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COMPANY ANNOUNCEMENT
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LONG TERM INCENTIVE PLANS FOR EXECUTIVE MANAGEMENT AND OTHER KEY EMPLOYEES IN PANDORA

Today, Pandora A/S (“Pandora”) announces the annual allocation of performance shares for 2020 under its Long-term Incentive Plan (“LTIP”), in accordance with its Remuneration Policy.

The LTIP provides a maximum allocation of 100,661 Performance Share Units (“PSUs”) to Pandora’s Executive Management. In total, considering all participants (Executive Management and key employees) a maximum allocation of 600,000 PSUs is included under the LTIP in 2020. The maximum allocation of PSUs to all participants under the LTIP in 2020 is only granted if the performance conditions set by the Board are fully achieved. Based on the allocation share price of DKK 288.10 (the average price of Pandora’s shares on Nasdaq Copenhagen over the last five trading days of 2019), the maximum allocation of PSUs to all participants is valued at DKK 173 million. Pandora intends to use treasury shares to meet its obligations to deliver shares under the LTIP.

The allocated PSUs will be granted following the publication of Pandora's annual report for 2022, subject to fulfilment of the performance conditions in the range 0 – 100% of the maximum PSUs allocated.

For Executive Management the performance conditions are set out in the table below:

LTIP 2020 for Executive Management:		Weight	Vesting % for Achievement of Target			
			Below Threshold	At Threshold	At Par	At Maximum
Performance Conditions	EPS ¹	50%	0%	0%	50%	100%
	TSR ²	50%	0%	25%	50%	100%
	Total	100%	0%	12.5%	50%	100%
Shares Awarded			0	12,583	50,331	100,661
Value at the allocation share price			0	DKK 3.6m	DKK 14.5m	DKK 29.0m

- 1 Pandora’s Earnings Per Share (EPS) for Financial Year 2022 will be assessed against objectives based on Pandora’s internal financial projections.
- 2 Pandora’s relative Total Shareholder Return (TSR) will be ranked (over the period from December 2019 – December 2022) against a basket of 15 industry peer companies. The threshold for the vesting of 25% of the PSUs linked to the TSR objective is a TSR ranking at median; the maximum for the vesting of 100% of the PSUs is a TSR ranking at top quartile, and pro-rata in between.

5 YEARS' PROGRAMME FOR EXECUTIVE MANAGEMENT

As the grant of PSUs takes place after the end of the performance period, the PSUs allocated have a vesting period of three years. For Executive Management, after vesting the PSUs are subject to a further 24 months' holding period after which they become exercisable. Upon exercise, one PSU entitles the eligible recipient to receive one share in Pandora free of charge. There are no further performance criteria tied to the 2-year holding period. In addition, Executive Management meet and continue to be subject to a share ownership requirement of one years' annual base salary.

In accordance with the relevant International Financial Reporting Standards (IFRSs) the accounting expense for the LTIP will be recognised in the income statement over the 3-year vesting period.

ABOUT PANDORA

Pandora designs, manufactures and markets hand-finished jewellery made from high-quality materials at affordable prices. Pandora jewellery is sold in more than 100 countries through 7,400 points of sale, including more than 2,700 concept stores.

Headquartered in Copenhagen, Denmark, Pandora employs 28,000 people worldwide and crafts its jewellery at two LEED certified facilities in Thailand using mainly recycled silver and gold. The company plans to be carbon neutral by 2025 and has joined the Science Based Targets initiative to reduce emissions across its full value chain. Pandora is listed on the Nasdaq Copenhagen stock exchange and generated sales of DKK 21.9 billion (EUR 2.9 billion) in 2019.

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