

## **Notice convening the annual general meeting for NNIT A/S**

The Board of Directors gives notice of the annual general meeting for NNIT A/S, company registration (CVR) no. 21 09 31 06 (the "Company"), to be held

Thursday, March 5, 2020, 2:00 pm (CET)  
at NNIT A/S, Østmarken 3A, DK-2860 Søborg, with the following

### **AGENDA**

1. Board of Directors' report on the Company's activities in the past financial year
2. Presentation and adoption of the audited annual report and insight into the updated company strategy
3. Distribution of profit or covering of loss according to the adopted annual report
4. Approval of the Board of Directors' remuneration
5. Election of members to the Board of Directors, including Chairman and Deputy Chairman
6. Appointment of auditor
7. Authorization to acquire treasury shares
8. Proposals from the Board of Directors
  - a. Proposal for approval of the Company's revised Remuneration Policy.
9. Any other business

## COMPLETE PROPOSALS

### Item 1

The Board of Directors proposes that the general meeting take note of the Board of Directors' report on the Company's activities in the past financial year.

### Item 2

The Board of Directors proposes that the general meeting adopts the audited Annual Report 2019.

### Item 3

The Annual Report 2019 shows a net result of DKK 122,625,532

The Board of Directors proposes to pay ordinary dividend of DKK 49,385,874, corresponding to DKK 2.00 per share of nominally DKK 10.

Interim dividend	DKK	49,181,858
Ordinary dividend	DKK	49,385,874
Reserved IT-development projects	DKK	19,718,937
Retained earnings	DKK	4,338,863
	DKK	<u>122,625,532</u>

Together with the interim dividend for 2019 paid out in August 2019, the total dividend for 2019 is DKK 98,567,732 corresponding to DKK 4.00 per share of nominally DKK 10 or 54% of the 2019 net result of the group.

The remaining ordinary dividends are expected to be paid out on 10 March 2020, provided that the general meeting approves the proposal.

### Item 4

The Board of Directors proposes to maintain the same level of remuneration for the Board of Directors in 2020 as in 2019:

Chairman (2.5 * base fee)	DKK	750,000
Deputy Chairman (1.5 * base fee)	DKK	450,000
Members (base fee)	DKK	300,000
Chairman of the Audit Committee (additional 0.5 * base fee)	DKK	150,000
Member of the Audit Committee (additional 0.25 * base fee)	DKK	75,000

Member of the Remuneration Committee (additional 1/6 of base fee)	DKK	50,000
Travel allowance (per meeting; members residing outside Denmark)	DKK	18,500

#### Item 5

In accordance with Article 8.2 of the Articles of Association, members of the Board of Directors are elected by the general meeting for a period of one year.

The Board of Directors proposes to re-elect Anne Broeng, Carsten Dilling, Peter Haahr, Christian Kanstrup, Eivind Kolding and Caroline Serfass to the Board of Directors.

A description of the background and other executive functions held by the candidates proposed to the Board of Directors is attached as Appendix A and is available on the Company's website, [www.nnit.com](http://www.nnit.com).

The Board of Directors proposes that Carsten Dilling is re-elected as Chairman of the Board of Directors and that Peter Haahr is re-elected as Deputy Chairman of the Board of Directors.

#### Item 6

The Board of Directors proposes to re-appoint PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab, company registration (CVR) no. 33 77 12 31, as the Company's auditor in accordance with the recommendation from the Audit Committee. The Audit Committee has not been influenced by third parties, nor subjected to any contract with a third party restricting the general meeting's choice to certain auditors or audit firms.

#### Item 7

The Board of Directors proposes that the general meeting authorizes the Board of Directors in the period until the annual general meeting in 2021 to approve the acquisition of treasury shares, on one or more occasions, with a total nominal value of up to 10% of the share capital of the Company, subject to the Company's holding of treasury shares after such acquisition not exceeding 10% of the share capital, at a price with a deviation of up to 10% of the share price quoted on Nasdaq Copenhagen at the time of the acquisition.

#### Item 8

8.a The Board of Directors proposes that the general meeting approves the Company's revised Remuneration Policy as adopted by the Board of Directors.

The Remuneration Policy has been revised in order to ensure compliance with the new requirements under sections 139 and 139a of the Danish Companies Act.

The revised Remuneration Policy is attached as Appendix B and is available on the Company's website, [www.nnit.com](http://www.nnit.com).

If the revised Remuneration Policy is approved, Article 11 of the Company's Articles of Association including the reference to Remuneration Principles and overall principles on incentive pay will be deleted.

### **Resolution requirements**

All proposals may be adopted by a simple majority of votes.

### **Share capital and voting rights**

The Company's share capital amounts to nominally DKK 250,000,000, divided into 25,000,000 shares of nominally DKK 10 each. Each share of nominally DKK 10 carries ten (10) votes. The Company's total number of voting rights amount to 250,000,000.

The right to attend and vote at a general meeting may be exercised by shareholders who are registered in the share register on the record date or who have announced and documented their acquisition of shares for the purpose of registration in the share register by the record date. The record date is

**Thursday, February 27, 2020.**

Participation is conditional upon the shareholder obtaining an admission card in due time.

### **Admission card**

Shareholders wanting to attend the general meeting in person or by proxy shall request to receive an admission card.

Admission cards can be requested:

- digitally via the investor portal on the Company's website, [www.nnit.com](http://www.nnit.com), or via VP Investor Services A/S' website, [www.uk.vp.dk/agm](http://www.uk.vp.dk/agm), or
- by contacting VP Investor Services A/S, by telephone +45 43 58 88 91, by e-mail [vpinvestor@vp.dk](mailto:vpinvestor@vp.dk), by fax +45 43 58 88 67, or by personal or written enquiry to VP Investor Services A/S, Weidekampsgade 14, PO Box 4040, DK-2300 Copenhagen S.

The request must be received by VP Investor Services A/S no later than **Friday, February 28, 2020**.

A shareholder or a proxy may attend the annual general meeting together with an adviser, provided that an admission card for the adviser has been requested in due time.

Admission cards will be sent out electronically via email. This requires that your email address is registered on the investor portal. Bring your electronic admission card with you to the general meeting on your smartphone or tablet. If you have forgotten your admission card, it may be obtained at the general meeting against presentation of appropriate proof of identification. Ballot papers will be handed out at the entry point at the general meeting.

### **Proxy**

Shareholders unable to attend the annual general meeting may choose to grant a proxy to the Board of Directors or to a named third party.

Proxies can be granted:

- digitally via the investor portal on the Company's website, [www.nnit.com](http://www.nnit.com), or via VP Investor Services A/S' website, [www.uk.vp.dk/agm](http://www.uk.vp.dk/agm), or
- by completing, signing and returning the proxy form to VP Investor Services A/S, by post to Weidekampsgade 14, PO Box 4040, DK-2300 Copenhagen S, by email to [vpinvestor@vp.dk](mailto:vpinvestor@vp.dk) or by fax to +45 43 58 88 67. The proxy form may be downloaded from the Company's website, [www.nnit.com](http://www.nnit.com).

Proxy forms must be received by VP Investor Services A/S no later than **Friday, February 28, 2020**.

### **Votes by correspondence**

Shareholders unable to attend the annual general meeting may vote by correspondence. Votes by correspondence cannot be withdrawn.

Votes by correspondence can be sent:

- digitally via the InvestorPortal on the Company's website, [www.nnit.com](http://www.nnit.com), or via VP Investor Services A/S' website, [www.uk.vp.dk/agm](http://www.uk.vp.dk/agm), or
- by completing, signing and returning the correspondence voting form to VP Investor Services A/S, by post to Weidekampsgade 14, PO Box 4040, DK-2300 Copenhagen S, by email to [vpinvestor@vp.dk](mailto:vpinvestor@vp.dk) or by fax to +45

43 58 88 67. The correspondence voting form may be downloaded from the Company's website, [www.nnit.com](http://www.nnit.com).

Correspondence voting forms must be received by VP Investor Services A/S no later than **Wednesday, March 4, 2020 at 3:00 pm (CET)**.

Please note that either a proxy or a vote by correspondence may be submitted, but not both.

### **Additional information**

Until and including the day of the annual general meeting, additional information regarding the annual general meeting will be available on the Company's website, [www.nnit.com](http://www.nnit.com):

- Notice to convene the annual general meeting with agenda, complete proposals and appendices, including CVs of candidates for the Board of Directors and the revised Remuneration Policy
- Proxy and correspondence voting forms
- The Annual Report 2019
- Information about the total number of shares and voting rights on the date of notice to convene
- Information on handling of personal information in connection with the annual general meeting

Entry to the annual general meeting is possible from 1:30 pm (CET). Registration of admission cards commences at 1:30 pm (CET). Light refreshments will be served.

### **Questions from shareholders**

Prior to the annual general meeting, shareholders may ask questions about the agenda or documents to be presented at the general meeting. This can be done by written enquiry to NNIT via email to [investor@nnit.com](mailto:investor@nnit.com) or via post to NNIT A/S, Att.: Board of Directors, Østmarken 3A, DK-2860 Søborg, marked "Questions from shareholders".

### **Language**

The annual general meeting will be held in Danish.

**Transport**

The annual general meeting is accessible by car or by public transport (train and bus). Free parking is available at Østmarken 3a, DK-2860 Søborg, from where there is direct access to the venue of the annual general meeting.

Søborg, February 2020  
Board of Directors

## Appendix A

# Candidates for (re-)election to the Board of Directors of NNIT A/S at the Company's annual general meeting 2020

### **Anne Broeng**

*Board member*

*Chairman of the Audit Committee*

Born in 1961. Danish citizen.  
MSc in Economics from the University of Aarhus.

Member of the Board of Directors since 2014.

#### *Other directorships*

Chairman of the board at Velliv, member of the boards of NASDAQ Nordic Oy, VKR Holding A/S, Velux A/S, ATP, Aquaporin A/S, IFU, Rodinia ApS, and Deputy Chairman of Bruhn Holding ApS.

Regarded as independent.

Has participated in all Board of Directors meetings in 2019.

### **Carsten Dilling**

*Chairman*

*Member of the Remuneration Committee*

Born in 1962. Danish citizen.  
Bachelor of Science and Bachelor of Commerce, Int. Marketing from Copenhagen Business School.

Member of the Board of Directors since 2016.

#### *Other directorships*

Chairman of the Boards of SAS AB\*, Icotera A/S, MT Højgaard A/S and Højgaard Holding A/S\*. Member of the Board of Directors of Terma A/S, and member of the Investment Committees of Maj Invest.

Regarded as independent.

Has participated in all Board of Directors meetings in 2019.

### **Eivind Kolding**

*Board member*

*Member of the Audit Committee and Chairman of the Remuneration Committee*

Born in 1959. Danish citizen.  
Master of Laws from the University of Copenhagen and AMP from Wharton Business School.

Member of the Board of Directors since 2015.

#### *Other directorships*

Chairman of the Board of Directors of Nordic Transport Group (NTG) A/S\*, Danmarks Skibskredit A/S and CC Oscar Holding A/S (CASA A/S gruppen). Member of the Board of Directors of LEO Holding A/S, BiQ ApS and Altor Fund Manager AB.

Regarded as independent.

Has participated in all Board of Directors meetings in 2019.

### **Caroline Serfass**

*Board member*

Born in 1961. French and British citizen.  
MSc in Robotics from the University of Montreal, Canada, Master's in Electrical and Electronics Engineering, École Centrale, France.

Member of the Board of Directors since 2018.

#### *Other directorships*

Senior Vice President and CIO of Canon Europe.

Regarded as independent.

Has participated in all Board of Directors meetings in 2019 except one. Absents due to illness.

### **Christian Kanstrup**

*Board member*

*Member of the Audit Committee*

Born in 1972. Danish citizen.  
Master of Science, Economics (cand.polit.) from the University of Copenhagen. Post graduate executive education from IMD.

Member of the Board of Directors since 2018.

#### *Other directorships*

Executive Vice President of Nordics and Baltics Mediq. Member of the board of directors of Glycom and FastPassCorp.

Not regarded as independent due to his relations to Novo Nordisk A/S' which is a major shareholder of NNIT A/S.

Has participated in all Board of Directors meetings in

### **Peter Haahr**

*Deputy Chairman*

*Member of the Remuneration Committee*

Born in 1968. Danish citizen.  
MSc in Financial and Accounting from Aarhus Business School and Executive MBA from IMD.

Member of the Board of Directors since 2017.

#### *Other directorships*

CFO of Novo Holdings A/S. Chairman of the Board of Directors of House of Denmark A/S, Board Novo Invest 1, NH Principal Investments US Inc., Environtainer HoldCo, Xellia HoldCo, ERT HoldCo, Sonion HoldCo, and member of the Board of Directors of Symphogen A/S and Novo Ventures 1.

Not regarded as independent due to his CFO position in Novo Holdings A/S' which is a major indirect shareholder of NNIT A/S.

Has participated in all Board of Directors meetings in 2019.

\*Listed company



# Remuneration Policy

5 March 2020

NNIT A/S

CVR no. 21 09 31 06

## Table of Contents

<b>1</b>	<b>INTRODUCTION .....</b>	<b>3</b>
<b>2</b>	<b>OBJECTIVE .....</b>	<b>3</b>
<b>3</b>	<b>GENERAL PRINCIPLES.....</b>	<b>3</b>
<b>4</b>	<b>REMUNERATION OF THE BOARD OF DIRECTORS.....</b>	<b>5</b>
<b>5</b>	<b>REMUNERATION OF THE EXECUTIVE MANAGEMENT .....</b>	<b>6</b>
<b>6</b>	<b>DECISION-MAKING PROCESS AND CONFLICT OF INTEREST.....</b>	<b>11</b>

# 1 Introduction

- 1.1 This Remuneration Policy sets out the principles and framework for the full remuneration paid to members of the Board of Directors and the Executive Management of NNIT. Executive Management includes all executives registered with the Danish Business Authority.
- 1.2 This Remuneration Policy is approved by the shareholders at the annual general meeting at least every fourth year and in case of any significant amendments.

# 2 Objective

- 2.1 The overall objectives of the Remuneration Policy are:
- Attracting, retaining and motivating qualified members of the Board of Directors and Executive Management.
  - Ensuring alignment between the interests of the members of the Executive Management and those of the shareholders.
  - Promoting the long-term interests and sustainability of NNIT and supporting NNIT's strategy in the short and long term.

# 3 General principles

- 3.1 The remuneration of the Board of Directors is comprised of a fixed fee plus compensation for travel, see article 5.2 for further detailed information.
- 3.2 The remuneration of the Executive Management is comprised of the following remuneration components:
- Fixed base salary
  - Pension contributions
  - Standard employee benefits, including a company car
  - Cash bonuses (the Short-term Incentive Programme (STIP) and extraordinary awards)
  - Share-based payments (the Long-term Incentive Programme (LTIP) and the Retention Programme (RP))
- 3.2.1 The fixed annual base salary is designed to attract, retain and motivate qualified individuals with professional and personal competences required to support NNIT's performance and business strategy. The fixed annual base salary is set to ensure that the

total remuneration package is competitive and reasonable compared to relevant benchmarks.

- 3.2.2 Pension contributions are made to enable members of Executive Management to build up an income for retirement.
- 3.2.3 Other benefits are added to ensure that overall remuneration is competitive and aligned with local practice.
- 3.2.4 The incentive pay-elements are designed to align the interests of the Executive Management with the interests of the shareholders by providing incentives for the Executive Management to meet the short and long-term goals of NNIT and to promote value creation for the benefit of the shareholders:
- a) The Short-term Incentive Programme (STIP) is designed to incentivize each individual member of the Executive Management for individual performance within his/her functional area and to ensure short-term achievements in line with NNIT's financial and operational targets.
  - b) The Long-term Incentive Programme (LTIP) and the Retention Programme (RP) are designed to promote the collective performance of Executive Management and to align the interests of Executive Management with those of NNIT's shareholders, as well as to ensure a balance between short-term achievements and long-term perspectives. Furthermore, these programmes facilitate a considerable share ownership for Executive Management, thereby providing further alignment with the shareholders' interests.
- 3.2.5 Incentive pay is granted based on actual achievements over a period of time. Targets for the individual members of the Executive Management are closely related to NNIT's business strategy. Thus, when determining targets for the individual members of Executive Management, NNIT's sustainability, long-term targets and value creation are taken into account and non-financial targets are considered.
- 3.2.6 The split between fixed and variable remuneration elements is intended to incentivize Executive Management to achieve strong performance and strategic objectives which create shareholder value both short and long-term, while at the same time promoting sound business decisions. The balance between the fixed and variable remuneration elements granted to each member of Executive Management is targeted to be broadly in line with market practice for benchmarked companies.

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## 4 Remuneration of the Board of Directors

### 4.1 Process

- 4.1.1 The Board of Directors annually reviews remuneration for members of the Board of Directors in respect of the current and next calendar year based on a recommendation from the Remuneration Committee.
- 4.1.2 When preparing its recommendation, the Remuneration Committee will evaluate board fees, including the structure and level, against relevant benchmarks of Danish and other Nordic companies similar to NNIT in size and complexity.
- 4.1.3 Remuneration for the past year shall be approved by the annual general meeting each year with the approval of the annual report and the remuneration level for the current year shall be approved by the annual general meeting each year as a separate agenda item.
- 4.1.4 Information on the total remuneration granted to the Board of Directors, in the aggregate and on an individual basis, including information on travel allowance paid and expenses reimbursed, shall be disclosed in the Company's remuneration report.

### 4.2 Fee

- 4.2.1 Board members shall receive a fixed annual base fee.
- 4.2.2 Board members shall receive a fixed amount (the base fee), while the Chairmanship receives a multiple thereof:
- The Chairman shall receive 2.5 times the base fee.
  - The Deputy Chairman shall receive 1.5 times the base fee.
- Service on the Committees entitles board members to receive an additional fee:
- The chairman of the Audit Committee shall receive an additional fee of 0.5 times the base fee,
  - Members of the Audit Committee shall receive an additional fee of 0.25 times the base fee, and
  - Members of the Remuneration Committee shall receive an additional fee of 1/6 times the base fee.
- 4.2.3 Individual board members may take on specific ad hoc tasks outside their normal duties for and at the instruction of the Board of Directors. In each such case the Board of Directors shall determine a fixed fee (e.g. per diem) for the work carried out related to those tasks. The fixed fee shall be disclosed in the annual report and/or remuneration report.

4.2.4 Members of the Board of Directors are not offered any pension arrangements.

### 4.3 Travel allowance and other expenses

4.3.1 All board members not residing in Denmark receive a fixed travel allowance when attending board and committee meetings in Denmark. No travel allowance is paid when attending board meetings outside of Denmark.

4.3.2 All members of the Board of Directors receive reimbursement of reasonable expenses such as travel and accommodation in relation to board and committee meetings as well as relevant education. This is in addition to any travel allowance.

4.3.3 [The Company may cover social duties and other taxes imposed on board members by foreign authorities in relation to the annual fees.

### 4.4 Incentive programmes

4.4.1 Members of the Board of Directors are not offered incentive-based remuneration.

### 4.5 Term of board membership

4.5.1 Board members elected by the general meeting are elected for a term of one year. Re-election can take place.

## 5 Remuneration of the Executive Management

### 5.1 Process

5.1.1 Remuneration for members of the Executive Management is determined by the Board of Directors based on recommendations from the Remuneration Committee.

5.1.2 The size and composition of individual remuneration is evaluated annually against relevant benchmarks of Danish and other Nordic companies similar to NNIT in size and complexity. To ensure comparability, executive positions are evaluated in accordance with a recognised position evaluation system which among other parameters reflects the company's size in terms of company revenue and number of employees. Furthermore, remuneration packages take account of individual circumstances such as increase in scope of responsibility, individual performance and market alignment.

5.1.3 Information on the total remuneration granted to Executive Management, in the aggregate will be disclosed in the annual report. Remuneration granted on an individual basis shall be disclosed in the remuneration report.

### 5.2 Composition

5.2.1 The remuneration package consists of a fixed annual base salary and variable elements consisting of short and long-term incentives. In addition, members of Executive Management receive a pension contribution and other benefits. This remuneration

structure is deemed to be resilient in supporting successful leadership in NNIT whilst ensuring alignment to shareholder expectations.

## 5.3 Size of the components

- 5.3.1 The fixed annual base salary accounts for approximately 30% to 55% of the total value of the remuneration package depending on the level of achievement of targets. The interval illustrates the span between “maximum performance” and “on-target-performance”. By ensuring the fixed base salary does not account for more than 55% of the total value of the remuneration package at target, Executive Management is strongly incentivized to strive towards variable remuneration aiming at creating shareholder value both short-term and long-term. When each variable pay element reaches its maximum, base salary accounts for 30%, which is currently deemed to be a competitive incentive for Executive Management while at the same time promoting sound business decisions to achieve the company's vision.
- 5.3.2 The STIP may result in a maximum annual grant equal to up to four months' fixed base salary plus the value of company paid pension contribution for the CFO, and up to six months' fixed base salary plus the value of company paid pension contribution for the CEO.

Position	Target STIP	Max STIP
CEO	3 months base salary + pension	6 months base salary + pension
CFO	2 months base salary + pension	4 months base salary + pension

- 5.3.3 The LTIP may result in a maximum annual grant equal to up to eight months' fixed base salary plus the value of company paid pension contribution for the CFO, and up to ten months' fixed base salary plus the value of company paid pension contribution for the CEO.

Position	Target LTIP	Max LTIP
CEO	5 months base salary incl. value of pension contribution	10 months base salary incl. value of pension contribution
CFO	4 months base salary incl. value of pension contribution	8 months base salary incl. value of pension contribution

## 5.4 STIP - Short-term Incentive Programme

- 5.4.1 The STIP consists of a cash-based incentive linked to achievement of a number of predefined functional and individual business targets for each member of Executive Management. The Remuneration Committee sets the targets for the CEO while the targets for other members of the Executive Management are determined by the CEO.

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- 5.4.2 Targets for the STIP are determined by the Board of Directors and may be linked to both operational, financial and individual objectives and may include, but not be limited to: revenue growth, profit margin, cash flow, order entry, profitability, customer and employee satisfaction, operational stability, sourcing ratio, unmanaged employee turnover and/or other relevant objectives. The chosen objectives reflect the overall company strategy and sustainability.
- 5.4.3 The Remuneration Committee evaluates the degree of target achievement for each member of Executive Management. The degree of achievement of financial targets may be based on the Company's financial results as presented in the annual report and achievement of non-financial targets may be based on internal assessments or with external assistance, if deemed relevant. The calculation of cash-based incentives under the STIP - if any - will for a given year typically be based on the salary in December of the relevant member of Executive Management and becomes payable after announcement of the annual report the subsequent year.
- 5.4.4 The STIP is subject to recovery or 'claw-back' in full or in part by NNIT, if the remuneration has been paid on the basis of data, which proves to be manifestly misstated due to wilful misconduct or gross negligence.- Claw-back in relation to the STIP is possible up to 12 months after the actual payment of the cash-based incentive.

## 5.5 LTIP - Long-term Incentive Programme

- 5.5.1 Each year the Board of Directors decides whether to establish an LTIP for that calendar year. The chosen component for LTIP is Restricted Share Units (RSU's).
- 5.5.2 Targets for the LTIP and the weighting of each target are determined by the Board of Directors and may include, but not be limited to, financial targets such as revenue, earnings before interest and tax, incl. hedge gain/losses and free cash flow as well as non-financial targets as deemed relevant by the Board of Directors. The targets shall ensure that the Executive Management is incentivized to generate long-term shareholder value.
- 5.5.3 The level of achievement, and consequently the size of the allocation, will be based on the Company's financial results as disclosed in the annual report.
- 5.5.4 Once the allocation - measured as number of months' fixed base salary including pension contribution - has been approved by the Board of Directors, the total cash amount is converted into RSU's at market price. The market price is calculated as the average trading price for NNIT shares on Nasdaq Copenhagen during the first open trading window in the relevant performance year.
- 5.5.5 RSU's under the LTIP are allocated subject to a lock-up period of at least three years. Upon expiry of the lock-up period, each RSU will be converted to one free share. If a participant resigns during the lock-up period, his or her RSU's will be forfeited. During the lock-up period, the Board of Directors may remove RSU's from past years allocations in the event of lower-than-planned performance during the lock-up period.



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- 5.5.6 The lock-up period may be reduced or terminated in the event of a take-over in whole or in part, significant divestments, demerger, merger, or other material events as determined by the Board of Directors.
  - 5.5.7 No dividends will be paid or accrue to RSU's.
  - 5.5.8 Following expiry of the lock-up period, the shares will be delivered to the participants.
  - 5.5.9 The LTIP is subject to recovery or 'claw-back' in full or in part by NNIT, if the remuneration has been paid on the basis of data, which proves to be manifestly misstated due to wilful misconduct or gross negligence.- Claw-back in relation to the LTIP is possible up to 12 months after release of the shares to the participants (i.e. four years after allocation).
  - 5.5.10 The aggregate value of the LTIP shall be disclosed in the annual report and/or the remuneration report.
  - 5.5.11 NNIT purchases treasury shares to hedge obligations assumed by NNIT under the LTIP.

## 5.6 Retention Programme

- 5.6.1 In connection with the IPO of NNIT, the Board of Directors established a Launch Incentive Programme (LIP) for members of the Executive Management according to which the Executive Management was eligible to receive a number of NNIT shares subject to completion of the IPO and fulfilment of the investment obligation. Shares bought and RSU's received under the LIP were subject to a lock-up period covering a performance period of three financial years and fulfilment of targets in relation to Company performance. The LIP expired in the first open trading window in 2018.
- 5.6.2 In 2018, the Board of Directors adjusted and prolonged the LIP to a three-year Retention Programme to ensure continued retention of members of the Executive Management, applying the principles set out herein and subject to a self-investment by the participant.
- 5.6.3 The Retention Programme includes a prolongation of the vesting period for RSU's granted and/or a prolongation of the lock-up period for the shares bought in connection with the IPO under the LIP and/or additional shares bought in connection with the Retention Programme and subject to a similar lock-up period. Such prolongation or lock-up period comprises RSU's and/or shares representing a value equal to up to 8 months' fixed base salary including pension contribution combined with a grant of additional RSU's in NNIT at no cost for a total amount equal to up to 16 months' fixed base salary including pension contribution. RSU's granted under the Retention Programme will be subject to a three-year vesting period. Subject to the fulfilment of predefined minimum performance criteria relating to growth and profitability, each RSU will be converted to one free share. If the predefined performance criteria are not met, the number of restricted shares granted under the Retention Programme may, subject to the assessment of the Board of Directors, be reduced or completely cease. Any RSU's and shares comprised by the Retention Programme will be subject to a vesting or lock-up period covering a performance period of at least three financial years.

- 5.6.4 NNIT may demand that RSU's and free shares allocated under the Retention Programme, including the LIP, shall be cancelled or returned in part or in full up to 12 months after the release of the acquired shares or the delivery of the free shares if the grant, award or vesting has been made on the basis of data, which proved to be manifestly misstated due to wilful misconduct or gross negligence by an employee of NNIT, however, RSUs received under the LIP shall not be subject to a new claw-back period as a result of being included in the Retention Programme.
- 5.6.5 The aggregate value of the Retention Programme, including the LIP, shall be disclosed in the annual report and/or the remuneration report.

## 5.7 Extraordinary Awards

- 5.7.1 Based on recommendations from the Remuneration Committee, the Board of Directors may, in special circumstances, for recruitment or retention purposes, or to reward extraordinary performance, decide to award a one-off bonus or other extraordinary incentive-based remuneration. The Board of Directors will use its judgement to determine the value of such extraordinary awards, though the total value of such an award cannot at the time of the award exceed 12 months base salary. The award will be delivered in the form of cash and/or shares depending upon the circumstances and judgement expressed by the Remuneration Committee. Such awards will be time-limited, not considered pensionable and be subject to recovery or 'claw-back' should it be determined the remuneration was paid on the basis of data which proved to be manifestly misstated due to willful misconduct or gross negligence by the executive.

## 5.8 Pension

- 5.8.1 To provide a competitive post-retirement package, members of Executive Management participate in a defined pension contribution plan with company paid pension contributions of either 20% or 25% of the fixed annual base salary. Pension contributions are also paid of the cash-based bonuses awarded under the STIP. Pension contributions is however not paid out specifically under the LTIP, but the company paid pension contribution percentage is factored in as part of the calculation when determining allocation of RSU's based on the target fulfilment in a given year.

## 5.9 Other benefits

- 5.9.1 Members of Executive Management receive a range of benefits which may include company cars, internet subscriptions etc. Allocation of such benefits is approved by the Remuneration Committee after delegation of powers from the Board of Directors.
- 5.9.2 Members of Executive Management may participate in customary employee benefit programmes, e.g. employee share purchase programmes.

## 5.10 Term and termination of employment

- 5.10.1 Agreements with members of Executive Management are generally entered into on an indefinite term. The employment of a member of Executive Management may be

terminated by NNIT by up to 12 months' notice and by the individual member by up to 6 months' notice.

## 5.11 Severance payment

- 5.11.1 In the event of termination - whether by NNIT or by the individual member - due to a merger, acquisition or takeover of NNIT, members of Executive Management may, in addition to the notice period, be entitled to receive a severance payment of up to 12 months' fixed base salary including pension contribution.
- 5.11.2 In case of termination by NNIT for other reasons, a member of Executive Management may be entitled to a severance payment of one months' fixed base salary plus pension contribution per every 6 months' employment as an executive and taking into account previous employment history; the severance payment can, however, in no event exceed 12 months' fixed base salary including pension contribution.

## 6 Deviations from the Remuneration Policy

- 6.1 In order to meet the overall objectives of the Remuneration Policy and ensure the long-term interests of the Company, the Board of Directors may in individual extraordinary circumstances deviate from this Remuneration Policy. Deviations may include one-off bonuses (in excess of the limits in 5.7), changes to the relative proportion of remunerations components, including the maximum value of the STIP and LTIP, the duration of the vesting and lock-up periods under the LTIP and the LIP (other than as provided for in 5.5.6) as well as changes to the term and termination provisions of contracts entered into with members of Executive Management.
- 6.2 The Board of Directors must discuss and approve any deviations based on proposal from the Remuneration Committee.
- 6.3 Deviations shall be disclosed and motivated in the remuneration report.

## 7 Decision-making process and conflict of interest

- 7.1 The Board of Directors has established a Remuneration Committee which is responsible for the preparation and annual review of the Remuneration Policy. If the Remuneration Committee deems it necessary to revise the Remuneration Policy, the Remuneration Committee will recommend a revision of the Remuneration Policy to the Board of Directors.
- 7.2 The Board of Directors reviews the Remuneration Policy annually based on the recommendation from the Remuneration Committee. If the Board of Directors adopts the

Remuneration Committees proposal to revise the Remuneration Policy in any material way, it will submit the Remuneration Policy to the shareholders for consideration and approval at the annual general meeting.

- 7.3 As a part of the preparation of the Remuneration Policy, the Remuneration Committee compares and assesses the relationship between the remuneration of members of the Board of Directors and Executive Management and the average remuneration of the other full-time employees in the Company. The objective is to ensure that the remuneration of members of the Board of Directors and Executive Management is proportionately in line with the responsibility the duties of the Executive Management entail and does not differ significantly from comparable companies.
- 7.4 The Remuneration Committee monitors the implementation of the Remuneration Policy and informs the Board of Directors of relevant discussions and presents recommendations to the Board of Directors based on the responsibilities of the Remuneration Committee laid out in the Remuneration Committee Charter.
- 7.5 The Chairman of the Board of Directors shall explain and motivate the Remuneration Policy and the Company's compliance therewith at the annual general meeting.
- 7.6 The members of the Board of Directors receive a fixed annual base fee, which is approved by the Annual General Meeting each year, with no additional variable remuneration components. In light of this, the risk of a conflict of interest is minimal. However, if an actual or potential conflict of interest arises for a member of the Board of Directors such member shall promptly inform the Chairman. If a conflict of interest arises for the Chairman, the Chairman shall promptly notify the Deputy Chairman.
- 7.7 The Executive Management is consulted in connection with the Remuneration Committee's considerations regarding a possible revision of the Remuneration Policy, but the Executive Management has no decision-making power in relation to the Remuneration Policy.

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This Remuneration Policy has been adopted by the Board of Directors of the Company and approved by the Annual General Meeting on March 5, 2020.