

SKAKO

Remuneration report 2019 for SKAKO A/S

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Introduction

In 2019 the Board of Directors (in its role as Remuneration Committee) reviewed the remuneration structure of Executive Management to ensure the framework remains appropriate for our business model and that it supports our future ambitions.

The Board of Directors found that the remuneration structure supports the achievement of SKAKO's strategy.

Business performance in 2019 and incentive outcomes

SKAKO's overall financial performance in 2019 reaches the lower limits of Board of Directors expectations. Therefore, incentive pay for 2019 has been limited. However, the Executive Management have still shown a good performance on individual performance targets, which is the motivation behind the actual incentive payments.

Total remuneration for Executive Management in 2019

The following table sets out the total remuneration for Executive Management for the financial year 2019 and the two previous financial years.

Component	Søren Pedersen, Managing Director at SKAKO Concrete until 25 th November 2019			Lionel Girieud, Managing Director at SKAKO Vibration			Steffen Kremmer, Managing Director at SKAKO Concrete from 25 th November 2019			Executive Management, total		
	2019	2018	2017	2019	2018	2017	2019	2018	2017	2019	2018*	2017*
Base salary (fixed)	1,226	1,522	1,382	1,271	1,089	1,039	184	0	0	2,681	4,211	3,767
Cash Bonus (STIP)	55	36	121	201	43	149	0	0	0	256	184	349
Share based Incentive (LTIRP)	175	223	194	175	223	194	0	0	0	350	446	388
Pension	132	152	138	246	211	194	17	0	0	395	397	466
Benefits	115	125	125	69	69	69	11	0	0	195	313	335
Total	1,703	2,058	1,960	1,962	1,635	1,645	212	0	0	3,877	5,551	4,261
Share based Incentive (LTIRP)**	40,000	40,000	40,000	40,000	40,000	40,000	0	0	0	80,000	80,000	80,000

* 2017 and 2018 includes remuneration for Jacob Have (Group CFO) and Peter Thomsen (Group CFO) which is not specified here. Figures specified for both can be found in the remuneration report for 2018.

** This figure shows the accumulated warrants held at the end of the year. This number is not included in the amount for total remuneration.

The remuneration paid to **Søren Pedersen** totalled 1,703 tDKK, representing an decrease of 17 % compared to 2018. His fixed salary decreased by 24 % to 1,226 tDKK (72 % of the total remuneration in 2019). The cash bonus (STIP) made up 50 tDKK corresponding to 15 % of the maximum bonus. This percentage reflects a year where SKAKO Concrete did not reach its financial target as well as individual targets. The individual targets score was, among other things, influenced by the ability to execute strategic projects regarding the organization of SKAKO Concrete.

The remuneration paid to **Lionel Girieud** totalled 1,962 tDKK, representing an increase of 20 % compared to 2018. His fixed salary increased by 21 % to 1,271 tDKK (65% of the total remuneration in 2019). The cash bonus (STIP) made up 201 tDKK corresponding to 63 % of the maximum bonus. This percentage reflects a year where SKAKO Vibration reached its financial target as well as individual targets. The individual targets score was, among other things, influenced by the ability to execute strategic projects.

The remuneration paid to **Steffen Kremmer** totalled 212 tDKK. The cash bonus (STIP) made up 0 tDKK corresponding to 0% of the maximum bonus. This percentage reflects the fact that Steffen Kremmer has started in the position late in the year.

No warrants have been awarded in 2019.

Remuneration for the Board of Directors

In April 2019, the general meeting decided to keep the Board of Directors' fixed annual fee of DKK 150 thousand forth coming year until the general meeting in 2019. The remuneration for the Board of Directors comprises a fixed fee only and the members' travel costs and other costs are covered by the company.

The Chairmanship and the chairman of the committees also receive a multiple of the fixed fee for their extra work. Finally, members of the Board of Directors are not entitled to severance payments.