GUIDELINES FOR REMUNERATION POLICY
INCLUDING GUIDELINES FOR INCENTIVE PAY

Guidelines for remuneration policy, version 3.0, updated 29 August 2018
Recommendations on Corporate Governance, 23 November 2017
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1 Introduction

The Committee on Corporate Governance (the “Committee”) recommends that the boards of directors of Danish companies with shares admitted to trading on a regulated market in Denmark prepare a remuneration policy covering the remuneration of the board of directors and the executive board. Furthermore, a company with shares admitted to trading on a regulated market must adopt guidelines for incentive pay, cf. section 139 of the Danish Companies Act, before the company can enter into agreements on and pay out variable remuneration. The Committee has prepared these guidelines as inspiration for preparing the remuneration policy including a description of the general guidelines for incentive pay.

A company’s guidelines for incentive pay may form an integral part of the remuneration policy, as the contents of such guidelines will constitute a sub-component of the remuneration policy. However, it is not a requirement that the guidelines for incentive pay be incorporated into the remuneration policy. Companies may therefore choose to have a remuneration policy as well as guidelines for incentive pay.

Guidelines for incentive pay must, in accordance with section 139 of the Companies Act, be adopted by the general meeting before the company can enter into agreements on and pay variable remuneration. A provision must be included in the company’s articles of association to the effect that the general meeting has approved the guidelines for incentive pay, and the guidelines must be published on the company’s website stating the date of approval. These requirements must be observed even if the guidelines for incentive pay are part of the remuneration policy.

The basis for these guidelines is a remuneration policy in which the guidelines for incentive pay are incorporated as an integral part. If the guidelines for incentive pay are prepared as a separate document, it is primarily section 3.2 of these guidelines concerning variable remuneration that is relevant.

In general, both the remuneration policy and the guidelines for incentive pay solely concern registered members of the company’s management, i.e. members of the board of directors and the executive board registered with the Danish Business Authority, and apply to remuneration of management paid by the company and by other companies controlled by the company in question. Incentive pay for other members of the executive staff or other employees is thus not covered by the recommendation or the requirements under the Companies Act.

A company may choose to prepare a remuneration policy that covers a broader group than the board of directors and the executive board. The number of executive board members registered with the Danish Business Authority may vary from company to company. Some companies choose to register a large executive board. Other companies merely choose to register the CEO and the CFO, but will typically operate with a larger management group in their day-to-day operations. Particularly in the latter situation a company should consider whether the remuneration policy should cover a broader group than merely the registered executive board.

For members of the board of directors elected as employee representatives, the Companies Act solely covers remuneration received in their capacity as members of the board of directors. Allocation of employee shares under a general incentive scheme for all employees will not be covered by section 139 of the Companies Act.

The Committee finds it important that openness and transparency exist in respect of all material issues relating to the company’s policy on and size of remuneration and fees offered to the company’s management. Based on this consideration, it is recommended that information on management’s remuneration be included in a remuneration report. The remuneration report will be briefly discussed in section 4 of these guidelines.

The board of directors should consider the need to involve independent external advisers in connection with the preparation of the remuneration policy and the implementation thereof.
The report on Corporate Governance should solely be prepared on the basis of the Committee’s specific recommendations – and not according to comments on the separate recommendations or guidelines issued by the Committee.

These guidelines may be updated independently of the Recommendations on Corporate Governance.

2 Regulation
In addition to chapter 4 of the Recommendations on Corporate Governance, it is relevant when preparing a remuneration policy to consider section 139 of the Companies Act in respect of guidelines for incentive pay and relevant EU legislation, including the Shareholders’ Rights Directive, which will be implemented in Denmark in June 2019.

Annex 1 contains extracts from relevant recommendations and legislation etc. These guidelines do not address the specific rules for remuneration applicable to financial companies under the Danish Financial Business Act.

3 The remuneration policy
The remuneration policy focuses on the company’s policy for remuneration of the members of management. It is the Committee’s view that companies should have a remuneration policy that maintains the overall remuneration on a reasonable level and ensures that it reflects management’s effort, responsibility and value creation for the company.

The description of the remuneration components should include the reasons for choosing such individual components. Examples could be goals for attracting qualified managers, ensuring alignment between the interests of shareholders and of management, ensuring coherence between the long-term strategy and relevant goals/targets and an ambition to offer management remuneration conforming to the market.

In the assessment of the remuneration components, including the fixed and the variable components, the use of benchmarks in relation to comparable companies may be considered.

Annex 2 contains an overview of the remuneration components that may be relevant to consider and describe in the remuneration policy and the guidelines for incentive pay, provided such remuneration components exist or are contemplated.

Annex 3 provides inspiration for subjects that may be covered by a remuneration policy.

3.1 Fixed remuneration

3.1.1 Board of directors
The fixed remuneration components that the company decides to pay to the members of the board of directors should be described. The fixed remuneration for members of the board of directors will usually consist of a fixed annual cash fee. If the company pays remuneration per meeting this should be indicated. In addition, a company may offer to cover costs and expenses for travel and accommodation related to the work of the board of directors. A company may also choose to cover social charges and similar taxes required by foreign authorities as well as taxes or charges imposed on foreign members of the board of directors by the Danish authorities.

The framework for the fixed remuneration of the chairman, the vice chairman and any committee members should also be disclosed. The remuneration of these members will usually consist of the fixed cash base fee of members of the board of directors as well as an additional fixed cash fee for any chairmanship and

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committee membership and for special tasks in this respect. Such remuneration will generally be disclosed as a share of the base cash fee paid to all members of the board of directors.

It is only the framework for the remuneration of the board of directors that is recommended to be stated in the remuneration policy.

3.1.2 Executive board
The fixed remuneration components paid to members of the executive board should be described and may, in addition to a fixed annual base salary, include pension contributions and non-monetary benefits.

3.2 Variable remuneration
All types of variable remuneration components that the company deems relevant should be described in the remuneration policy, including the reason for and the purpose of using these types of remuneration components. This section 3.2 is relevant as a guideline and as inspiration in relation to preparing guidelines for incentive pay, if such guidelines are prepared separately or are included in the remuneration policy.

According to recommendation 4.1.3, remuneration of the members of the board of directors should not include share options or warrants. However, a company may choose that part of the fixed remuneration be paid in shares at the market price, see section 3.1.1.

3.2.1 General considerations in determining variable remuneration
In connection with preparing the general guidelines for incentive pay as contained in the remuneration policy, the purpose of and principles for the potential establishment of variable remuneration should be thoroughly considered.

Advantages, disadvantages and effects of the sub-components that may be included in a variable remuneration scheme should be described in relation to the company’s long-term value creation and any targets in this respect.

Incentive pay includes any variable remuneration, i.e. share-based remuneration as well as non-share-based bonus schemes, performance contracts and similar schemes where the final remuneration is not known in advance.

For the variable part of the total remuneration, the board of directors’ considerations may inter alia include:
   a) How to ensure that the variable remuneration reflects the interests of shareholders with regard to value creation.
   b) How the variable remuneration best supports the fulfilment of the company’s long-term and short-term goals and strategies e.g. overall value creation or fulfilment of targets for key performance indicators (KPIs) and attraction and retention of key employees.
   c) How to determine performance criteria that are measurable upon realisation of the variable remuneration.
   d) How to ensure that the variable remuneration does not lead to recklessness, unfair behaviour or inappropriate risk-taking and how to ensure that the company has the option to claw back remuneration that has been paid on an incorrect basis.
   e) Who should be covered and for what purpose.
   f) Which types of schemes or components may be included in the variable remuneration.
g) How the company’s future liabilities in respect of agreements concerning variable remuneration should be reflected in the annual report (and any separate remuneration report) and how such liabilities should be covered.

h) Which amounts may be paid under the individual programmes (scenario analyses). It should be considered whether there should be a maximum value of the variable remuneration upon grant and possible exercise.

i) What should the relationship be between the fixed remuneration and the variable remuneration, including the relationship between short-term and long-term incentives.

j) How the variable remuneration may be composed in order for the total remuneration to be transparent for those adopting the scheme, the participants that are part of the scheme, for the shareholders/investors and the market in general.

k) Which level of openness – beyond what is required – does the company want in respect of remuneration and the individual components hereof.

l) Tax consequences of the variable remuneration for the company and the participants.

Incentive schemes should be designed to be transparent in a way that provides the shareholders the opportunity of assessing the framework, contents and appropriateness of the incentive schemes.

3.2.2 Examples of relevant types of variable remuneration

Below is a brief description of the common types of variable remuneration, which may be relevant to describe in the remuneration policy. Section 139 of the Danish Companies Act is aimed primarily at variable remuneration based on cash payments and share-based remuneration. Other schemes will, however, also be covered by the act and the recommendations to the extent that the final remuneration is not known in advance.

### Variable remuneration – cash

<table>
<thead>
<tr>
<th>Non-share-based bonus schemes, performance contracts, commission on profits, etc.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Remuneration that is typically associated with the development of the company, e.g. EBIT, earnings before tax, net profit and various operational and qualitative targets, which may be defined as part of the fixed remuneration or as a fixed amount triggered upon reaching specific targets. This type of incentive pay will typically be a short-term remuneration.</td>
</tr>
</tbody>
</table>

### Variable remuneration – share-based remuneration

<table>
<thead>
<tr>
<th>Share-based bonus (phantom shares etc.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>A bonus where the amount is associated with the change in the share price. Such bonus may thus be a “synthetic” share investment (i.e. calculated as if a share investment had been made) or a “synthetic” option.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Conditional shares</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shares which are acquired subject to the achievement of fixed targets. Typically, the recipient must retain the shares for a certain period of time, as the shares are only released after a given period.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Options – ordinary options and warrants</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ordinary options grant the recipient the right but not the obligation to acquire shares in the company at a given price (exercise price) during a given exercise period.</td>
</tr>
</tbody>
</table>

Warrants/subscription options grant the recipient the right but not the obligation to subscribe for shares in the company at a given price (exercise price) during a given exercise period.
**Convertible bonds**

An interest-bearing instrument of debt, to which a subscription right is attached, so that the instrument of debt by the lender (the recipient) may be exchanged/converted to newly issued shares at a given subscription price.

### 3.2.3 Valuation

The general guidelines should, according to the explanatory notes to section 139 of the Companies Act, specify the estimated current value of the incentive pay.

For variable cash remuneration, it is usual practice to indicate the expected (most likely) value and the related assumptions as well as the potential minimum and maximum value of these schemes. This value may be stated in relative terms (as a percentage), e.g. relative to the fixed remuneration. This is regarded as being adequate to meet the requirement for specifying an estimated value.

For the share-based schemes, a framework should be established indicating the potential value of these schemes at the time of allocation. The framework may be specified as a maximum amount and/or in relative terms to the fixed remuneration. In connection with the final allocation, a specific valuation takes place which allows the shareholders to compare the total value to the adopted remuneration policy. The valuation of the share-based schemes at the time of grant and requirements for disclosure are described in IFRS 2.

It may be relevant to note in the remuneration policy which valuation method the company applies, e.g. “Black-Scholes” or another recognised method.

### 3.2.4 Timing

The term and thus the timing for variable cash schemes will naturally be associated with the results of the scheme in question.

For share-based schemes, information about the schemes’ general term should be disclosed, i.e. the period from grant to expiry. Furthermore, information should be provided on any binding period (the period before exercise is possible – also called the maturity period) and exercise windows (the periods in which exercise is possible).

According to recommendations 4.1.2 and 4.1.4, the long-term remuneration components must have an earning or maturity period of at least three years. In order to comply with the recommendation, there may be an earning period of three years, a maturity period of three years or a combination of earning and maturity periods, which in aggregate amount to at least three years. It will depend on the specific incentive scheme whether a vesting period, a maturity period or a combination hereof applies.

It is in compliance with the recommendations to have a share-based incentive scheme with a term of less than three years. In such event, this will constitute a short-term incentive scheme. In this respect, it may be relevant to observe recommendation 4.1.2 according to which variable remuneration should not only consist of short-term remuneration components.

### 3.3 Clawback

According to recommendation 4.1.2, a company has the ability to reclaim, in full or in part, variable components of remuneration that were paid on the basis of information, which is subsequently found to be incorrect. The ability to reclaim (clawback) variable components should be described in the remuneration policy. In the specific agreements concerning variable remuneration entered into with individual members of management, it will also be relevant to incorporate a provision concerning the company’s ability to reclaim variable components.
The possibility of reclaiming variable components may be limited under employment law if there are salaried employees among the individuals covered by the remuneration policy.

3.4 Remuneration during a notice period
Information related to conditions directly linked to a member of management’s remuneration should be included, such as the length of notice periods and severance payments under the individual member of the governing body’s contracts should be included.

It is recommended in recommendation 4.1.5 that the total value of remuneration relating to the notice period including severance pay should not exceed two years’ remuneration, including all components of the remuneration.

The calculation of the total remuneration during the notice period should include remuneration components relating to the notice period (e.g., fixed salary, pension, severance pay etc.). Remuneration components relating to the period prior to the notice period are thus not included in the calculation of the total remuneration. This may, for instance, be relevant in relation to incentive pay relating to a prior financial year payable in the notice period; and which is therefore, not included in the calculation of the total remuneration in the notice period.

4 Disclosure of remuneration

4.1 Annual reporting
Recommendations 4.2.1 and 4.2.2 stipulate that the company’s remuneration policy and compliance with this policy is explained and justified annually in the chairman’s statement at the company’s general meeting, and that shareholders at the general meeting consider the proposal for adopting the remuneration for the board of directors for the current financial year.

4.2 Remuneration report
According to recommendation 4.2.3, it is recommended that a company prepares a remuneration report, which is published on the company’s website.

The remuneration report should include:
- information on the total remuneration received by each member of the board of directors and the executive board from the company, other group companies and associated companies during the past three years, understood as the last three financial years;
- information on the most important content of retention and severance schemes;
- an explanation of the correlation between the remuneration and the company’s strategy and the relevant related goals.

The remuneration report should be prepared concisely in a transparent and informative manner.

The remuneration report may be incorporated in the general reporting in the annual report or be prepared as a separate report. If the remuneration report constitutes an integral part of the annual report or is incorporated by reference, this will imply that the remuneration report will be approved by the general meeting in connection with adopting the annual report.

The first remuneration report shall be prepared in connection with the rendering of the annual report for the financial year beginning on the 1st of January 2018 or later; and thus contain information on each of the financial years of 2018, 2017 and 2016.

5 Approval and publication
The remuneration policy is prepared by the board of directors, potentially with the assistance of the remuneration committee. It is recommended that the remuneration policy is submitted for approval at the
general meeting at least every four years and upon any material amendments. The remuneration policy should be published on the company’s website.

In connection with the Corporate Governance statement, which is prepared in connection with the submission of the annual report for financial years beginning on 1 January 2018 or later, it will, in order to comply with the recommendation, be relevant to present the remuneration policy for approval on the company’s annual general meeting in 2019, unless the remuneration policy has been approved by the general meeting in 2016 or later.

The Shareholders’ Rights Directive addresses a situation where a remuneration policy is not approved by the general meeting. A company will not be able to pay remuneration on the basis of the principles of a rejected remuneration policy, but may continue to pay remuneration in accordance with the previously approved remuneration policy. The company’s management is thereby obligated to submit a new draft proposal for a remuneration policy at the following general meeting. It is assumed that the same principle may be applied to recommendation 4.1.1 and the guidelines for incentive pay as in accordance with section 139 of the Danish Companies Act.

According to section 139 of the Danish Companies Act, guidelines on incentive pay must be adopted at the general meeting, before the company can enter into agreements on and pay variable remuneration. Adoption is subject to a simple majority of votes. A provision must be included in the company’s articles of association stating that the general meeting has adopted guidelines for incentive pay. The guidelines for incentive pay must be published on the company’s website stating the date of adoption by the general meeting. The requirements set out in section 139 of the Danish Companies Act must be complied with, regardless of whether the guidelines for incentive pay are included in the remuneration policy.
Annex 1 - Regulation

Recommendations on corporate governance

### 4.1 – Form and content of the remuneration policy

#### Recommendation 4.1.1

The Committee recommends that the board of directors prepare a remuneration policy for the board of directors and the executive board, which includes:

- a detailed description of the components of the remuneration for members of the board of directors and the executive board;
- the reasons for choosing the individual components of the remuneration;
- a description of the criteria that form the basis for the balance between the individual components of the remuneration; and
- an explanation for the correlation between the remuneration policy and the company’s long-term value creation and relevant related goals.

The remuneration policy should be approved by the general meeting at least every fourth year and upon any material amendments and published on the company’s website.

**Comment:**

The remuneration policy comprises fixed emoluments as well as incentive-based pay schemes. Once approved by the general meeting, the remuneration policy, including the “General Guidelines for incentive-based Remuneration” laid down in section 139 of the Companies Act, is only to be approved again by the general meeting, if the policy or the general guidelines adopted for incentive-based remuneration are amended, although at least every fourth year.

#### Recommendation 4.1.2

The Committee recommends that if the remuneration policy includes variable components;

- limits be set on the variable components of the total remuneration package;
- a reasonable and balanced composition be ensured between remuneration for members of management and the value creation for shareholders in the short and long term;
- clarity be established about performance criteria and measurability for the award of variable components;
- it is ensured that variable remuneration not only consists of short-term remuneration components, and that long-term remuneration components must have a vesting or maturity period of at least three years; and
- it be ensured that the company has the ability to reclaim, in full or in part, variable components of remuneration that were paid on the basis of information, which subsequently are found to be incorrect.

#### Recommendation 4.1.3

The Committee recommends that remuneration of members of the board of directors does not include share options or warrants.

**Comment:**

If members of the board of directors are partly remunerated with shares at market value, this does not contravene with these recommendations.

#### Recommendation 4.1.4

The Committee recommends that if, in relation to long-term incentive programmes, a share-based remuneration is used, the programmes should have a vesting or maturity period of at least
three years after being allocated and should be roll-over programmes, i.e. the options should be granted periodically.

Comment:
A vesting or maturity period of at least three years after allocation should ensure consistency between the share-based remuneration and the long-term value creation for the company. Apart from the vesting period, there may also be a maturity period before payment.

Recommendation 4.1.5
The Committee recommends that the total value of the remuneration relating to the notice period, including severance pay, does not exceed two years of remuneration, including all components of the remuneration.

4.2 – Disclosure of remuneration

Recommendation 4.2.1
The Committee recommends that the company’s remuneration policy and compliance with this policy be explained and justified annually in the chairman’s statement at the company’s general meeting.

Comment:
If the total remuneration includes contributions to pension schemes, such payments and the actuarial value of and changes in such schemes over the year, are considered to be covered by the disclosure on remuneration. Resignation arrangements cover a wide area, including period of notice and qualification, severance pay, “change of control” agreements, insurance and pension schemes, payment of pension contributions after resignation etc.

Recommendation 4.2.2
The Committee recommends that the shareholders at the general meeting consider proposals for approval of remuneration for the board of directors for the current financial year.

Recommendation 4.2.3
The Committee recommends that the company prepares a remuneration report that includes information on the total remuneration received by each member of the board of directors and the executive board from the company and other companies in the group and associated companies for the last three years, including information on the most important content of retention and resignation arrangements and that the correlation between the remuneration and company strategy and relevant related goals be explained.

The remuneration report should be published on the company’s website.
Section 139 of the Danish Companies Act

(1) A public limited company whose shares are admitted to trading on a regulated market or a multilateral trading facility must not enter into a specific agreement on incentive-based remuneration with a member of its management until the supreme management body of the limited liability company has laid down general guidelines for incentive-based remuneration for the company's management. The guidelines must have been considered and approved by the general meeting of the limited liability company.

(2) Where the general meeting has approved the guidelines for incentive-based remuneration for the management of the limited liability company under subsection (1), a provision must be included in the company's articles of association stating that such guidelines have been approved. Inclusion of such provision in the articles of association is not subject to a separate resolution by the general meeting. When approved by the general meeting, the guidelines must be published on the company's website as soon as possible, with a specification of the date on which the general meeting approved the guidelines.

(3) Specific agreements on incentive-based remuneration under subsection (1) must not be entered into until the day after publication of the approved guidelines on the company's website, see subsection (2). When specific incentive agreements are entered into, the current approved guidelines must be followed.

(4) Subsections (1)-(3) apply correspondingly to agreements to renew or amend existing specific agreements on incentive-based remuneration with members of the management of the limited liability company.

According to the explanatory notes to section 139 of the Danish Companies Act, the following components should as a minimum be included:

- a list of the persons eligible for variable remuneration;
- the kind of remuneration that may be included in the variable remuneration;
- the main terms for granting the remuneration;
- the estimated present value of the variable remuneration; and
- the timing of the incentive remuneration, including any time limits for exercising options.

It furthermore appears from the explanatory notes that if the variable remuneration includes share options, it may be relevant to disclose how the company will procure the shares necessary to fulfil the company’s obligations in connection with this component of the incentive pay.

The explanatory notes contain, inter alia, the following description of variable remuneration:

“Incentive pay includes any variable remuneration. Incentive pay is therefore not limited to share-based remuneration, such as share options, subscription rights (warrants) and so-called phantom shares, under which remuneration is based on the value of the company’s shares. Non-share-based bonus schemes, performance contracts and similar instruments under which the final remuneration is not known in advance, will thus not be covered by the scope of the provision. In contrast, fixed salary – even if very sizable – will not be covered by the provision.”

EU legislation

In connection with preparing these recommendations, the Committee has considered a number of directives and recommendations from the European Commission, including:
• Commission Recommendation (2004/913/EC) of 14 December 2004 on the regime for the remuneration of directors of listed companies
• Commission Recommendation (2005/162/EC) of 15 February 2005 on the role of non-executive or supervisory directors of listed companies and on the committees of the (supervisory) board

According to the European Commission, the main purpose of the recommendations and the rules of the shareholders’ rights directive are to ensure:

• that the remuneration practice is transparent;
• that the shareholders review the remuneration policy and individual remuneration under a duty of disclosure, the introduction of a mandatory or recommended reconciliation of the company’s annual declaration on the implementation of the company’s remuneration policy (future and past) and the shareholders’ approval of the share-based remuneration schemes;
• that efficient and independent monitoring is carried out by other than by members of the governing bodies;
• that the remuneration committee, as a minimum, has a consultative role in respect of the remuneration practice; and
• improved coherence between the members of the governing bodies’ remuneration and results.
Annex 2 – Overview of remuneration components

The table below provides examples of remuneration components that should be included in the remuneration policy as opposed to the remuneration components that must be included in the guidelines for incentive pay. This overview of remuneration components is not exhaustive.

<table>
<thead>
<tr>
<th>Remuneration Components</th>
<th>Examples</th>
<th>Remuneration policy</th>
<th>Guidelines for incentive pay</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed</td>
<td>Cash fixed remuneration</td>
<td>✓</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Fixed pension</td>
<td>✓</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Fixed remuneration paid by other means than cash, e.g. shares corresponding to a fixed amount</td>
<td>✓</td>
<td>-</td>
</tr>
<tr>
<td>Variable</td>
<td>Cash bonus based on meeting specific targets</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td></td>
<td>Share-based bonus schemes, e.g. share options, warrants and phantom shares, where the value depends on the company’s share price</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td></td>
<td>Share-based schemes, where the number of instruments received depends on meeting specific targets</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Other remuneration components</td>
<td>Non-monetary benefits</td>
<td>✓</td>
<td>-</td>
</tr>
</tbody>
</table>
Annex 3 - Inspiration for subjects that may be included in the remuneration policy

Below is a list of subjects that may be considered when preparing a remuneration policy:

<table>
<thead>
<tr>
<th>Introduction and general principles</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Information that the document was prepared in accordance with the Recommendations on Corporate Governance and Section 139 of the Danish Companies Act on the guidelines for incentive pay.</td>
</tr>
<tr>
<td>- The purpose of the remuneration policy.</td>
</tr>
<tr>
<td>- Who does the remuneration policy apply to.</td>
</tr>
<tr>
<td>- A statement of the most important considerations of the board of directors, including an explanation of the correlation between the remuneration policy and the company’s long-term value creation and the relevant related goals.</td>
</tr>
<tr>
<td>- How to ensure that the variable remuneration reflects the interests of shareholders with regard to improved value creation.</td>
</tr>
<tr>
<td>- How the variable remuneration may support the company’s short-term and long-term targets, including which components are included in the variable remuneration.</td>
</tr>
<tr>
<td>- How the remuneration policy supports the attraction and retention of key individuals.</td>
</tr>
<tr>
<td>- Ensuring that the variable remuneration does not lead to recklessness, unreasonable behaviour and inappropriate risk taking and that clawback is a possibility.</td>
</tr>
<tr>
<td>- How to ensure transparency in the remuneration, by for instance subsequent reporting in the annual report or in a separate remuneration report.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Fixed remuneration</th>
</tr>
</thead>
<tbody>
<tr>
<td>A statement of the background for establishing the fixed remuneration and the various components of remuneration of the board of directors and the executive board.</td>
</tr>
</tbody>
</table>

**The board of directors**
- Fixed annual fee.
- The framework for the size of the fee for e.g. the chairman, the vice chairman and any committee members.
- Compensation for and coverage of expenses in connection with travel and accommodation in connection with the work performed by the board of directors.
- Social charges and similar taxes levied by foreign authorities.

**The Executive Board**
- Fixed base salary.
- Pension contributions.
- Fixed salary paid by means other than cash e.g. shares corresponding to a fixed amount.
- Non-monetary benefits.

**Variable remuneration – cash**
Describe for each type of variable remuneration applied:
- To whom the variable remuneration may be granted.
- The purpose of granting each type of remuneration.
- The main conditions for granting the remuneration.
- Term and other characteristics.
- Financial framework for granting the remuneration, potentially stated relative to the fixed remuneration.

**Variable remuneration – share-based remuneration**
Describe for each type of share-based remuneration applied:
- To whom the variable remuneration may be granted.
- The purpose of granting each type of remuneration.
- The main conditions for granting the remuneration.
- Characteristics such as term, vesting period, exercise options, principles for determining exercise prices etc.
- Financial framework for granting the remuneration, potentially stated relative to the fixed remuneration. Describe any value ceiling at the exercise time that may apply under the scheme as well as the nominal and/or relative size of the ceiling.
- How the share-based will schemes be covered.
- How the share-based remuneration is handled by the company from a tax perspective.

**Other schemes**

Describe any other schemes e.g. extraordinary incentives, retention bonus or severance schemes.

**Other items relevant for the specific company**

**Publication and entry into force**

When the remuneration policy and the guidelines for incentive pay have been considered and where they have subsequently been published.