

Guidelines for remuneration to the executive management 2013

The Board's proposal regarding principles for remuneration to the management, consisting of the CEO and six persons (executive management), is prepared by the remuneration committee. The Board passes a decision on the proposed principles. The principles are the adopted by the AGM.

In handling matters related to remuneration, external advice is sought when necessary.

The main principle is to offer senior executives market based remuneration and other terms of employment. Actual levels of remuneration are determined on the basis of factors such as expertise, experience and performance.

The board may deviate from these guidelines on an individual basis if there are particular reasons on hand.

Total remuneration includes:

- **Basic salary**

Basic salary for the CEO and other senior executives is reviewed yearly.

- **Variable salary**

Variable salary shall be paid in relation to the performance goals achieved by the company as a whole as well as the operational goals achieved by the individual or unit in question.

Variable remuneration shall amount to not more than 70 percent of the basic salary.

- **Pension benefits**

Retirement age for the CEO is 62 years and for other senior executives 65 years.

All pension benefits are so called defined pension premiums. This means the company pays an individually agreed defined pension premium for every senior executive. There are no other pension obligations.

- **Other benefits**

Senior executives are entitled to a company car or other benefit of equal value. All senior executives are entitled to healthcare insurance.

- **Termination benefits**

The employment agreement with the CEO specifies a notice period of twelve months in the event of dismissal by the company and termination benefits corresponding to 12 months' salary after the notice period. For other senior executives there is a notice period of six months in the event of dismissal by the company with termination benefits equal to six months' salary after the notice period. During the notice period, actual employment agreements run with benefits according to the agreement. In cases where termination benefits are received, no other benefits are payable.