

# General guidelines for incentive remuneration to the board of directors and the executive management

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Nordic Waterproofing Holding A/S

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## 1. Introduction

### 1.1

This document constitutes the general guidelines as approved by the general meeting of Nordic Waterproofing Holding A/S (the "Company") for incentive programs which may be offered to members of the board of directors and the executive management of the Company in addition to their fixed annual salary.

The board of directors and the executive management includes board members and executives in the Company registered as such with the Danish Business Authority (*Dk. Erhvervsstyrelsen*).

### 1.2

Pursuant to Section 139 of the Danish Companies Act, the board of directors of a Danish company admitted to trading on a EU regulated market must in advance of entering into a specific agreement about incentive remuneration with a member of its board of directors or the executive management, adopt general guidelines for the company's incentive remuneration for the board of directors and the executive management. Such guidelines shall be approved by the company's shareholders at a general meeting.

### 1.3

Agreements about incentive remuneration for members of the board of directors or executive management entered into before the adoption of these guidelines will continue on the already agreed terms. Any amendment of existing agreements as well as conclusion of new agreements with the members of the board of directors or the executive management shall be subject to the below guidelines and may at the earliest be entered into on the day after the approved guidelines have been published on the Company's website.

## 2. The purpose of incentive remuneration

### 2.1

The overall objectives of these guidelines are to attract, motivate and retain qualified members of the board of directors and the executive management. The board of directors believes that incentive remuneration to the board of directors and executive management is essential to create an incentive for the Company's board of directors and executive management to ensure the Company's short and long-term goals and to promote value creation for the benefit of the shareholders of the Company.

## 3. Incentive remuneration components

### 3.1

Members of the Company's board of directors and executive management receive a fixed annual remuneration.

In addition, members of the board of directors and executive management may receive incentive-based remuneration consisting of a cash bonus (including cash bonuses based on development in the share price (phantom shares or similar)) - on both an ongoing, single-based and event-based basis.

Members of the executive management may also receive incentive-based remuneration consisting of performance share rights.

## 4. Cash bonuses

### 4.1

Cash bonus schemes may consist of an annual bonus which the individual member of the board of directors and the executive management can receive if specific targets of the Company and other possible personal targets for the relevant year are met. The maximum cash bonus shall be equivalent to 100 percent of the fixed base salary of each eligible participant from the board of directors and the executive management. Payment of bonus is only relevant when conditions and targets have been fully or partly met (as agreed). If no targets are met, no bonus is paid out.

### 4.2

Targets for the board of directors shall be agreed upon by the board of directors and the nomination committee. Targets for the executive management shall be agreed upon the board of directors and the executive management.

### 4.3

Other bonus schemes that may lead to cash bonuses of up to 100 percent of the base salary may be made in special cases. Such schemes shall typically be made so as to take effect upon the occurrence of a specific event. Subject to the restrictions of applicable law, specific events can be the acquisition of a controlling interest in a company, the completion of a takeover bid, or the completion or reaching of other significant transactions or objectives.

## 5. Performance share rights

### 5.1

The board of directors will on an annual basis decide whether or not to establish a LTI program for the Nordic Waterproofing group for the coming calendar year. The LTI program will be based on performance share rights ("Performance Share Rights"). Each Performance Share Right will entitle the recipient to receive one share in the Company free of charge after a three year vesting period, provided the targets for vesting are met.

When a LTI program is established, the members of the executive management may participate with an awarded value of Performance Share Rights for the grant year of up to a maximum of 40 percent of the annual base salary (at the time of grant). The value of the Performance Share Rights, and thereby the possible maximum Performance Share Right allocation, will be calculated on the basis of the Company's average closing share price the last 10 banking days of the month prior to the date where the decision to establish a LTI program is adopted by the board of directors. Where applicable, the valuation will be based on an option model. Any changes in the share price between the time of calculation of the value of the Performance Share Rights and the time of grant of the Performance Share Rights will not affect the possible maximum Performance Share Right allocation.

Performance Share Rights granted under a LTI program will vest after three years from the date of grant. The targets for granting and/or vesting, if any, will be defined by the board of directors and may include financial and strategic targets of the Company as well as individual targets. If none of the targets are met, none of the Performance Share Rights will be granted/will vest. It is a prerequisite for the executives management's vesting rights that their employment with the Company is not under notice or terminated for any reason by any party throughout the vesting period. This prerequisite may not apply in certain "good leaver" situations.

In the case of an event that significantly changes the basis for the grants, or changes the activities and the strategies of the Company, the board of directors reserves the right to, during the entire vesting period, reduce the number of LTI Instruments awarded to any member of the executive management.

The board of directors will seek the general meeting's approval separately for LTI programs that are not part of the annual LTI program.

## **6. Publication**

### **6.1**

These guidelines shall be referred to in the Company's articles of association and published on the Company's website ([www.nordicwaterproofing.com](http://www.nordicwaterproofing.com)).

### **6.2**

These guidelines shall remain in force until the general meeting adopts new or amended guideline.

*Approved by the board of directors on 30 March 2017 as well as presented to and adopted by the general meeting of Nordic Waterproofing Holding A/S on 27 April 2017.*

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