

## **Remuneration policy**

### **Principles of remuneration**

Remuneration of DFDS' management and staff takes place in relation to performance and results and on competitive conditions in relation to comparable companies.

Remuneration must contribute to attracting, retaining and motivating management and employees and ensuring harmony between the interests of colleagues and shareholders.

### **Remuneration of the board**

Members of the supervisory board receive a fixed annual fee which is set in relation to the scope and character of their work and in relation to fees in comparable listed companies.

Members of the audit committee receive a separate fee.

Fees paid to the chairman, deputy chairman, supervisory board members and the audit committee are set out in the annual report and presented for approval at the annual general meeting, at which the board also presents proposals for fees in the coming year.

The board is not covered by a pension scheme. The board has no incentive scheme.

### **Remuneration of executive management**

The executive management's remuneration consists of a fixed salary and a variable salary. The latter consists of a bonus scheme and a share-option scheme.

The fixed salary is assessed annually by the board's remuneration committee.

The variable remuneration consists of a bonus scheme based on achieving specific targets which are set by the supervisory board. The bonus targets are related to the group's pre-tax profit, but may also include individual targets. The bonus component may only make up a maximum of 80 per cent of annual net salary.

In addition, the variable remuneration also includes a revolving share-option scheme which is not dependent on achieving specific targets.

Each year members of executive management are assigned a number of options with a maximum value equivalent to one year's net salary. This value is calculated according to Black & Schole's formula. Options are assigned with exercise price which is 5 per cent higher than the market price at the time of allocation. No fee is paid to the company for receiving the options. The options have a term of five years and may be exercised after three years. Allocation takes place on tax conditions which mean that the profit is taxed as share income against the company not receiving a tax deduction for costs associated with the allocation. The number of options allocated and their value is set out in the company's annual report. The options in the management's share-option scheme are covered through the company's holding of its own shares.

DFDS publishes the executive management's total remuneration, split into fixed and variable parts, in its annual report.

The executive management is covered by standard notice conditions, although specific notice arrangements apply to change of control. Information about the executive management's severance arrangements is presented in the notes to the annual report.

Individual pension schemes are agreed for the executive management. The executive management is not covered by performance-based pension schemes.

### **Remuneration of other managers and employees**

All employees receive a fixed salary which is assessed annually in association with the annual personal-development review.

Managers and employees selected by the executive management are included in a bonus scheme based on specific result targets.

In addition, the executive management may assign share options to wider group managers and leading employees annually. The options are issued according to the same principles as the options for the executive management. The total allocation for this group of employees is set out in the annual report.

### **Communication of remuneration policy**

The remuneration policy is set out on the company's website.