

## **GOODVALLEY REMUNERATION POLICY**

### **1. Introduction**

This remuneration policy includes the general guidelines for remuneration to the Board of Directors and the Executive Board in Goodvalley A/S (the "Company") and incentive program for the Executive Board. The "Executive Board" means the members of the executive board registered with the Danish Business Authority. Under Section 139 of the Danish Companies Act the board of directors of a listed company must, before it enters into a specific agreement on incentive pay with a member of the company's Board of Directors or Executive Board, lay down general guidelines for the company's incentive pay to the Board of Directors and the Executive Board. The guidelines must be considered and adopted by the company's general meeting.

### **2. General principles for the remuneration of the Board of Directors**

The members of the Board of Directors receive a fixed annual fee determined on the basis of the scope and nature of the work, the requirement as to the members of the Board of Directors' qualifications and compared to the fees in comparable listed companies. The Chairman and Vice Chairman and the members of the audit committee receive an additional amount for their additional work. Remuneration for ad hoc work can also be paid. The Board of Directors is not covered by a pension scheme. The Board of Directors does not receive any incentive pay. Any expenses relating to meetings in the Board of Directors and committee meetings as well as travel expenses etc. paid in the interest of the Company will be reimbursed according to submitted documentation.

The fees to the Chairman, Vice Chairman, the members of the Board of Directors and the committees are disclosed in the annual report and will be presented for adoption at the Annual General meeting when the Board of Directors will also present the proposed fee for the current financial year.

### **3. General principles for remuneration of the Executive Board**

In order to attract and retain managerial skills the elements of the remuneration to the Executive Board have been determined in consideration of its tasks and value creation as well as the terms and conditions offered to executives of other Danish companies. The remuneration of the Executive Board may include a fixed salary, pension, an annual cash bonus, long-term cash and share-based incentive schemes as well as other usual benefits. Each remuneration element is ranked on the basis of the wish to ensure the Company's continued positive development in both the short and the long term. Furthermore, at the appointment of a new member of the Executive Board the Company may grant a sign-on bonus to compensate the new member of the Executive Board in whole or partly for documented losses derived from the candidate terminating a contract with his or her previous employer.

### 3.1 Fixed salary

The fixed salary remunerates the Executive Board for the day-to-day work and ensures a well-balanced general remuneration package. The members of the Executive Board shall not receive any separate compensation for holding seats on the board of directors of the Company's subsidiaries.

### 3.2 Pension

The members of the Executive Board are covered by the Company's defined contribution pension and insurance scheme.

### 3.3 Benefits

The members of the Executive Board are entitled to the usual benefits, including various IT equipment, broadband connection at home, mobile telephone, etc.

### 3.4 Terms of termination

The Company may terminate the employment relationship by giving 12 months' notice. Members of the Executive Board may terminate the employment relationship with the Company by giving 6 months' notice.

### 3.5 Incentive pay

The Board of Directors believes that the Company depends on high-level managerial resources. The Board of Directors also believes that incentive pay to the Executive Board can be a useful tool to ensure the Company's long-term value creation for the shareholders. Incentive pay will be designed for the purpose of attracting, retaining and motivating the members of the Executive Board. Whether a member of the Executive Board is covered by an incentive program, and which agreement(s) that is/are specifically concluded, will depend on whether the Board of Directors finds it expedient for the purposes of creating aligned interests between the Executive Board and the shareholders, taking into account both short-term and long-term objectives. In addition, the Executive Board's performance so far and its expected performance, the regard for motivation and loyalty as well as the Company's situation and development can also be relevant factors. The incentive programs will be based on fulfilling one or several parameters determined by the Board of Directors. Specific agreements on incentive programs with members of the Executive Board will be subject to the following guidelines.

#### 3.5.1 Short-term incentive plans (STIP)

The STIP consists of an annual bonus that the individual member of the Executive Board can receive if specific targets for the Company and any personal targets for the year in question have been fulfilled. The STIP bonus sets a target at 35% and a maximum of 70% of the CEO's

fixed yearly salary and a target of 25% and a maximum of 50% of the member's fixed yearly salary for the other of each participating members of the Executive Board. The targets for the Executive Board are determined by the Remuneration Committee following preceding discussions with the Executive Board and the Board of Directors.

### 3.5.2 Other cash bonus plans

In addition to the short-term and long-term bonus plans, other bonus plans can be established in specific situations which can result in cash bonuses of up to 50% of a member of the Executive Board's fixed salary. Such plans can be established with the result that they enter into force after the occurrence of a special event as a one-off payment for example in connection with specific retention needs or in other situations where the Board of Directors finds its relevant.

### 3.5.3 Long-term incentive plans (LTIP)

The LTIP consist of a share-based program (based on performance share units ("PSU's")) and sets a target of 35% and a maximum of 70% of the CEO's fixed yearly salary and a target of 30% and a maximum of 60% of the member's fixed yearly salary for the other members of the Executive Board's. The lock-up period of PSU's received within the LTIP is 3 years from the date of granting the PSU's to the participant in the LTIP.

### 3.5.4 Repayment of variable salary components

In the event of any gross breach or if a short-term or long-term bonus or other incentive pay has been paid based on accounts that turn out to contain serious errors, the Company may demand repayment in whole or in part of the bonus or other incentive pay.

## 4. Publication and commencement

The Company's Articles of Association contain a provision that the general meeting has adopted guidelines for incentive pay to the Executive Board, see section 139 of the Danish Companies Act. Following the adoption by the Company's annual general meeting on 10 April 2018 the guidelines will promptly be made public on the Company's website ([www.goodvalley.com](http://www.goodvalley.com)). If the general meeting should subsequently amend the guidelines, the revised guidelines will also promptly be made public on the Company's website with information about when the general meeting approved the guidelines.

Adopted by the Board of Directors on 28 February 2018