation proceeds**

27.6.1 Any remaining assets will be allocated as follows and in the order given:

27.6.2 First, the balance of each cooperative owner's account will be disbursed to the cooperative owners entitled thereto. If the remaining assets are not sufficient for such disbursements, the balance of each cooperative owner's account will be reduced proportionately regardless of when the individual account was opened and when the payments into the account were made.

27.6.3 Next, the balance of each owner's account will be disbursed to the cooperative owners entitled thereto. If the remaining assets are not sufficient for such disbursements, the balance of each owner's account will be reduced proportionately regardless of when the individual account was opened and



when the payments into the account were made.

27.6.4 Any amount still remaining at this point will be disbursed to and distributed among the cooperative owners in proportion to the slaughter units delivered as cooperative ownership supplies during the last five concluded financial years plus any final operating period.

27.6.4.1 For purposes of calculating the number of slaughter units, one slaughter pig counts as one unit, one sow counts as one and a half units, and one head of cattle or one calf with a carcass weight of more than 100 kg counts as six units. Piglets are deemed to be included under slaughter units attributed to slaughter pigs, and the internal distribution between pig-supplying and piglet-supplying cooperative owners will be made in accordance with the Company's settlement rules.

27.6.5 Any amounts payable pursuant to Article 27.6.4 may, subject to the decision of the liquidation committee, be paid either in cash or in the form of marketable assets.

27.7. The Company will be deemed to have been dissolved once the Board of Representatives has approved the closing liquidation financial statements.

## **28. DISPUTES**

28.1. Any question concerning the interpretation of these Articles of Association and any dispute between the Company and the individual cooperative owners will be finally settled by arbitration in pursuance of the Danish Arbitration Act ("Voldgiftsloven").

28.2. In connection with disputes of significant financial importance or concerning matters of principle, either party may demand that the arbitration tribunal be composed of three judges from the Danish Supreme Court ("Højesteret") or the Danish High Court ("Landsretten"). In such case, the Company will on behalf of both parties ask the presidents of the Supreme Court, the Western Division of the High Court and the Eastern Division of the High Court to each appoint a member for the arbitration tribunal. The member appointed by the president of the Supreme Court will serve as chairman of the arbitration tribunal.

## **29. ENTRY INTO FORCE AND TRANSITIONAL PROVISIONS**

29.1. Adopted at the meeting of the Board of Representatives of the Company on 5 September 2024.<sup>2</sup>

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<sup>2</sup> In the adoption resolution of 5 September 2024, the Board of Representatives also approved to deviate from the notice periods set out in the Articles of Association to the extent necessary with a view to phasing-in the resolutions adopted in December 2024 at the latest and authorised the Board of Directors to the extent necessary to make certain adjustments to the Articles of Association.





## Appendix 1 – division into local districts

Pursuant to Article II of the Articles of Association, the Board of Representatives has decided on the following division into local districts:

### Pig districts: 3 districts

1

District

Hjørring, Brønderslev, Frederikshavn, Læsø, Jammerbugt, Rebild, Aalborg, Vest-himmerland, Mariagerfjord, Thisted, Morsø, Skive, Lemvig, Struer, Holstebro, Viborg, Randers, Norddjurs and Syddjurs municipalities.

2

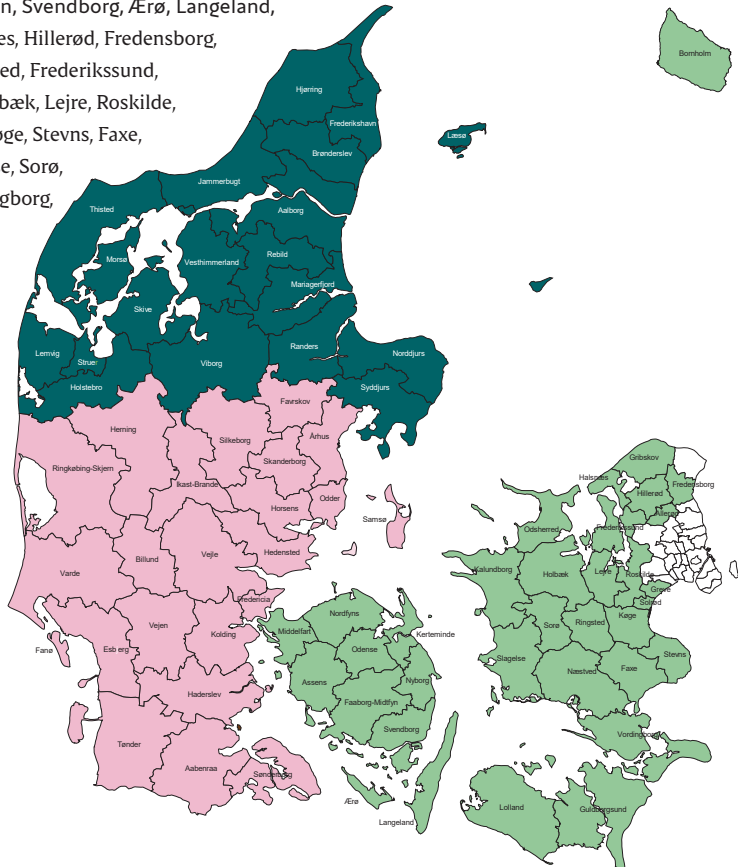
District

Herning, Ringkøbing-Skjern, Ikast-Brande, Favrskov, Silkeborg, Skanderborg, Århus, Horsens, Odder, Samsø, Billund, Varde, Vejle, Hedensted, Fredericia, Fanø, Esbjerg, Vejen, Kolding, Haderslev, Tønder, Aabenraa and Sønderborg municipalities.

3

District

Middelfart, Nordfyns, Kerteminde, Odense, Nyborg, Assens, Faaborg-Midtfyn, Svendborg, Ærø, Langeland, Gribskov, Halsnæs, Hillerød, Fredensborg, Allerød, Odsherred, Frederikssund, Kalundborg, Holbæk, Lejre, Roskilde, Greve, Solrød, Køge, Stevn, Faxe, Næstved, Slagelse, Sorø, Ringsted, Vordingborg, Guldborgsund, Lolland and Bornholms municipalities.





## Appendix 1 – division into local districts

Pursuant to Article II of the Articles of Association, the Board of Representatives has decided on the following division into local districts:

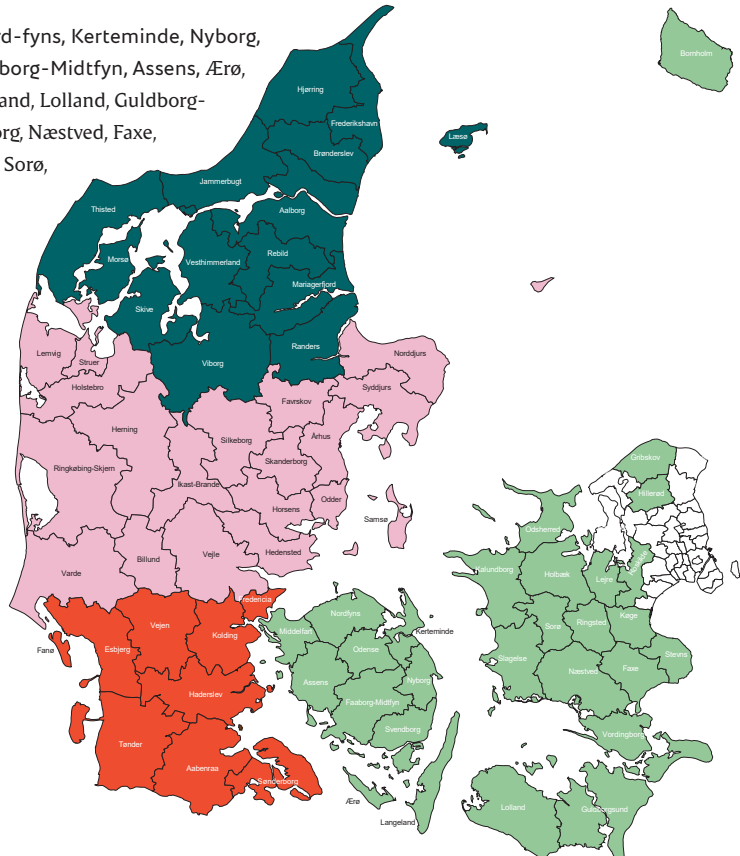
### Cattle districts: 4 districts

**1 District** Hjørring, Brønderslev, Frederikshavn, Jammerbugt, Thisted, Vesthimmerland, Rebild, Aalborg, Læsø, Morsø, Skive, Viborg, Mariagerfjord and Randers municipalities.

**2 District** Lemvig, Struer, Holstebro, Herning, Ringkøbing-Skjern, Ikast-Brande, Silkeborg, Favrskov, Norddjurs, Syddjurs, Århus, Skanderborg, Varde, Billund, Vejle, Horsens, Hedensted, Odder and Samsø municipalities.

**3 District** Esbjerg, Vejen, Kolding, Fredericia, Haderslev, Tønder, Aabenraa, Fanø and Sønderborg municipalities.

**4 District** Middelfart, Nord-fyns, Kerteminde, Nyborg, Svendborg, Faaborg-Midtfyn, Assens, Ærø, Odense, Langeland, Lolland, Guldborg-sund, Vordingborg, Næstved, Faxe, Stevns, Slagelse, Sorø, Kalundborg, Holbæk, Lejre, Ringsted, Køge, Roskilde, Odsherred, Hillerød and Gribskov and Bornholms municipalities.





## **Election years for the Board of Representatives of Leverandørselskabet Danish Crown AmbA**

According to Article 14.7 of the Articles of Association, representatives and alternates for the Board of Representatives are elected for a term of two years.

The election periods are as follows:

- Elections to the Board of Representatives in the pig-supplying districts are held in uneven years
- Elections to the beef forum in the cattle districts are held in uneven years
- Elections to the Board of Representatives in the beef forum are held in uneven years
- The latest employee election took place in 2017. Employee elections of observers to the Board of Representatives etc. are held every four years, the first time in 2021.