

Proposal for general guidelines governing incentive schemes in Aktieselskabet Schouw & Co.

1. Introduction

According to section 69b of the Danish Public Companies Act, the board of directors of a listed company must lay down general guidelines governing incentive remuneration for the company's board of directors and board of management. These guidelines must be considered and approved by the company's general meeting.

For a number of years, Aktieselskabet Schouw & Co. has had incentive schemes that apply to members of the company's board of management, among others. However, it is an overall principle that members of the company's board of directors receive no incentive remuneration scheme.

The purpose of the company's incentive schemes is to establish a strong convergence of interests between the persons eligible under the scheme and the company's shareholders in order to safeguard the short-term and long-term objectives of the company.

These general guidelines therefore apply to incentive schemes for members of the company's board of management, i.e. the persons that from time to time are registered with the Danish Commerce and Companies Agency as members of the management board of Aktieselskabet Schouw & Co.

The guidelines apply to any kind of variable remuneration agreed after 16 April 2008. The guidelines will remain in force until new or amended guidelines are adopted at the general meeting.

Incentive schemes for the board of directors may comprise any kind of variable remuneration, including share-based incentive schemes and non-share-based incentive schemes.

2. Eligibility criteria for participating in incentive schemes

To what extent an individual management board member will be eligible to participate in an incentive remuneration scheme depends primarily on the situation of that individual member. Moreover, the board of directors may attach importance to elements of a more general nature, including in particular the market situation, the company's financial and market position as well as the remuneration level for management board members in other companies.

3. Share-based incentive schemes

The company's share-based incentive schemes include award of options at the discretion of the board of directors and on the following overall terms and conditions:

- The exercise price for the options cannot be lower than the market price for the company's shares at the time of award. The board of directors decides whether the exercise price is to be a fixed price or is to increase over time.
- In connection with each award, the board of directors specifies the vesting period, if any, as well as the earliest and latest date of exercise.

- The award can be effected in such a manner that tax on the profit accruing to the management board member is charged more leniently than otherwise against the company not obtaining a tax deduction for costs relating to the award.
- The present value (i.e. the value at the time of award) of the options is estimated in accordance with the principles for the recognition of the incentive scheme in the company's annual report in compliance with the accounting principles in force from time to time.
- The estimated present value of the options awarded within a given accounting year cannot for an individual member of the management board exceed 50% of the fixed annual salary of the member in question (excluding variable remuneration but including the value of pension and other bonus payments). Awards can be made in each accounting year.
- Information on the conclusion of agreements concerning share-based incentive schemes shall be published in accordance with the relevant rules. The publication shall include information on the scope and terms, including the duration and estimated present value.

The shares required to meet the company's obligations as set out above shall be procured from the company's portfolio of own shares.

4. Non-share-based incentive schemes

The company's non-share-based incentive schemes include for instance bonus schemes and performance contracts. The duration of non-share-based incentive schemes may be one or more accounting years or specified periods of time shorter than an accounting year. The duration may also be unknown at the time of award, e.g. in instances where the remuneration is subject to the occurrence of a certain event. As for share-based incentive schemes, the board of directors may stipulate terms for earning the non-share-based incentive remuneration as well as other conditions or limitations attached to the realisation of the non-share-based incentive remuneration.

The company's non-share-based incentive schemes are established at the discretion of the board of directors and subject to the following overall terms and conditions:

- As regards the company's non-share-based incentive schemes, the payments to an individual member of the management board within a given accounting year will not exceed 50% of the fixed annual salary of the member in question (excluding variable remuneration but including the value of pension and other bonus payments). Awards can be made in each accounting year.
- The present value (i.e. the value at the time of award) of non-share-based remuneration schemes are calculated as the estimated maximum cash value of the remuneration scheme.
- Events that may trigger bonus etc. can be specific financial or operational results or strategic targets for the Schouw & Co. group and/or the attainment of specific personal targets for the board of management member in question.

5. Public announcement

A provision shall be included in the company's articles of association to the effect that the general meeting has adopted guidelines for incentive remuneration to the board of management pursuant to section 69b of the Danish Public Companies Act.

Once approved at the company's annual general meeting, the guidelines will be available on the company's website at: www.schouw.dk

In the event that the general meeting may subsequently resolve to amend the guidelines or introduce new guidelines, information of such amended or new guidelines will also be available on the website.

Specific agreements concerning incentive remuneration cannot be entered until the day after the publication on the website of the guidelines approved in general meeting.

The guidelines were approved by the board of directors of Aktieselskabet Schouw & Co. on 6 March 2008 and will be presented for adoption by the general meeting on 16 April 2008.