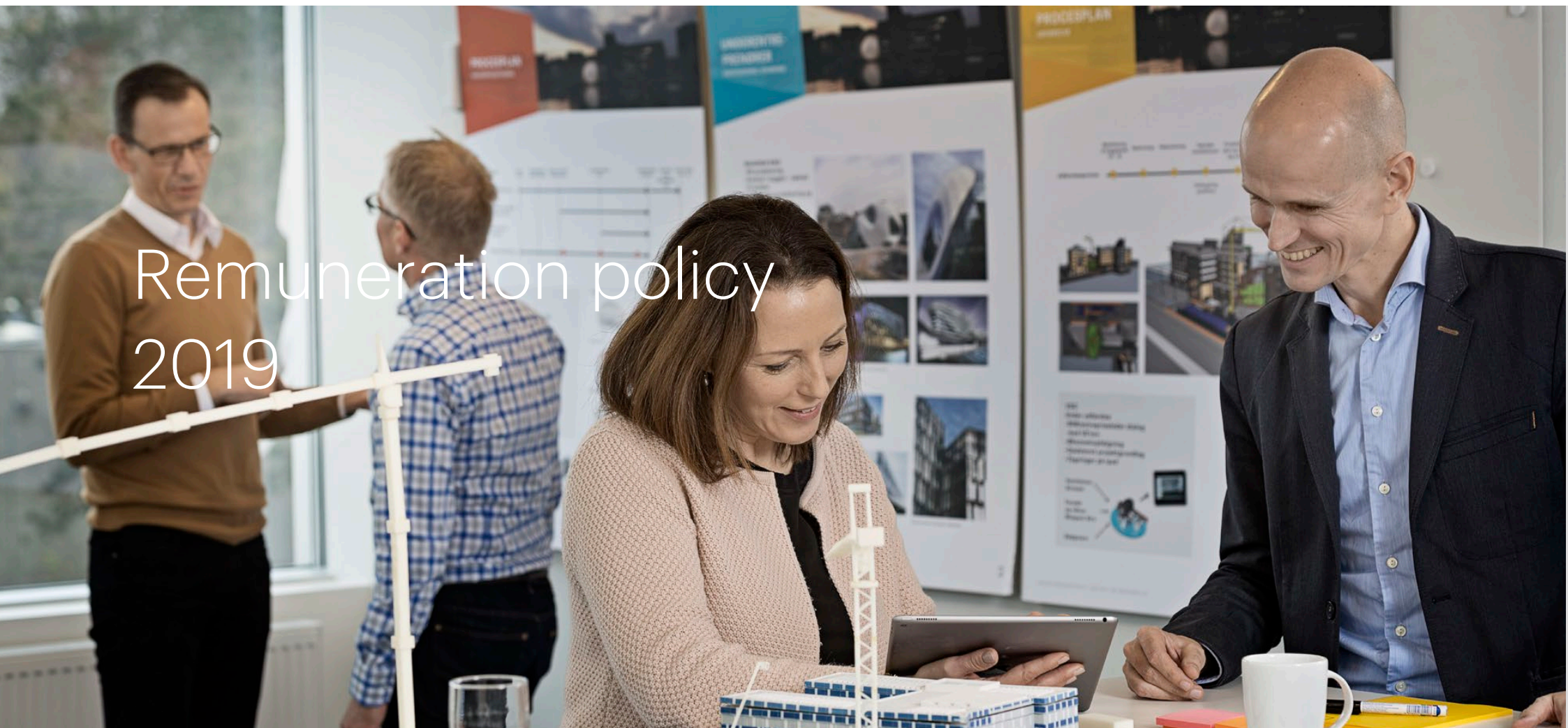


Remuneration policy  
2019



# Contents

## REMUNERATION POLICY

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# Remuneration policy

The Board of Directors of MT Højgaard Holding A/S, CVR 16888419 (the Company or MTHH) has adopted this remuneration policy on the basis of recommendations issued by the Committee on Corporate Governance.

The remuneration policy includes MTHH's general guidelines for incentive pay in accordance with section 139 of the Danish Companies Act. The remuneration policy sets out the framework for remuneration received by the members of the Board of Directors and the Executive Board of MTHH. The Executive Board should be understood to mean the executive officers registered with the Danish Business Authority as executive officers.

The overall objective of this remuneration policy is to ensure that the interests of the Company and those of its Board of Directors, Executive Board and shareholders are aligned, and to keep the Executive Board motivated to meet the targets set by the Board of Directors. The policy is also designed to attract, retain and motivate key executives with the professional, technical and personal skills required to run the company. By enabling the Company to offer the Executive Board incentive pay, the remuneration policy also helps drive the achievement of the Company's

general objective of creating high, long-term value for its shareholders and a high degree of alignment between the interests of the Executive Board and the shareholders' interests in increased value creation. The Board of Directors must evaluate management remuneration at frequent intervals on the basis of recommendations from the Remuneration Committee. In formulating its recommendations, the Remuneration Committee is guided by relevant comparisons with other companies.

## REMUNERATION – BOARD OF DIRECTORS

The members of the Board receive fixed annual remuneration that is approved at the Company's Annual General Meeting every year for the current financial year. No Board members are entitled to receive variable or incentive-based pay. The annual remuneration must be in accordance with market practice, taking into account the required skills, duties and the nature of the work.

All Board members receive the same annual base remuneration, while the Chairman receives 3x the fixed base remuneration and the Deputy Chairman 1.5x the fixed annual base remuneration. The amount of the fixed remuneration must be linked to the skills, duties and the scope of the required work.

Board members may receive a separate fee for Committee work. Such fees must be determined by the Board of Directors after considering the precise scope and workload

associated with such Committee work and must also be approved by the shareholders in general meeting.

Expenses such as travel and accommodation in connection with Board meetings and relevant training may be reimbursed by the Company.

## REMUNERATION – EXECUTIVE BOARD

The Board of Directors is of the opinion that a combination of fixed remuneration and performance-related pay is instrumental in ensuring a competent, value-creating Executive Board and ensuring remuneration that reflects the shareholders' interests in the form of value creation and supports the Company's goals.

To enable the Group to attract and retain the desired talent to execute and optimise the Board of Directors' wishes, a competitive remuneration package is a key element.

The Board of Directors considers and decides the Executive Board's remuneration based on proposals from the Remuneration Committee. The Executive Board's remuneration is benchmarked annually against remuneration in comparable companies.

The remuneration package of the Executive Board consists of a base salary, a short-term cash bonus and a long-term incentive scheme (share-based or bonus-based). The Executive Board also receives special non-monetary

benefits such as a company car, telephone, etc. Expenses incurred by the Executive Board in connection with travel, conferences, education etc. will be reimbursed by the Company.

Members of the Executive Board do not receive pension contributions in addition to their fixed base salary.

The annual bonus programme (short-term bonus) covers up to between approx. 3-3.6 months and max. 6-7.2 months of the fixed monthly base salary per financial year. The range covers the relationship between maximum bonus and base bonus.

The annual bonus schemes are one-year agreements the purpose of which is to reward the achievement of short-term targets.

The annual bonus payments are subject to objectives being met in full or in part. Objectives are primarily based on attainment of financial targets defined in the individual one-year bonus agreements. The annual bonus agreements may be tied to personal targets.

## LONG-TERM BONUS PROGRAMME

In order to create a balance between the short-term focus and the long-term strategic focus, the Board of Directors may set up a long-term bonus programme (LTI).

The Executive Board and a limited number of other employees may be offered participation in the incentive scheme and the scheme may consist of an investment on the part of the employee, corresponding to 50% of the short-term bonus earned – defined as “LTI amount”.

The LTI amount is converted to shares purchased at MTHH’s market price or an average market price over a period determined by the Board of Directors.

Shares under the LTI programme are accounted for as part of MTHH’s holding of treasury shares.

Shares under the LTI programme are frozen for a three-year period (“the vesting period”) before they are released and can be made subject to additional conditions, such as continued employment. In addition, the market value of the shares at the release date must not exceed two years’ base salary at the vesting date.

During the vesting period, the employee may earn free shares (once a year, ie up to three times), paid by the Company, which may not exceed 1/2 extra free share per year/share relative to the LTI portfolio, but may also result in deductions in the share LTI portfolio by up to 1/2 share per year/share. In the event of unsatisfactory results, the participant thus risks losing both contributed and any vested free shares.

Vesting/adjustment of free shares can be tied to the Company’s share price performance and the generation of cash flows compared with the approved budget and can be made subject to other forms of restrictions, such as a requirement concerning the payment of dividends by MTHH. However, the requirement concerning the payment of dividends cannot apply to the award of free shares until from 2020 at the earliest.

The total accumulated award of free shares to all participants (diluting effect) is capped at 5% of the Company’s share capital.

The LTI programme is subject to “claw-back” provisions, so that adjustment may be made for the first 12 months following the conversion of the LTI amount if it turns out that bonus has been calculated on the basis of fraud or gross negligence.

Executive Board contracts and bonus targets are recommended by the Remuneration Committee for final approval by the Board of Directors.

#### **SHARE-BASED PAY (OLD-TERM PROGRAMME)**

In 2014, under the auspices of MT Højgaard, the Group set up a warrant programme for the members of the Group’s management team. The programme runs for the period until 2020.

For each warrant purchased, the individual member will be granted one warrant free of

charge. Under the warrant programme, members are entitled to buy/receive warrants every year up to an accumulated cap corresponding to 5% of the Company’s share capital.

For 2018, the balance up to the 5% cap was used. The grants made in 2014 and 2015 expired in March 2019, which means that only outstanding warrants for the 2018 grant remain. These warrants can be exercised until March 2020. No further grants will be made under this programme.

#### **NOTICE PERIOD**

MT Højgaard Holding can terminate the employment of a member of the Executive Board with up to 18 months’ notice, which meets the relevant recommendations in the report on corporate governance.

#### **SEVERANCE PAY**

No severance pay is paid in connection with termination.

#### **PUBLICATION**

The remuneration policy is available on the Company’s website ([www.mthh.com](http://www.mthh.com)) and shows the date of adoption.

Søborg, 5 April 2019

## **BESTYRELSE**

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**Carsten Dilling**  
Chairman

**Anders Lindberg**  
Deputy Chairman

**Christine Thorsen**

**Morten Hansen**

**Ole Røsdahl**

**Pernille Fabricius**