

Remuneration of the Board of Directors, Executive Management and employees in J. Lauritzen A/S

Principles of remuneration

Remuneration in JL reflects the content of the position, personal performance and achievements as well as market relevant conditions in comparable companies.

The remuneration package may apart from salary consist of other elements such as certain insurances, company car, telephone, and newspaper subscriptions.

The remuneration package should contribute to attracting, retaining and motivating management and employees.

Remuneration of the Board of Directors

Members of the Board of Directors receive a fixed compensation which, prior to the annual General Assembly, is set at a level which reflects the scope of the task and its character and in relation to compensation in comparable companies.

Members of the Audit Committee and the Nomination and Remuneration Committee receive a separate compensation.

No pension contributions are payable on Board member fees. Nor are Board members covered by incentive programmes.

Fees to the Chairman, the Vice Chairman and the individual Board members are disclosed in JL's annual report.

Remuneration of the Executive Management

Remuneration of the Executive Management consists of a fixed and variable compensation. The latter consists of a bonus scheme.

The fixed compensation is assessed once a year by the Nomination and Remuneration Committee.

The variable compensation consists of a bonus scheme based on achievements of specific goals set by the Nomination and Remuneration Committee. Bonus scheme goals are related to JL's EBITDA and individual KPI's. The bonus share cannot exceed 50% of the annual gross compensation, but may deviate positively from this if justified by extraordinary circumstances.

The total remuneration of the Executive Management distributed on the fixed and variable compensation is disclosed in JL's annual report.

Individual termination conditions apply for the Executive Management.

Remuneration of managers and employees

All employees receive a fixed compensation which is assessed on the basis of the above mentioned principles of remuneration.

The Executive Management may decide to implement bonus schemes in specific parts of the organisation and nominate which employees are to be covered by the bonus scheme as well as the individual recipient's share of the overall bonus pool. Each bonus scheme is based on goals approved by the Nomination and Remuneration Committee.

Moreover, the Executive Management may establish retention schemes for certain key employees. Whenever such schemes apply for Vice Presidents or above, they must be approved by the Chairman of the Nomination and Remunerations Committee.

Communication of the remuneration policy

The remuneration policy is published on the company's official website.

Approved at the meeting of the Nomination and Remuneration Committee on 19 February 2018.