

## Remuneration policy of Per Aarsleff Holding A/S

This remuneration policy describes the principles of the remuneration package for the company's Board of Directors and Executive Management. The Executive Management is defined as executives registered with the Danish Business Authority as members of the Executive Management of Per Aarsleff Holding A/S ("the company").

The overall goal of the remuneration policy is to ensure long-term value creation for the company's shareholders as well as sound and efficient risk management to the benefit of the stakeholders of the company.

The specific remuneration for the Board of Directors and the Executive Management is stated in the Annual Report.

The remuneration policy is reviewed annually by the company's Remuneration Committee. The remuneration policy and amendments hereto shall be adopted by the Board of Directors and approved at the company's annual general meeting.

### Remuneration of the Executive Management

Members of the Executive Management are employed under executive service contracts, and the terms of the contracts are reviewed once a year, including the size of the remuneration.

The total remuneration package of the members of the Executive Management shall be composed so that the company can retain and attract a competent executive management.

The complete remuneration package for the Executive Management consists of a fixed basic salary, a long-term incentive scheme with matching shares (see separate section on incentive remuneration guidelines) and other usual non-monetary salary-related benefits such as car, telecommunication and newspaper. The matching shares incentive scheme shall ensure continuity with the company's long-term value creation.

The Executive Management does not receive bonuses. However, in order to retain managerial expertise, it may be decided to introduce a retention bonus, loyalty bonus or similar bonus schemes provided that the total value of the schemes does not exceed 125% of the manager's fixed salary in the year of disbursement. Such schemes shall be valid for a period of at least two years.

The Executive Management is evaluated by the Board of Directors once a year according to predetermined criteria.

The notice of termination is up to 12 months for both parties. Redundancy pay cannot exceed remuneration corresponding to 12 months.

### Overall guidelines for incentive remuneration concerning the Board of Directors and the Executive Management, cf. the section 139 of the Danish Companies Act

The incentive scheme for the members of the Executive Management consists of a right to receive matching shares in the company. The incentive scheme must contribute towards retaining the members of the Executive Management in the company and form part of an attractive remuneration package.

To ensure alignment between the share-based remuneration and the long-term value creation for the company, the incentive scheme includes a vesting period and is revolving, i.e. the right to matching shares is granted for the respective calendar year in 2018, 2019 and 2020, and matching shares are allocated in 2021, 2022 and 2023 respectively. The Board of Directors has the authority to decide that the incentive scheme shall continue after 2020.

Each calendar year, the individual member of the Executive Management can be granted the right to matching shares at a value amounting to no more than 10% of the fixed annual basic salary of the member of the



Executive Management. The value of the matching shares granted for each calendar year by the company must not exceed more than 50% of the annual basic salary of the member of the Executive Management at the time of vesting.

In order to be granted the right to matching shares, the member of the Executive Management must in a trading window further specified by the Board of Directors in the calendar year in question make a new purchase of B shares in the company at the market price at the time of the purchase and thereafter deposit the shares. The right to matching shares is subject to a three-year vesting period during which the purchased B shares must be deposited.

Each member of the Executive Management must buy B shares in the company in each calendar year at an amount corresponding to minimum 5% and maximum 10% of the basic annual salary of the member of the Executive Management in order to be granted the right to matching shares.

Each individually purchased B share entitles the member of the Executive Management to receive one B share in the company free of charge. However, the Board of Directors may decide at any time to carry out a cash settlement instead of granting B shares in the company.

The present value of the incentive scheme for the members of the Executive Management corresponds to the market capitalisation of the total number of B shares in the company purchased by the members of the Executive Management and which provides the members of the Executive Management with the right to receive an equivalent number of B shares in the company free of charge subject to the terms of the incentive scheme.

The vesting is based on the condition that the member of the Executive Management is still employed at the time of vesting. If the member of the Executive Management leaves the company as a "bad leaver" before the time of vesting, the member of the Executive Management will lose the right to matching shares that are not vested at the date of resignation.

The incentive remuneration can take place on terms resulting in an advantageous taxation of the individual member of the Executive Management, including that the company does not obtain a tax deduction for costs related to the granting.

In case of changes in the company's capital structure, the Board of Directors may decide to adjust the rights granted to matching shares. If the company ceases to exist due to a merger or demerger, the Board of Directors may decide to bring forward the vesting of matching shares or grant new equity instruments. Also, in the event of a takeover bid, liquidation and delisting of the company there will be an automatic vesting of matching shares.

The Board of Directors has the right to alter or cancel the incentive scheme, provided that such alteration complies with the general guidelines of this policy and provided that this does not affect the general scope and object of the incentive scheme.

Realisation of the incentive remuneration can take place by the company's purchase of B shares, application of own B shares or by cash settlement.

Specific agreements on incentive remuneration for the Executive Management or alterations outside the framework of this remuneration policy must be adopted at the annual general meeting and published on the company's website before becoming effective.

### **Remuneration of the Board of Directors**

The company's Board of Directors receives a fixed fee. The board members do not participate in incentive schemes.

The level of the remuneration of the Board of Directors shall be market consistent and match the level in comparable, listed companies and shall take into consideration the responsibility and scope of the board work as well as the required competencies of the board members.



The Chairman of the Board of Directors, the Deputy Chairman as well as board members who are also members of one of the board committees receive the ordinary board remuneration plus a multiple thereof. The Chairman and the Deputy Chairman receive 2 times the ordinary board remuneration and 1 times the ordinary board remuneration, respectively. Other board members who are also committee members receive a remuneration of DKK 90,000.

The remuneration is stated in the Annual Report.

To be approved at the annual general meeting on 31 January 2019.