

REMUNERATION POLICY

1. BACKGROUND AND PURPOSE

The board of directors (the "**Board of Directors**") of Asetek A/S (the "**Company**") has adopted this remuneration policy in accordance with sections 139 and 139 a of the Danish Companies Act and with the Danish recommendations on corporate governance.

The remuneration policy provides the framework for remuneration of the Company's board of directors (the "**Board of Directors**") and Executive Management. "**Executive Management**" means the Company's executives registered as such with the Danish Business Authority.

The overall objective of this remuneration policy is to ensure alignment between the interests of the Board of Directors, the Executive Management, the Company and the Company's shareholders, and to attract, motivate and retain both personally and professionally qualified members of the Board of Directors and the Executive Management in order to contribute to the Company's overall business strategy, the short- and long-term objectives of the Company and its sustainability.

The Board of Directors will continuously consider the remuneration of the Company's Executive Management based on the recommendations from the Remuneration Committee. It is the Board of Directors' assessment that there are no conflict of interest in determining the remuneration policy and the actual remuneration of the Board of Directors and the Executive Management as the Board of Director's remuneration is approved annually by the shareholders at the general meeting, and as remuneration of the Executive Management is determined by the Board of Directors upon recommendation from the Remuneration Committee.

The remuneration policy must be submitted for approval by the general meeting in case of any substantial changes or in any event, every four years.

When preparing the remuneration policy, the remuneration and conditions of employment of the Company's other employees has been considered. The remuneration of the Company's employees follow the same general principles as remuneration of the Executive Management through remuneration with fixed pay, ordinary benefits depending on, among other things, the position in the organisation and seniority, as well as the possibility of a cash bonus when achieving specific objectives. The Company may also from time to time grant equity-based incentives to employees, e.g. share options. In this way, it ensures that the remuneration of the employees contributes to Asetek A/S' overall business strategy, the short- and long-term objectives and the sustainability of the Company.

Agreements about remuneration of the Board of Directors and the Executive Management entered into before the adoption of this remuneration policy will continue on the already agreed terms. Any amendment of existing agreements as well as conclusion of new agreements with the members of the Board of Directors and the Executive Management will be subject to this remuneration policy.

The Board of Directors has submitted this policy for approval by the Company at the general meeting on 22 April 2020.

2. THE BOARD OF DIRECTORS

2.1 Introduction

The Company's Nomination Committee considers the remuneration of members of the Board of Directors at least once a year. The agenda of the annual general meeting includes a separate item with a proposal for remuneration of the Board of Directors for the ongoing financial year.

The remuneration to the Board of Directors will be set at a level, which is competitive compared to the remuneration paid by comparable companies taking the required qualifications and efforts into account. The Company will not, however, take the lead on the market.

The members of the Nomination Committee as elected by the Company's shareholders at the general meeting will not receive remuneration for work in the Nomination Committee unless otherwise approved by the shareholders at a general meeting.

2.2 Fixed remuneration

The members of the Board of Directors will receive a fixed annual fee approved by the annual general meeting.

The chairman of the Board of Directors will receive the fixed annual fee for members of the Board of Directors and may further receive an additional fee of up to 50 percent thereof if proposed by the Nomination Committee and approved by the annual general meeting.

The members of the Board of Directors will not receive any additional remuneration for committee work.

Upon presentation of receipts, the Company will reimburse reasonable travel and accommodation expenses incurred by a member of the Board of Directors while performing his/her board duties (including committee work).

Further, the Company will pay for such adequate and relevant training to each board member as is considered appropriate, having regard to his/her position.

2.3 Incentive pay

The remuneration of the members of the Board of Directors will not include any incentive pay components.

2.4 Duration

The members of the Board of Directors are elected by the general meeting for the time until the next annual general meeting.

3. THE EXECUTIVE MANAGEMENT

3.1 Introduction

The Remuneration Committee will submit proposals for remuneration of the Executive Management to the Board of Directors for approval. The remuneration is considered continually and at least annually.

The remuneration level for the Executive Management should be competitive compared to similar companies to attract competent leadership. With an aim to secure a competent and value-adding Executive Management, to reflect the interests of the shareholders in value creation and secure the Company's overall business strategy, short- and long-term objectives and sustainability, it is the opinion of the Board of Directors that the remuneration package for members of the Executive Management shall consist of a combination of both fixed and performance-based remuneration.

Accordingly, the remuneration package for the Executive Management consists of (i) fixed annual base salary, (ii) pension, (iii) a short-term cash bonus, (iv) a long-term incentive scheme (share based), and (v) other benefits in the form of usual non-monetary benefits and reimbursement of expenses. Each element of the remuneration has been considered in order to ensure a continued positive development of the Company in both the short and long-term.

3.2 Fixed annual base salary

The members of the Executive Management will receive a fixed annual base salary as payment for their day-to-day performance.

The Executive Management will not be entitled to any further remuneration for assisting the Company's affiliated companies.

3.3 Pension

The pension contribution of the Company may comprise a maximum of 15% of the fixed annual base salary.

3.4 Variable incentive pay

In order to encourage common goals for the Executive Management and the shareholders of the Company and to ensure the long-term value creation in the Company as well as to meet the short- as well as the long-term goals the Board of Directors considers it appropriate that incentive schemes exist for the Executive Management. Such incentive schemes comprise variable remuneration, including share-based instruments such as shares and share options as well as cash bonus agreements. Except for annual cash bonuses, variable remuneration will be earned wholly or partly over a period of minimum three years. Any specific incentive agreements with members of the Executive Management will be subject to this policy.

The Executive Management has historically been granted warrants, which are not subject to this policy. The current authorization of the Board of Directors by the general meeting to issue warrants will lapse 30 April 2020, however, no further warrants will be granted from the adoption of this policy.

3.4.1 Short-term cash bonus

Annual bonus arrangements are one-year bonus schemes, which drive and reward delivery of short-term business objectives. The annual bonus payments are conditional upon compliance in full or in part with the terms and targets defined in the bonus agreement. These will comprise personal targets linked to the performance of the executive in question, the Company's delivery of annual business results, or the occurrence of a specific event. The Board of Directors will determine the actual bonus to be paid by measuring the level of achievement of the performance targets. This will be done on the basis of the results included in the Company's annual report for the financial year(s) in question and on the basis of other data relevant to the Board's decision, e.g. internal or external reports regarding the level of achievement of the specific performance targets.

The annual bonus schemes for the Executive Management may allow members to receive a bonus per financial year of up to a maximum of 100% of the member's fixed annual base salary.

In exceptional cases, other agreements may be made for the payment of an additional bonus. Under such agreements, a cash bonus will typically be payable on the occurrence of a specific event, such as the acquisition of a controlling shareholding in the Company, a takeover bid, or the continued service of a member of the Executive

Management until a specified time, either defined as a date or a period after the occurrence of a specific event. Such extraordinary bonus cannot exceed 100% of the member's fixed annual base salary.

The Board of Directors will on an ongoing basis and on the basis of recommendation from the Remuneration Committee review the short-term cash bonus in order to make sure that it does not support the Company's short-term goals at the expense of the overall business strategy, long-term objectives and sustainability.

The Board may - in accordance with the principles applicable to the short-term bonus - decide to grant long-term cash bonus agreements for periods of 3-5 years which drive and reward delivery of long-term business objectives.

3.4.2 Long-term incentive scheme

The long-term incentives are primarily designed to incentivize long-term performance, commitment and retention of the members of the Executive Management, as well as to promote alignment of the interests with the shareholders. Long-term incentive schemes are comprised of stock option awards which are conditional upon employment at the date of vesting.

One stock option gives the holder the right to acquire one share in the Company. The long-term incentives will be revolving and have a vesting period of minimum three years from the time of award. The exercise price is determined by the Board of Directors corresponding to the market share value at the date of award. In the event of exercising stock options by the Executive Management, the Company reserves the right to cash settle.

The stock options contain usual regulation clauses in case of changes to the Company's share capital etc. The value of the stock options is determined at the time of award based on the Black-Scholes model. The value of long-term incentives at the time of grant may not exceed an amount equal to 100% of the member's fixed annual base salary at the time of grant.

3.4.3 Reclaiming variable pay

In the event of serious misconduct, or if an annual bonus or long-term incentive award is made on the basis of accounts which later prove to be materially misstated, the Company may reclaim from the Executive Management, in full or in part, any over-payment from such annual bonus or long-term incentive award.

3.5 Travelling expenses and training

On presentation of receipts, the Company will reimburse all reasonable travelling and entertainment expenses incurred by a member of the Executive Management in the Company's interests and in accordance with the Company's travel policy.

3.6 Other benefits and working tools

The Company may make a number of work-related benefits and working tools available to the members of the Executive Management, including but not limited to a mobile telephone, a newspaper, a company car, a computer and a broadband connection.

The extent of such work-related benefits will be negotiated with each member of the Executive Management.

The Remuneration Committee may, on behalf of the Board of Directors, make customary adjustments to the employment terms of the executives, including the benefits and car arrangements.

3.7 Termination and severance pay

The Company may terminate the employment of a member of the Executive Management with the notice required to be given in the executive service agreement. The period of notice may not exceed 12 months.

Further, a member of the Executive Management may terminate his/her employment with the Company with the notice provided for in the executive service agreement which are between 2 and 6 months.

If 50% or more of the votes and/or shares in the Company are transferred, if the Company is merged or de-merged or if 50% or more of the Company's assets are sold, this shall be considered a "change of control". If the Company terminates the employment of members of the Executive Management within 6 months prior to or 12 months after such a "change of control" or if members of the Executive Management terminate their employment within 6 months after such a "change of control", such members of the Executive Management are entitled to be released from their duties no later than one month after the notice of termination and are entitled to remuneration as if their contracts had been terminated by the Company. In addition, such members of the Executive Management will be entitled to severance pay corresponding to 6 months base salary.

The maximum aggregated remuneration including severance pay to members of the Executive Management in the notice period cannot exceed a maximum corresponding to 24 months remuneration including all remuneration components.

4. REPORTING

4.1 The general meeting

As of 2021, the Company must prepare a remuneration report in accordance with the Danish Companies Act section 139 b. The remuneration report must be subject to an indicative vote on approval at the annual general meeting.

5. DEVIATION FROM THE REMUNERATION POLICY

The Board of Directors may in exceptional circumstances deviate from the remuneration policy if the Board of Directors assesses that a derogation is necessary to support the long-term interests of the Company, including the sustainability of the Company and its business. The possibility to deviate concerns only the grant of an additional cash bonus to Executive Management as set out in paragraph 3 of section 3.4.1 above, If recommended by the Remuneration Committee and approved by the Board of Directors, such an additional cash bonus may exceed 100% of the member's fixed annual base salary. Any deviations will be disclosed in the remuneration report.

6. DISCLOSURE OF THE REMUNERATION POLICY

When the general meeting has approved this remuneration policy, the remuneration policy will be published on the Company's website in accordance with section 139 of the Danish Companies Act.

Further, the total remuneration paid to each member of the Board of Directors and the Executive Management will be disclosed in the Company's annual report and from 2021 in a separate remuneration report in accordance with Section 139 b of the Danish Companies Act.

Aalborg, 24 March 2020.

The Board of Directors

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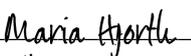

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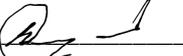

Chris J. Christopher 581019CD4F5...

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Jorgen Smidt 7F46EE8E94A0...

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Maria Hjorth 8568FE790704D4...

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Erik Damsgaard 86DA688B4D9...

As adopted by the general meeting on 22 April 2020.