

# SKAKO

Remuneration report 2018 for SKAKO A/S

**Table of contents**

Introduction.....	3
Business performance in 2018 and incentive outcomes.....	3
Total remuneration for Executive Management in 2018.....	3
Remuneration for the Board of Directors .....	5

## **Introduction**

In 2018 the Board of Directors (in its role as Remuneration Committee) reviewed the remuneration structure of Executive Management to ensure the framework remains appropriate for our business model and that it supports our future ambitions.

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

## **Business performance in 2018 and incentive outcomes**

SKAKO's overall financial performance in 2018 does not live up to the Board of Directors expectations. Therefore, incentive pay for 2018 has been limited. However, the Executive Management have still shown a good performance on individual performance targets, which is the motivation behind the actual incentive payments.

## **Total remuneration for Executive Management in 2018**

The following table sets out the total remuneration for Executive Management for the financial year 2018 and the two previous financial years.

tDKK	<b>Søren Pedersen, Managing Director at SKAKO Concrete</b>			<b>Lionel Girieud, Managing Director at SKAKO Vibration</b>			<b>Jacob Have, Group CFO</b>			<b>Peter Thomsen, Group CFO</b>			<b>Executive Management, total</b>		
<b>Component</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2018</b>	<b>2017</b>	<b>2016*</b>
Base salary (fixed)	1,522	1,382	1,342	1,089	1,039	941	337	1,346	922	1,263	0	0	4,211	3,767	3,565
Cash Bonus (STIP)	36	121	50	43	149	112	0	168	200	105	0	0	184	438	612
Share based Incentive (LTIRP)**	40,000	40,000	20,000	40,000	40,000	20,000	0	40,000	20,000	0	0	0	80,000	120,000	60,000
Pension	152	138	134	211	194	203	34	134	88	0	0	0	397	466	444
Benefits	125	125	91	69	69	64	32	129	54	87	0	0	313	323	236
<b>Total</b>	<b>1,835</b>	<b>1,766</b>	<b>1,617</b>	<b>1,412</b>	<b>1,451</b>	<b>1,320</b>	<b>403</b>	<b>1,777</b>	<b>1,264</b>	<b>1,455</b>	<b>0</b>	<b>0</b>	<b>5,105</b>	<b>4,994</b>	<b>4,857</b>

\* 2016 includes remuneration for Henrik Blegvad Funk (Group CFO) which is not specified here.

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

The remuneration paid to **Søren Pedersen** totalled 1,835 tDKK, representing an increase of 3,9 % compared to 2017. His fixed base salary increased by 10,1 % to 1,522 tDKK (82,9 % of the total remuneration in 2018). The cash bonus (STIP) made up 36 tDKK corresponding to 10,0 % of the maximum bonus. This percentage reflects a year where SKAKO Concrete did not reach its financial target, as well as some individual targets. The individual targets score was, among other things, influenced by a strong order intake in 2018 and the ability to execute strategic projects regarding the organization of SKAKO Concrete.

The remuneration paid to **Lionel Girieud** totalled 1,538 tDKK, representing a increase of 6.0 % compared to 2017. His fixed base salary increased by 4.8 % to 1,089 tDKK (77.1% of the total remuneration in 2018). The cash bonus (STIP) made up 43 tDKK corresponding to 16.7 % of the maximum bonus. This percentage reflects a year where SKAKO Vibration did not reach all its financial target, as well as some individual targets. The individual targets score was, among other things, influenced by the ability to execute strategic projects.

The remuneration paid to **Jacob Have** totalled 403 tDKK, representing a decrease of 77.3 % compared to 2017. His fixed base salary decreased by 75.0 % to 337 tDKK (83.6% of the total remuneration in 2018). The cash bonus (STIP) made up 0 tDKK corresponding to 0% of the maximum bonus. This percentage reflects the fact that Jacob Have resigned during the year. As a result of Jacob Have's resignation all previously awarded warrants have been forfeit.

The remuneration paid to **Peter Thomsen** totalled 1,263 tDKK. The cash bonus (STIP) made up 105 tDKK corresponding to 25 % of the maximum bonus. This percentage reflects the fact that Peter Thomsen was employed after approval of the 2018 budget, and therefore had a guaranteed minimum bonus for 2018. Furthermore, Peter Thomsen resigned during the year.

No warrants have been awarded in 2018.

## **Remuneration for the Board of Directors**

In April 2018, the general meeting decided to keep the Board of Directors' fixed annual fee of DKK 150 thousand forth coming year until the general meeting in 2019. The remuneration for the Board of Directors comprises a fixed fee only and the members' travel costs and other costs are covered by the company.

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