Remuneration Policy and Incentive Guidelines

The Board of Directors of Santa Fe Group A/S (the 'Company' or 'Santa Fe' and together with its subsidiaries and affiliates, the 'Group') has approved this remuneration policy (the 'Remuneration Policy') describing the remuneration principles for the Board of Directors and the Executive Board. The Remuneration Policy also sets out the general guidelines for incentive-based remuneration ('Incentive Guidelines') in accordance with section 139 of the Danish Companies Act.

The Remuneration Policy, incl. the Incentive Guidelines, was approved at the Annual General Meeting in March 2017, thereby replacing the guidelines approved at the Annual General Meeting held in March 2015.

Board of Directors
Members of the Board of Directors receive a fixed annual fee for each financial year, as approved at the Annual General Meeting. The Board of Directors does not receive any incentive-based remuneration. Board members' reasonable expenses for travel and accommodation in connection with attending board meetings are reimbursed based on actual cost incurred.

Executive Board
The members of the Executive Board receive a fixed salary and have the option to participate in a long-term incentive programme (as further described below).

The incentive-based remuneration for the Executive Board consists of a long-term incentive program ('LTIP'). The objective of the LTIP is to align the performance of the Executive Board with shareholder interests and to increase value creation in the Company in line with the Group's strategic focus areas as well as the long-term financial performance of the Group. Furthermore, the LTIP is intended to encourage participants to maintain employment within the Group.

The LTIP is a recurring scheme consisting of an annual grant of share options, which will be awarded at the sole discretion of the Board of Directors. In order to participate in each grant of share options under the LTIP, members of the Executive Board are required to acquire and/or hold a number of shares in the Company ('Holding Shares'). The share options may vest subject to fulfilment of certain pre-defined key performance indicators ('KPIs') measured over a performance period of three consecutive financial years, continued employment and retained ownership of the relevant number of Holding Shares. The financial KPIs will be based on financial performance (e.g. EBITDA before special items) measured on a Group level over the course of the performance period or part thereof. The Board of Directors may, among other things, adjust the number of share options granted, the KPIs and/or the exercise price under circumstances, which cannot be directly ascribed to the existing business at the time of grant, such as divestments, acquisitions and certain changes in the Company's capital structure.

Share options having vested may be exercised during open trading windows during a two-year exercise period. Each share option having vested entitles the participant to acquire one Santa Fe share at an exercise price equal to the average closing share price of Santa Fe shares on Nasdaq Copenhagen prior to the respective grant of share options having been made. Exercise of share options having vested is conditional upon continued employment and retained ownership of the relevant number of Holding Shares at the time of exercise. Share options having vested, but not having been exercised during the exercise period, will lapse without notice and without compensation.

The Board of Directors may in certain instances decide to make extraordinary, non-recurring grants under the LTIP, for example in connection with new hires to the Executive Board or related to specific long-term projects or strategies. Such extraordinary grants may be subject to terms different from those described above, for example extended vesting and/or exercise periods or additional minimum shareholding requirements. The Board of Directors may also decide to grant restricted shares to members of the Executive Board and other members of the Management Team, which the recipients forfeit if they resign from the Company during a prescribed performance period.

The value of share options granted may not exceed 30% of the participant's annual base salary (excluding pension and other accessory payments) at the time of grant. The value of the share options granted under the LTIP will be calculated using the Black-Scholes model and will be reflected in the Company's Annual Report. For accounting purposes, the cost of grants under the LTIP will be expensed over the duration of the performance period.

The LTIP is covered by clawback provisions allowing the Company to consider share options as lapsed without compensation or require redelivery of Santa Fe shares delivered upon exercise, if the basis for the granting of share options or the vesting thereof is incorrect due to e.g. miscalculations, false information or fraud.

Termination and severance payment

Employment contracts for members of the Executive Board contain terms and conditions that are common to those of their peers in companies listed on Nasdaq Copenhagen – including terms of notice and non-competition clauses. No severance pay schemes are in place for members of the Executive Board.