



DSV, 817 - Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of DSV Panalpina A/S will be held on:

Monday, 16 March 2020, at 2:00 p.m. CET, at the DSV Panalpina A/S' registered office

DSV Panalpina A/S

Hovedgaden 630, 2640 Hedehusene, Denmark

Doors open at 12:30 p.m. CET

A light buffet meal will be served before the Annual General Meeting.

1 Agenda

1. Report of the Board of Directors and the Executive Board on the Company's activities in 2019.
2. Presentation of the 2019 Annual Report with the audit report for adoption.
3. Approval of the proposed remuneration of the Board of Directors for the current financial year.
4. Resolution on application of profits or covering of losses as per the adopted 2019 Annual Report.
5. Election of members for the Board of Directors.
6. Election of auditor(s).
7. Proposed resolutions:
 - 7.1 Reduction of the share capital and amendment of Article 3 of the Articles of Association.
 - 7.2 Authorisation to acquire treasury shares.
 - 7.3 Amendment of the remuneration policy and Article 4b of the Articles of Association.
 - 7.4 Amendments to Article 9 in the Articles of Association.
 - 7.5 Amendments to Article 8 in the Articles of Association.
8. Any other business.

2 Explanation of the agenda items

Re item 1 of the agenda

Report of the Board of Directors and the Executive Board on the Company's activities in 2019.

The Board of Directors proposes that the report of the Board of Directors and the Executive Board on the Company's activities in 2019 is noted.

DSV Panalpina A/S, Hovedgaden 630, 2640 Hedehusene, Denmark, tel. +4543203040, CVR No. 58233528, www.dsv.com.

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Re item 2 of the agenda

Presentation of the 2019 Annual Report with audit report for adoption.

The Board of Directors proposes that the audited 2019 Annual Report is approved.

Re item 3 of the agenda

Approval of the proposed remuneration of the Board of Directors for the current financial year.

The Board of Directors proposes the following remuneration of its members for 2020:

A base fee of DKK 500,000 per annum for ordinary board member. The fee in 2017 through 2019 was DKK 450,000.

Re item 4 of the agenda

Resolution on the application of profits or coverage of losses as per the adopted 2019 Annual Report.

The Board of Directors proposes a dividend per share of DKK 2.50.

Re item 5 of the agenda

Election of members for the Board of Directors.

Members up for election are:

Thomas Plenborg
Jørgen Møller
Birgit W. Nørgaard
Annette Sadolin
Malou Aamund
Beat Walti

The Board of Directors proposes re-election of all the above members. Background information on the candidates is attached.

The Board of Directors nominates:

Niels Smedegaard

Background information on the new candidate is attached.

Re item 6 of the agenda

Election of auditor(s).

The Board of Directors proposes re-election of PricewaterhouseCoopers, Statsautoriseret Revisionspartnerselskab, certified accounting member firm, CVR. No. 33771231, based on the updated review and recommendation by the Company's Audit Committee.

The Audit Committee has not been influenced by third parties or been subject to any agreements restricting the election of auditor(s) by the Annual General Meeting.

Re item 7.1 of the agenda

Reduction of the share capital and amendment of Article 3 of the Articles of Association.

Background

As a part of the Company's strategy, the Company has implemented certain share buyback programmes. Some of the treasury shares acquired during such buyback will be used to cover the Company's incentive programmes, and it is proposed that parts of the remaining treasury shares be cancelled resulting in the share capital being reduced by treasury shares of a nominal value of DKK 5,000,000 allocated to 5,000,000 own shares with a nominal value of DKK 1. After the reduction, the nominal value of the Company's share capital will be DKK 230,000,000.

Pursuant to section 188 of the Danish Companies Act (Selskabsloven), notice is hereby given that the purpose of the capital reduction is to cancel part of the Company's portfolio of treasury shares. According to the practice of the Danish Business Authority (Erhvervsstyrelsen), this is comparable to a capital reduction for distribution to shareholders, see section 188(1)(ii) of the Danish Companies Act. Since 15 March 2019 the Company has acquired 7,358,469 shares. The shares were re-purchased for a total amount of DKK 4,886,932,674 equalling an average price of kr. 664,12 per share. This means that, in addition to the nominal capital reduction amount, a total of DKK 4,886,932,674 has been paid out to the Company's shareholders.

To support the resolution to reduce the share capital, it is proposed to amend Article 3 of the Articles of Association upon completion of the capital reduction.

As a result of the capital reduction, Article 3 of the Articles of Association will be amended to read as follows:

“§3

'The Company's share capital amounts to DKK 230,000,000.'

Prior to the implementation of the capital reduction, the Company's creditors will be asked to file any claims they may have against the Company within a period of four weeks. The request will be published through the IT system of the Danish Business Authority. The capital reduction will be implemented after four weeks.

Re item 7.2 of the agenda

Authorisation to acquire treasury shares.

Background

For the purposes of maintaining an active capital allocation policy and covering the incentive programmes of the Company, a proposal is made to grant a new five-year authorisation to the Board of Directors to acquire treasury shares of a nominal value of up to DKK 23,000,000, corresponding to 10 per cent of the Company's share capital, provided that the Company's portfolio of treasury shares does not exceed 10 per cent of the share capital at any time. The purchase price of treasury shares cannot deviate by more than 10 per cent from the last recorded listed share price at the time of purchase. The new five-year authorisation will replace the existing one.

Re item 7.3 on the agenda

Amendment of the Remuneration Policy and Article 4b of the Articles of Association.

Background

An update of the Remuneration Policy applicable to the Board of Directors and the Executive Board is proposed and is prompted by new requirements of the Danish Companies Act and a desire to simplify the Company's remuneration practices.

A draft of the updated Remuneration Policy is attached to this notice, and is also available at the Company's website <http://investor.dsv.com>.

Subject to approval of the amended Remuneration Policy at the Annual General Meeting, Article 4b of the Articles of Association will be deleted according to section 139 (6) of the Danish Companies Act.

Re item 7.4 on the agenda

Amendments to Article 9 of the Articles of Association.

The Board of Directors proposes that Article 9 in the Articles of Association be amended to read as follows:

The annual general meeting must be held not later than four months after expiry of the financial year.

The agenda of the annual general meeting must include the following items:

- (1) The report of the Board of Directors and Executive Board on the Company's activities in the year under review.*
- (2) Presentation of the annual report with the audit report for adoption.*
- (3) Presentation and approval of the remuneration report.*
- (4) Approval of proposed remuneration for the members of the Board of Directors for the current year.*
- (5) Resolution on application of profits or covering of losses as per the adopted annual report.*
- (6) Election of members for the Board of Directors.*

- (7) *Election of auditor(s).*
- (8) *Any proposed resolutions from the Board of Directors or shareholders to be considered.*
- (9) *Any other business.*

Proposals from the shareholders to be considered at the annual general meeting must be submitted in writing to the Board of Directors not later than six weeks before the date of the general meeting. If the Board of Directors receives a proposal later than six weeks before the date of a general meeting, the Board of Directors shall determine whether the proposal has been submitted in time for the item to be included in the agenda after all.

Not later than eight weeks before the contemplated date of the annual general meeting, the Board of Directors shall announce to the shareholders the contemplated date of the general meeting and the latest date for submission of requests to include a specific item in the agenda as set out above.

The new item 4 is proposed due to the introduction of a new section 139b (4) in the Danish Companies Act concerning approval of remuneration reports by the Annual General Meeting.

Re item 7.5 on the agenda

Amendments to Article 8 of the Articles of Association.

Background

The Board of Directors propose to remove the reference to Appendix 1 and the reference to the IT-system of the Danish Business Authority in Article 8 of the Company's Articles of Association because the appendix and the reference to the IT-system of the Danish Business Authority do not have any practical bearing. Adoption of the proposal implies that Article 8 of the Articles of Association is amended as follows:

“General meetings must be held in the Company's registered municipality or in Greater Copenhagen.

Notices for Annual General Meetings are sent by the Board of Directors with at least three weeks' and no more than five weeks' notice. Notice is sent by publication on the Company's website and in writing to the Company's registered shareholders if they have requested written notice.

Not later than three weeks before each general meeting (inclusive of the date of the general meeting), the following documents and information must be made available to the shareholders on the Company's website:

- (1) *The notice convening the general meeting.*
- (2) *The total number of shares and voting rights at the date of the notice.*
- (3) *The documents to be presented to the general meeting; as far as annual general meetings are concerned, they include the audited annual report with the audit report and any consolidated financial statements.*
- (4) *The agenda and the complete proposed resolutions.*
- (5) *If relevant, the forms to be used for voting by proxy and for voting by letter, unless such forms are sent directly to the shareholders. If these forms cannot be made available on the Company's*

website for technical reasons, the Company must state on its website how to obtain the forms in hard copy. In such cases, the Company will send the forms to any who so requests. The pertaining costs will be defrayed by the Company.”

3 Adoption requirements

The following requirements must be satisfied for the proposed resolutions to be considered adopted:

- (i) The resolutions proposed under items 2 to 6, 7.2 and 7.3 can be adopted by a simple majority of votes.
- (ii) The resolutions proposed under item 7.1, 7.4 and 7.5 can be adopted if at least two-thirds of the votes cast as well as at least two-thirds of the share capital represented at the general meeting vote in favour.

4 Amount of share capital and shareholders' voting rights

Pursuant to section 97 of the Danish Companies Act, notice is hereby given that the Company's nominal share capital amounts to DKK 235,000,000 and is divided into 235,000,000 shares of DKK 1 each. Each nominal share amount of DKK 1 entitles the holder to one vote.

5 Attendance at the Annual General Meeting and voting

In order to attend and vote at the Annual General Meeting, the following conditions apply:

The voting rights attaching to the shares and exercisable by the shareholders at the Company's Annual General Meetings or by post are determined by the proportion of the shares held by the individual shareholders on the registration date.

The registration date is Monday, 9 March 2020, at 11:59 p.m. CET.

The shares held by each of the Company's shareholders will be calculated at the end of the registration date at 11:59 p.m. CET. The calculation is made based on the shares registered in the register of shareholders and shares duly evidenced by notices to the Company about any acquisition of shares not yet registered in the register of shareholders but received by the Company before the end of the registration date.

Only physical persons and legal entities registered as shareholders on the registration date 9 March 2020 11:59 p.m. CET are entitled to attend and vote at the Annual General Meeting, cf. the below regarding shareholders' timely request for admission card.

Shares transferred or acquired in the period between the registration date and the Annual General Meeting do not affect the voting rights at the Annual General Meeting or the right to vote by post prior to the Annual General Meeting.

Admission cards/registration

In order to attend the Company's Annual General Meeting, shareholders must request an admission card no later than Thursday, 12 March 2020, at 11:59 p.m. CET via DSV Panalpina's online Shareholder Portal, which is accessible via the Company's website at <http://investor.dsv.com/communication>.

Admission cards may also be requested on the website of Computershare A/S, www.computershare.dk no later than Thursday, 12 March 2020, at 11:59 p.m. CET, or by contacting Computershare A/S by telephone on + 45 4546 0999 no later than Thursday 12 March 2020 at 3:30 p.m. CET.

Admission cards will be distributed via e-mail to the specified address. Please remember to register the correct e-mail address.

After registration in the Shareholder Portal, the electronic admission card is sent via e-mail. Both a printed version and an electronic version on smartphone or tablet qualifies for admission. Presentation of photo ID also qualifies for admission to the Annual General Meeting, provided that an admission card has been requested in due time.

Physical voting papers will not be provided by postal service in advance of the Annual General Meeting but will be handed out upon entry to the Annual General Meeting.

Appointment of proxy

Shareholders who are prevented from attending can also vote by proxy.

A proxy can be appointed electronically on DSV Panalpina's online Shareholder Portal accessible via the Company's website at <http://investor.dsv.com/communication>, or the website of Computershare A/S, www.computershare.dk, no later than Thursday, 12 March 2020, at 11:59 p.m. CET.

A proxy can also be appointed in writing using the proxy form, which is available on the Company's website at <http://investor.dsv.com>. Signed proxy forms must be posted to Computershare A/S, Lottenborgvej 26 D, 1. sal, 2800 Kgs. Lyngby, Denmark, or e-mailed to GF@computershare.dk, and must reach Computershare A/S no later than Thursday, 12 March 2020, at 11:59 p.m. CET.

Postal votes

Postal votes can be cast electronically on DSV Panalpina's online Shareholder Portal accessible, via the Company's website at <http://investor.dsv.com/communication>, or the website of Computershare A/S, www.computershare.dk, no later than Friday, 13 March 2020, at 12:00 p.m. CET.

Postal votes can also be cast by completing the postal voting form available on the Company's website at <http://investor.dsv.com>. Signed postal voting forms must be posted to Computershare A/S, Lottenborgvej 26 D, 1. sal, 2800 Kgs. Lyngby, Denmark, or emailed to GF@computershare.dk, and must reach Computershare A/S no later than Friday, 13 March 2020, at 12:00 p.m. CET.

Once submitted, a postal vote cannot be revoked.

Shareholders wishing to contact the office of Computershare A/S in person can do so during business hours on weekdays from 9:00 a.m. to 3:30 p.m. CET.

Further information on the Annual General Meeting

The agenda and the full text of the proposed resolutions are included in this notice and attached documents.

Further information on the Annual General Meeting is available on the Company's website at <http://investor.dsv.com>, including the total number of shares and voting rights on the date of the notice convening the Annual General Meeting; this notice; proxy and postal voting forms; and any other documents to be presented at the Annual General Meeting, including the 2019 Annual Report, the draft of the amended Articles of Association and of the amended Remuneration Policy.

The custodian bank is Danske Bank, through which shareholders can exercise their financial rights.

This convening notice has been published on the Company's website on <http://investor.dsv.com> and has been forwarded by e-mail (electronic communication) to the shareholders registered in the Company's register of shareholders who have so requested.

DSV Panalpina A/S is data processor, which means that DSV Panalpina A/S is responsible for the correct treatment of shareholders' personal data in accordance with the applicable rules. For further information, the Company's privacy policy is available at <http://www.dsv.com/responsibility/responsibility/Compliance/data-privacy>

Questions from shareholders

Shareholders will have an opportunity to ask questions about the agenda and the other material relating to the Annual General Meeting both before and during the Annual General Meeting.

Shareholders can ask questions about the agenda or the documents, etc., relating to the Annual General Meeting by contacting Helle K. Hansen, DSV Panalpina A/S, Hovedgaden 630, 2640 Hedehusene, Denmark, Telephone +45 43 20 30 40, in person or in writing, or by email to investor@dsv.com.

Yours sincerely,

DSV Panalpina A/S

Thomas Plenborg
Chairman of the Board of Directors

Jens Bjørn Andersen
CEO

Background information on candidates for the Board of Directors

NOMINATED FOR RE-ELECTION

Thomas Plenborg

Chairman of the Board of Directors

Date of birth: 23 January 1967

Member of the Board of Directors since: 2011

Nominated for re-election: 2020

Education: MSc in Economics and Business Administration, Ph.D. from Copenhagen Business School

Board positions:

Chairman: Everyday Luxury Feeling A/S

Board member: COWI Holding A/S

Special competencies:

- Management experience from directorships and honorary offices held
- Strategy and financial management
- Professor of accounting and auditing at Copenhagen Business School

Independent Board member.

Jørgen Møller

Deputy Chairman of the Board of Directors

Date of birth: 19 March 1950

Member of the Board of Directors since: 2015

Nominated for re-election: 2020

Education: International shipping and management education programmes

Special competencies:

- General management experience
- International commercial experience
- CEO of DSV Air & Sea Holding A/S 2002-2015
- Country manager of Dan Transport Corp., USA, 1980-2002

Non-independent Board member.

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Annette Sadolin

Member of the Board of Directors

Date of birth: 4 January 1947

Member of the Board of Directors since: 2009

Nominated for re-election: 2020

Education: Master of Laws (LL.M.)

Board positions:

Deputy Chairman: DSB

Board member: Blue Square Reinsurance, KNI A/S

Special competencies:

- International management experience
- Acquisition and sale of enterprises
- Corporate experience from serving on the boards of directors of major corporations
- Management experience from GE Frankona Munich (executive board member) and Employers Reinsurance International (CEO)

Independent Board member.

Birgit W. Nørgaard

Member of the Board of Directors

Date of birth: 9 July 1958

Member of the Board of Directors since: 2010

Nominated for re-election: 2020

Education: MSc in Economics and Business Administration, MBA from INSEAD

Board positions:

Chairman: Chairman of two companies of the NO Invest Group, Norisol A/S

Deputy Chairman: NNE A/S, Dansk Vækstkapital I.

Board member: IMI Plc.* , WSP Global Inc.* , RGS Nordic A/S, Dansk Vækstkapital II, NCC AB* , ABP Associated British Ports

Special competencies:

- General international management experience
- Acquisition and sale of enterprises
- Strategy and financial management

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- General management experience from Grontmij NV (COO), Grontmij | Carl Bro A/S (CEO), Danisco and McKinsey

Independent Board member.

*Listed company

Malou Aamund

Member of the Board of Directors

Date of birth: 28 July 1969

Member of the Board of Directors since: 2019

Nominated for re-election: 2020

Country Director, Google Denmark

Education: MSc in Economics and Business Board positions:

Board positions:

Chairman: Environmental Technology Development and Demonstration Program (MUDP).

Board member: Navico Group AS, KIRKBI A/S

Special competencies:

- 20 years of international tech management experience
- Digital transformation
- Management experience from Google, Microsoft and IBM
- Sustainability

Independent Board member.

Beat Walti

Member of the Board of Directors

Year of birth: 22 November 1968

Member of the Board of Directors since: 2019

Nominated for re-election: 2020

Education: Doctor of Law

Attorney and partner in Wenger & Vieli Ltd.

Board positions:

Chairman: Ernst Göhner Foundation, RehaClinic AG.

Board member: EGS Beteiligungen Ltd, Rahn Inc., Wenger & Vieli Ltd.

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Special competencies:

- Acquisition and sale of enterprises
- Corporate experience from serving on the boards of directors of major corporations
- General management experience

Independent Board member.

NOMINATED FOR ELECTION

Niels Smedegaard

Member of the Board of Directors

Year of birth: 22 June 1962

Member of the Board of Directors since: 2020

Education: MSc in Economics and Business

Board positions:

Chairman: Norwegian Air Shuttle ASA*, Kollegiefonden Bikuben, Bikubenfonden, Gothenburg RoRo Terminal

Board member: Falck, TT Club Mutual Insurance Limited, UK P&I Club, Royal Greenland, Frederiksbergfonden, Nikolai og Felix Fonden, Board Leadership Society

Special competencies:

- Extensive experience in shipping, logistics and airline industry
- General international management experience
- Strategy, M&A and integration
- Former Group CEO of DFDS

Independent Board member

*Listed company

Remuneration Policy

March 2020



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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 tele-phones, 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.