



# Better Collective A/S

## General guidelines for incentive remuneration to the board of directors and the executive management



## 1. Introduction

- 1.1 This document constitutes the general guidelines as approved by the general meeting of Better Collective A/S (the “**Company**”) for incentive programs, which may be offered to members of the board of directors and the executive management of the Company in addition to their fixed annual salary.

The executive management includes executives in the Company registered as such with the Danish Business Authority (in Danish: *Erhvervsstyrelsen*).

- 1.2 Pursuant to section 139 of the Danish Companies Act, the board of directors of a Danish company admitted to trading on a EU regulated market must in advance of entering into a specific agreement about incentive remuneration with a member of its board of directors or the executive management adopt general guidelines for the company’s incentive remuneration for the board of directors and the executive management. Such guidelines shall be approved by the company’s shareholders at a general meeting and the approval of the guidelines shall be adopted in the company’s articles of association.

- 1.3 Agreements about incentive remuneration for members of the board of directors or executive management entered into before the adoption of these guidelines will continue on already agreed terms. Any amendment of existing agreements as well as conclusion of new agreements with the members of the board of directors or the executive management shall be subject to the below guidelines and may at the earliest be entered into on the day after the approved guidelines have been published on the Company’s website.

## 2. The purpose of incentive remuneration

- 2.1 The overall purpose of these guidelines is to attract, motivate and retain qualified members of the board of directors and the executive management. The Company’s board of directors believes that incentive remuneration to the board of directors and executive management is essential to create an incentive for the Company’s board of directors and executive management to ensure the Company’s short and long-term goals and to promote value creation for the benefit of the shareholders of the Company.

## 3. Incentive remuneration components

- 3.1 Members of the Company’s board of directors and executive management receive a fixed annual remuneration. In addition, members of the board of directors and the executive management may receive incentive-based remuneration consisting of share based rights. Finally, members of the executive management may receive incentive-based remuneration consisting of a cash bonus (including cash bonuses based on development in the share price), on both an ongoing, single-based and event-based basis.

## 4. Cash bonuses to members of executive management

- 4.1 Cash bonus schemes may consist of an annual bonus, which the individual member of the executive management can receive if specific targets of the Company and other possible personal targets for the relevant year are met. The maximum cash bonus shall be equivalent to 100 percent of the fixed base salary of each eligible participant of the executive management. Payment of bonus is only relevant when conditions and targets have been fully or partly met (as determined by the board of directors). If no targets are met, no bonus is paid out.



4.2 Targets for the executive management shall be agreed upon by the board of directors and the executive management.

## 5. Share based incentive

5.1 The general meeting will on an annual basis decide whether or not to establish a long term incentive program (“**LTI program**”) for the coming calendar year. The LTI program shall be based on the issuance of warrants in the Company (“**Share Based Rights**”).

5.2 Each Share Based Rights will entitle the recipient to receive one share in the Company against payment of an exercise price (determined in connection with the implementation of the LTI program) after a three year vesting period, provided the targets for vesting are met.

5.3 When a LTI program is established, the members of the board of directors and the executive management may participate with an awarded value of shares and/or warrants for the grant year of (a) up to a maximum of 50 percent of the annual base salary (at the time of grant) in respect to members of the board of directors and (b) up to 100 percent of the annual base salary (at the time of grant) in respect to members of the executive management. The value of the Share Based Rights, and thereby the possible maximum Share Based Rights allocation, will be calculated on the basis of the Company’s average closing share price the last 10 banking days of the month prior to the date where the decision to establish a LTI program is adopted.

5.4 Performance Share Rights granted under a LTI program will vest after three years from the date of grant. The targets for granting and/or vesting, if any, will (i) as regards members of the board of directors, be defined by the general meeting; and (ii) as regards members of the executive management, be defined by the board of directors based on guidelines resolved by the general meeting. The targets may include financial and strategic targets of the Company as well as individual targets. If none of the targets are met, none of the Share Based Rights will be granted.

5.5 It is a prerequisite for the executives management’s vesting rights that their employment with the Company is not under notice or terminated for any reason by any party throughout the vesting period. This prerequisite may not apply in certain “good leaver” situations. Similarly, it is a prerequisite for the members of the board of directors’ vesting rights that the participant of the LTI program is a member of the board of directors, however, with this prerequisite being subject to certain “good leaver” situations.

## 6. Publication

6.1 These guidelines shall be referred to in the Company’s articles of association and published on the Company’s website [www.bettercollective.com](http://www.bettercollective.com)

6.2 These guidelines shall remain in force until the general meeting adopts new or amended guidelines.

*Approved by the board of directors on May 2, 2018 as well as presented to and adopted by the general meeting on May 18, 2018.*