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**Performance remuneration**

**General guidelines for performance remuneration of the Group Management, cf. section 139 of the Danish Companies Act**
Pursuant to section 139 of the Danish Companies Act, before a public limited company can enter into a specific agreement for incentive-based remuneration with a member of its management, the company’s supervisory board must set general guidelines for incentive-based remuneration for the company’s management.

Dalhoff Larsen & Horneman A/S (“DLH”) has used incentive programmes for the company’s Group Management and employees for many years, whereas the supervisory board has not received incentive-based remuneration.

The present guidelines concern remuneration of DLH’s Group Management (“Group Management”) (presently 1 member) including incentive programs (variable remuneration) for Group Management, and have been drawn up in accordance with section 139 of the Companies Act.

The main purpose of the guidelines is to create a framework for the variable salary component in due consideration of the company’s short- and long-term targets.

Agreements for incentive-based remuneration entered into prior to adoption of the present guidelines will continue on the terms agreed.

**1. Total remuneration to members of Group Management**
The total remuneration to members of Group Management comprises:

(i) a fixed base salary plus company car 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)

**2. Guidelines for the short-term incentive scheme for Group Management**Individual members of Group Management can achieve an annual cash bonus of up to 30% of the fixed base salary calculated on the basis of the most recently approved fixed salary. The aim of the cash bonus is to increase focus on the targets set. The general guidelines for this are as follows:

• The management member receives an annual cash bonus, the size of which depends on the degree of fulfilment of the individual targets the management member has previously agreed with the company’s chairman.

• The size of this bonus may not exceed an amount equivalent to 30% of the fixed base salary calculated on the basis of the most recently approved fixed salary.

**3. Guidelines for the synthetic share-based incentive scheme**Group Management may - on terms decided by the supervisory board - be offered a synthetic share-based incentive scheme based on a positive development in the price of the company's shares. This synthetic share-based incentive scheme can result in a bonus of a maximum of one year's base salary which is to be paid in addition to other incentive agreements made with the members of Group Management.

**4. Changes to and winding up of incentive programs**The supervisory board may change or wind up an incentive program introduced in accordance with the present guidelines. Such changes may, however, only be made within the framework of these guidelines. More extensive changes shall be approved by the annual shareholders’ meeting. Criteria in assessing whether this is necessary include among other things development of the company, changes to legislation, foreign exchange controls, regulation by public authorities, or similar.

Agreements for incentive-based remuneration entered into prior to adoption of the present guidelines will continue on the terms agreed.

**5. Special tasks**In special situations where it is considered appropriate by the supervisory board to perform special tasks or where, in the opinion of the supervisory board, a special effort is required, the supervisory board may enter into other agreements with the Group Management which may result in payment of an additional bonus of up to one year's base salary.

**6. Publication of the guidelines**
These guidelines have been approved at DLH’s annual shareholders’ meeting on April 12, 2012 and updated at the annual shareholders’ meeting on April 28, 2017. The guidelines have been published on the company’s website ([www.dlh.com](http://www.dlh.com/)) immediately after approval by the shareholders' meeting. In addition, in accordance with section 139.2 of the Danish Companies Act, a clause has been inserted in the company’s Articles of Association to the effect that the company has adopted guidelines for incentive-based remuneration of the company’s management.