

# Remuneration Policy

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## Contents

1	Introduction .....	3
1.1	Overall objectives.....	3
1.2	Relationship to employment conditions of other employees.....	3
1.3	Framework .....	3
1.4	Exceptional circumstances.....	3
2	Remuneration of members of the Board of Directors.....	3
2.1	Background.....	3
2.2	Fee .....	4
3	Remuneration of members of the Executive Board.....	4
3.1	Background.....	4
3.2	Fixed salary.....	5
3.3	Incentive-based compensation.....	5
3.4	Extraordinary bonus .....	5
3.5	Other benefits .....	5
3.6	Employment terms.....	5
3.7	“Clawback” .....	5
4	Share based incentive scheme to the Executive Board.....	6
4.1	General principles .....	6
4.2	Grant of share options.....	6
4.3	Performance targets.....	6
4.4	Requirements and restrictions .....	6
5	Roles and responsibilities .....	7
6	Approval .....	7

## 1 Introduction

This Remuneration Policy (the “Remuneration Policy”) applies for the Board of Directors and for the Executive Board of DSV Panalpina A/S (“DSV Panalpina” or the “Company”). The Company and its subsidiaries are jointly referred to as the “DSV Panalpina Group”. The “Executive Board” means the executive officers of the management board of DSV Panalpina, registered as such with the Danish Business Authority.

This Remuneration Policy amends and replaces the Remuneration Policy adopted at the Annual General Meeting on 8 March 2019 to facilitate compliance with recent updates of rules and guidelines issued by applicable authorities, and to implement a simplification of the Remuneration Policy applied towards the Executive Board.

### 1.1 Overall objectives

The purpose of the Remuneration Policy is to contribute towards achieving the strategic objectives at any time for the DSV Panalpina Group by always reflecting the goal of being able to attract and retain competent members of the Board of Directors and the Executive Board, thereby continuously creating long-term value for the shareholders in DSV Panalpina. This is done, for example, by offering competitive remuneration based on the strategic developments as well as financial and share price performance.

The remuneration and its composition shall be structured to create a suitable alignment of the interests of the Company’s executive leadership and those of the Company’s shareholders. This includes promoting the strategy, internal and external long-term sustainability and value creation in the DSV Panalpina Group supporting the Group’s long-term and short-term objectives.

### 1.2 Relationship to employment conditions of other employees

In preparing the Remuneration Policy and the individual executive employment contracts, the Board of Directors considers the pay and employment conditions of the Company’s other employees. The Board of Directors considers that an appropriate balance between employee and management remuneration is achieved, considering both market practice for remuneration in comparable listed companies and considering the responsibilities and duties of the members of the Executive Board compared to other employees. The principles for incentives for employees in the Company and for the Executive Board are reasonably aligned. With regards to resignation conditions, the Board of Directors considers that the comparatively longer resignation periods and terms for the members of the Executive Board reflect market practice and are appropriate as part of the overall remuneration package to the members of the Executive Board.

### 1.3 Framework

The Remuneration Policy is prepared in accordance with sections 139 and 139a of the Danish Companies Act and with the recommendations and guidelines published by the Danish Business Authority, and by the Committee on Corporate Governance, and implemented by Nasdaq Copenhagen A/S.

### 1.4 Exceptional circumstances

Although this Remuneration Policy governs the remuneration principles of DSV Panalpina, the Board of Directors may in exceptional circumstances decide to deviate from the Remuneration Policy on an individual, temporary basis. Such deviations must be motivated and recommended by the Remuneration Committee, and approved by the Board of Directors. Information on such deviations will be disclosed in the Company’s Remuneration Report.

## 2 Remuneration of members of the Board of Directors

### 2.1 Background

The fees paid to members of the Board of Directors are determined on the basis of the required skills and efforts of the Board members in light of the complexity of the DSV Panalpina Group, the

scope of their work and the number of Board meetings. The fee is assessed once a year relative to the current market level for similar groups of international, listed companies.

The Board of Directors is appointed by the General Meeting of the Company normally for a duration of one year. No accession, stay or resignation remuneration is paid to members of the Board of Directors.

## 2.2 Fee

Members of the Board of Directors receive a fixed, basic fee and are not entitled to any type of incentive or performance-related bonus, remuneration or share schemes.

The remuneration to the Board of Directors for the previous accounting year is approved at the Annual General Meeting, which also determines the basic fee payable to members of the Board of Directors for the current year.

In addition, members will receive a fee for each additional Board or Board Committee position they may have, which reflect time and work related to each position as outlined below:

Chairman of the Board of Directors	2 x basic fee
Deputy Chairman of the Board of Directors	½ x basic fee
Chairman of the Audit Committee	1 x basic fee
Member of the Audit Committee	½ x basic fee
Chairman of the Nomination Committee	½ x basic fee
Member of the Nomination Committee	¼ x basic fee
Chairman of Remuneration Committee	½ x basic fee
Member of the Remuneration Committee	¼ x basic fee

In addition, members of the Board of Directors may be entitled to a free telephone, and reimbursement for other work-related costs, such as travel expenses.

If the Board of Directors instructs a member of the Board of Directors to perform specific, additional tasks on an ad hoc basis, the relevant Board member may receive a separate additional remuneration in this regard. Such additional remuneration will be subject to recommendation by the Remuneration Committee, prior approval by the Board of Directors.

DSV Panalpina may reimburse social security duties and other similar taxes, charged to a Board member by foreign authorities.

Information on remuneration paid to the Board of Directors is disclosed in the Company's Remuneration Report.

## 3 Remuneration of members of the Executive Board

### 3.1 Background

Members of the Executive Board are employed on individual employment contracts and their overall remuneration package is composed in accordance with market practice and the specific requirements of the DSV Panalpina Group. The remuneration of the Executive Board predominantly consists of a fixed salary, pension contributions and share-based incentive compensation.

The overall level of remuneration is determined based on market standards, taking into consideration the size and complexity of the DSV Panalpina Group, the number of employees, the performance, the sustainability etc. of the company to promote the long-term value creation for DSV Panalpina's shareholders.

The Chairman of the Board of Directors assesses and adjusts the remuneration of Executive Board members regularly, normally each year, on the basis of recommendations from the Remuneration Committee. Assessments of the remuneration to the Executive Board is made by evaluating the individual member's performance in the past year and the outlook for the coming year. The Chairman of the Board of Directors subsequently informs the Board of Directors about the outcome of the assessment and adjustment.

### 3.2 Fixed salary

Members of the Executive Board receive a fixed salary, which is adjusted pursuant to section 3.1.

Besides the fixed salary, members of the Executive Board also receive pension contributions in line with the Company's ordinary pension scheme for Danish employees.

### 3.3 Incentive-based compensation

Except in exceptional circumstances according to section 3.4 below, the members of the Executive Board do not receive variable incentive-based compensation other than the share option program according to section 4 below.

### 3.4 Extraordinary bonus

In exceptional circumstances, as determined at the discretion of the Board of Directors, members of the Executive Board may be offered a separate bonus of up to 50% of their basic annual remuneration, which is consistent with general guidelines otherwise applied in the DSV Panalpina Group.

If such separate bonus is decided by the Board of Directors, adequate disclosure about such bonus will be made in the Remuneration Report.

### 3.5 Other benefits

Moreover, Executive Board members are entitled to additional employment benefits according to individual agreements.

Such benefits may include company paid car, car allowance, insurances, company paid telephones, subscription fees for private internet access, newspapers, business magazines and memberships. These other employment benefits represent only a relatively small proportion of total remuneration expenses to each Executive Board member.

### 3.6 Employment terms

Members of the Executive Board are employed on individual employment contracts. Except for temporary arrangements, such contracts are typically for an indefinite period with a mutual right of termination. The termination notice period for members of the Executive Board is up to 24 months on the part of the Company and 12 months on the part of the Executive Board member. The Company does not apply separate termination provisions in case of change-of-control or for other structural change situations, but employment conditions may address separately health related situations of the executive. Executive Board members are not entitled to termination severance payments in addition to their contractual notice periods.

### 3.7 "Clawback"

In the event that the Company, in the past two years, has paid incentive-based compensation on the basis of information that proves to be incorrect, the Company may reclaim, in full or in part, the last two years' incentive-based compensation paid as either cash bonuses and/or granted share options from the members of the Executive Board.

It is a prerequisite for reclaiming such amounts that the amounts were granted on the basis of information, resulting in either a stock-exchange announcement or a significant, negative correction in the price of the Company's shares, and that the relevant member(s) of the Executive Board did know or should have known about the circumstances.

## 4 Share based incentive scheme to the Executive Board

### 4.1 General principles

DSV Panalpina operates share-based (share options) incentive schemes. The schemes are generally available to certain employees of the DSV Panalpina Group and for members of the Executive Board, respectively. The purpose of the incentive schemes is to attract and retain the best possible Executive Board members and employees, and the schemes are designed to align the interests of employees and members of the Executive Board with those of the DSV Panalpina's shareholders.

The share-based incentive scheme described in this Remuneration Policy only relates to the granting of share-based incentives to the Executive Board.

The Board of Directors is authorised to grant share options to the Executive Board as an incentive under the share-based incentive scheme on the terms and conditions of this section 4.

Members of the Board of Directors are not entitled to receive any share options.

### 4.2 Grant of share options

When granted share options, members of the Executive Board are awarded the right (1) to acquire or subscribe for a specific portion of shares in the Company, (2) at a specific time, and (3) at a price fixed at the date of grant.

Such share option schemes may be based both on shares already issued (share purchase rights) and on shares subscribed for in connection with the exercise of the options (share subscription rights).

Shares granted under a share option scheme are procured from the treasury portfolio or are purchased in the market.

### 4.3 Performance targets

Each member of the Executive Board may be granted share options on an annual basis, if the relevant member of the Executive Board achieves in whole or in part certain individual performance targets defined for the relevant financial year.

When defining such targets, the Board of Directors will consider effects both in relation to the Company's financial performance, and its long-term sustainability. It will be considered that the criteria do not promote unnecessary risk taking or contravene the Company's overall Corporate Social Responsibility objectives and commitments.

The performance targets will be defined by the Board of Directors annually in advance (based on recommendations from the Remuneration Committee). The targets will be linked to the financial performance of the Company and the DSV Panalpina Group, for example operating profit (EBIT), and to business performance compared to a selected group of peer companies, which support the Company's short- and long-term financial objectives and strategies. Further, the Board of Directors can supplement the financial performance targets with non-financial targets to support the Company's overall strategies.

The Board of Directors will determine if relevant targets are met after the end of each relevant period. The performance targets actually applied for each period will be described in the Company's Remuneration Report.

### 4.4 Requirements and restrictions

Unless otherwise authorized by the Company's General Meeting the following requirements and restrictions will apply for the share option scheme applicable for members of the Executive Board:

- A. The total number of share options granted by the Board of Directors in any one year to employees in the DSV Panalpina Group, including to the members of the Executive Board of the Company, may not exceed in total 1.6% of the Company's at any time issued shares each

of 1 DKK, and the total number of share options granted to the members of the Executive Board cannot exceed 10% of the actual number of such share options granted in any one year.

- B. Share options must be granted at minimum at the average quoted market price for the last five business days preceding 31 March or (if not a business day), the first preceding business day.
- C. Share options granted vest on the third anniversary of the grant date. Share options may be exercised during an exercise period of up to two years.
- D. Share options granted are valued according to the Black & Scholes model. Share options are always granted at an exercise price equal to or higher than at minimum the market price at the grant date and with a vesting period of at least three years.
- E. The total value of share options according to the Black & Scholes model granted to a member of the Executive Board cannot exceed 150% of that member's fixed basic salary.

## 5 Roles and responsibilities

The Board of Directors has the overall responsibility for this Remuneration Policy.

The Remuneration Committee is responsible for preparing the Remuneration Policy and any amendments thereto for review and approval by the Board of Directors. After approval by the Board of Directors, the Remuneration Policy and amendments thereto must be approved by DSV Panalpina's General Meeting if material changes are proposed to the Remuneration Policy.

The Remuneration Committee shall review the Remuneration Policy regularly, and not less than annually. The Remuneration Policy must be reviewed by the Board of Directors and by the Annual General Meeting of DSV Panalpina at least every four years.

The Board of Directors is responsible for implementing this Policy and for approval of individual agreements based on recommendations from the Remuneration Committee.

To avoid conflicts of interest in relation to the remuneration of the Board of Directors, the Remuneration Policy and the remuneration of the members of the Board of Directors shall be approved by the General Meeting. If external advice is required and to avoid conflicts of interest, the Company and the Remuneration Committee shall use external advisers that are not the same as those used by the Executive Board or its members.

## 6 Approval

This Remuneration Policy was adopted by the Company's Board of Directors on 6 February 2020 and by the Annual General Meeting of the Company on 16 March 2020.

The Remuneration Policy is made publicly available on DSV Panalpina's homepage forthwith after approval by the Annual General Meeting and will remain publicly available on the homepage during its validity at no charge.