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**Remuneration Policy**

**Remuneration policy for the supervisory board and group management of Dalhoff Larsen & Horneman A/S ("DLH")**

The guidelines concern remuneration of DLH’s group management (“Group Management”) and supervisory board.   
  
**1. General principles for remuneration of the supervisory board**The supervisory board regularly assesses the fees paid to the board based on recommendations from the chairmanship. In making its recommendations, the chairmanship is guided by relevant benchmarks.   
  
Remuneration of the supervisory board for the present year is approved at the annual shareholders’ meeting each year.   
  
The remuneration of the supervisory board comprises solely a fixed base salary and as such is not incentive-based. This ensures that the supervisory board safeguards the company’s long-term interests without taking into consideration what this may mean in terms of the value of incentive-based remuneration.   
  
The supervisory board’s basic fee is set at a level that conforms to the market and reflects the members’ competencies and efforts given the complexity of the group, the scope of the work, and the number of board meetings.   
  
Board members receive a fixed basic fee, while the remuneration for the chairman is two times as big and for the vice chairman one and a half times as big. In addition, the chairman of the auditing committee receives a supplementary remuneration corresponding to one half times the annual fixed remuneration. Other members of the auditing committee will no longer receive supplementary remuneration. The supervisory board may propose to the shareholders' meeting that one or more members of the supervisory board shall receive an additional fee of up to twice the fixed basic fee for undertaking specific tasks.   
  
Travel and accommodation expenses, etc., in connection with board meetings and expenses associated with any relevant training are paid on submission of receipts.   
  
**2. General principles for remuneration of Group Management**   
The total remuneration to a member of Group Management shall be competitive in comparison with other comparable companies in Denmark and the rest of Europe. The elements of the total remuneration are put together on the basis of market practice and the Group’s specific requirements.   
  
The supervisory board wishes to incentivize Group Management to ensure continued positive development of DLH and, as a result, good value creation for DLH’s shareholders. The board considers that the best results are achieved when a relatively high proportion of the management members’ total remuneration is dependent on achievement of the management member’s individual targets and DLH’s short- and long-term targets.   
  
**3. Total remuneration to members of Group Management**

The total remuneration to members of Group Management comprises:

(i) a fixed base salary and certain other benefits in kind   
(ii) a short-term incentive scheme (cash bonus)   
(iii) a synthetic share-based incentive scheme for selected members of Group Management (cash bonus)   
  
Group Management has a defined contribution pension scheme, with the pension contribution representing 9.4% of the base salary.   
  
Group Management has a number of work-related benefits at its disposal, for example a company car, free telephone and other benefits related to the position. The scope and level of the individual benefits are negotiated with the individual management member.   
  
The contract of employment for each member of Group Management also includes a termination clause that entails payment of an amount of 12 times the monthly salary (base salary and pension contributions).

To ensure that the total remuneration is competitive, the supervisory board has decided that the variable component (cash bonus and share-based remuneration) of the total remuneration should be relatively large.   
  
**4. Publication of the guidelines**These guidelines have been approved at DLH’s annual shareholders’ meeting on April 12, 2012 and updated at DLH's annual shareholders' meeting on April 28, 2017 and are published on the company’s website ( [www.dlh.com](http://www.dlh.com/) ) immediately after approval by the shareholders' meeting.