

30. April 2014

## **General guidelines on incentive schemes for members of the Board of Directors and the Executive Board of SP Group A/S and senior managers pursuant to section 139 of the Danish Public Companies' Act**

Section 139 of the Danish Public Companies' Act requires listed companies to define general guidelines for the company's incentive pay to members of its board of directors and executive board prior to making any specific agreements in this respect with any member of the company's board of directors or executive board. The guidelines and any changes hereof must be considered and adopted by the company's shareholders at a shareholders' meeting.

### **General principles**

The Board of Directors believes that incentive schemes are required to ensure that SP Group can attract and retain qualified managers. The Board of Directors intends for the company to closely align the interests of its managers with those of the Group, reward them for their contribution to long-term value creation and embed the principle that managers and shareholders have a common interest in a rising share price.

SP Group's previous incentive schemes have all covered multi-year periods in order to promote long-term behaviour among managers. Such principles will also apply in future.

Therefore, the guidelines for share-based schemes for members of the Executive Board and senior managers is amended whereby the relevant Exercise dates for the share-based schemes from 2010 and later may be prolonged from one year up to three years.

Incentive schemes may consist of any kind of variable pay, including various share-based instruments such as share options, warrants and non-share-based bonus agreements.

### **The Board of Directors**

Members of the Board of Directors receive a fixed remuneration, the amount of which is approved by the shareholders in general meeting. The Chairman and the Deputy Chairman receive special remuneration. Members of the Board of Directors are not offered share options, warrants or other incentive schemes.

### **The Executive Board**

Members of the Executive Board (i.e. executives registered with the Danish Commerce and Companies Agency) are eligible for the following incentive schemes:

- 1) non-share-based bonus schemes, and
- 2) share-based schemes.

1) A non-share-based scheme, which is typically a bonus scheme or a performance-related contract, may have a term of one or more years and/or it may be subject to a specific event occurring. Retention bonuses, loyalty bonuses or the like may also be applied.

Payment of bonus depends on whether the conditions and benchmarks defined in the agreement have been fully or partly met. Such benchmarks may relate to the personal per-

formance of the executive concerned, to the financial performance of SP Group, to the financial performance of one or more of SP Group's business units or to the occurrence of a specific event.

No bonus scheme had been established for the members of the Executive Board at the date these guidelines were approved, but the Board of Directors regularly evaluates whether allowing a bonus to form part of the overall remuneration to the Executive Board would be appropriate. The Board of Directors determines and approves the criteria and scope of any bonus. In addition, the Board of Directors will consider awarding a bonus to senior managers.

The annual bonus to members of the Executive Board and senior managers will as a general rule not exceed six months' pay.

2) The Board of Directors determines whether the company should establish share-based schemes as well as the criteria governing such schemes within the guidelines approved by the shareholders in general meeting. Senior managers may also be eligible for share-based schemes.

An awarded share instrument will vest gradually over a period of time from the date of award. Share-based instruments cannot be exercised until three years from the date of award and must be exercised not later than six years from the date of award.

The exercise price of a share instrument must at least equal the market price of the company's shares at the date of issue, and interest is added annually until such time as the share-based instrument is exercised.

The estimated present value of the share-based incentive programmes covered by these guidelines is determined on the basis of a calculation made in accordance with the International Financial Reporting Standards (IFRS).

#### **Commencement of specific agreements on incentive pay**

A provision will be introduced in the company's Articles of Association stating that the shareholders have adopted guidelines for incentive pay for members of the Executive Board pursuant to section 139 of the Danish Public Companies Act.

These general guidelines have been approved by the shareholders in general meeting on 30 April 2014, and posted on SP Group's website, [www.sp-group.dk](http://www.sp-group.dk), on 1 May 2014.