



# REMUNERATION REPORT

RIAS A/S

Company (CVR) no. 44 06 51 18

Date: 9 December 2021

## **Introduction**

This remuneration policy for RIAS A/S has been drawn up pursuant to sections 139 and 139b of the Danish Companies Act.

The general intention of the remuneration policy is to establish a simple remuneration structure for the board of directors and the executive board, respectively.

### **The overall purpose of the remuneration policy is furthermore:**

- To attract, motivate and retain qualified members for the board of directors and executive board.
- To ensure a match between the mutual interests of management and not least those of the executive board, the company and the shareholders.
- To contribute to promoting long-term value creation in the company and thereby underpin the company's business strategy.

The remuneration policy, including the remuneration to the executive board in particular, contributes in several ways to the company's business strategy and long-term interests. The key performance indicators ("KPIs") for bonus are closely aligned with the guideline objectives for the company's strategy, and the board of directors will annually adjust these criteria to changes in the strategy and the company's situation.

The remuneration policy also contributes to the company's sustainability.

Several of the KPIs used will relate to the company's climate and environmental impact while others relate to its business development and innovation.

### **Advisory vote Remuneration Report 2019/20**

The Remuneration Report for 2019/20 was approved at the Annual General Meeting held on 27<sup>th</sup> of January 2021 without comments.

### **Remuneration of board of directors**

The board of directors is remunerated solely through a fixed remuneration.

Non-executive members of the board of directors receive a fixed, annual remuneration. The vice chairman receives twice the standard remuneration, whereas the chairman would receive three times the standard remuneration.

Members of the board of directors elected by the employees receive an annual remuneration equal to half the standard remuneration.

No separate remuneration is paid to members of the board of directors who are also employed by ThyssenKrupp Group. RIAS A/S only reimburses these board members' documented travel, accommodation expenses and other expenses paid by the ThyssenKrupp Group.

In future, remuneration to members of the board of directors will be approved at the annual general meeting as a separate item on the agenda.

Members of the board of directors are elected for one-year terms at the annual general meeting, and the employees appoint two representatives for the board of directors, who are elected by the employees every four years.

No severance or retention schemes apply to the company's members of the board of directors.

#### **Remuneration of executive board**

RIAS A/S' executive board has one member only.

The board of directors, which functions as remuneration committee, has determined the executive board's remuneration on the basis of the same principles as apply to the remuneration to the board of directors, that is, a simple and transparent remuneration system. Bonus is granted as an incentive to optimise RIAS A/S's operations and performance and to develop RIAS A/S's business areas and establish new ones.

The executive board receives no share-based remuneration.

The remuneration to RIAS A/S's executive board has been fixed at:

A fixed, annual remuneration of approx. DKK 1,500,000.

An annual target bonus approx. DKK 495,700, maximized to approx. DKK 746,000.

In addition, the usual fringe benefits such as company car, free telephone, internet and newspaper subscription are provided, and the company also pays an amount corresponding to 8% of the remuneration into a pension scheme.

A minimum target bonus is paid on account at DKK 250,000. No repayment obligation applies to bonus paid on account if bonus targets are not met, this part is therefore considered as fixed remuneration.

No long-term variable pay scheme is in force.

Bonus targets have been fixed as follows:

Bonus is paid on the basis of RIAS A/S's achievement of the budgeted result, the company's productivity and results of development projects, including the successful implementation of planned development projects, energy optimisation and other environmental measures.

As a supplement to the remuneration to the executive board, RIAS A/S pays an amount corresponding to 8% of the remuneration into a pension scheme. No contractual option for early retirement is provided.

In connection with determining the total remuneration to the executive board, the board of directors has considered the salary paid to and the terms of employment of RIAS A/S's overall workforce, and adjusted the remuneration to the executive board accordingly. The board of directors has assessed the total remuneration relative to the remuneration paid to the executive board of comparable listed companies.

The service contract with Henning Hess, CEO, was concluded in September 2003.

Under the contract with the executive board, neither the fixed remuneration nor the bonus is subject to automatic adjustment. The remuneration is adjusted exclusively by negotiation with the board of directors.

In connection with the annual negotiation with the executive board, the board of directors may increase the fixed and variable elements of the remuneration to the executive board by up to 10%.

The service contract may be terminated by the company at 12 months' written notice and by the CEO at six months' written notice.

#### **Procedure for determining the remuneration policy**

RIAS A/S's remuneration policy has been determined by the company's board of directors. The types of remuneration in the remuneration policy have been fixed on the basis of an assessment of the general pay and employment terms for RIAS A/S's staff, an assessment of the remuneration to the executive board and board of directors seen in relation to RIAS A/S's position and size, and in relation to comparable listed companies.

The board of directors is of the opinion that the above-mentioned decision-making process addresses any conflicts of interest between the board of directors and the company.

The variable element of the remuneration to the executive board (bonus) is paid partly on the basis of financial KPIs, partly on the basis of achievement criteria for the company's business strategy, including the successful implementation of planned, new projects, corporate social responsibility and optimisation of climate-enhancing activities.

The board of directors is of the opinion that this bonus mix for the executive board strengthens the company's long-term interests and sustainability.

The chairman of the board of directors assesses whether the bonus criteria have been met.

No option for the executive board or company to postpone bonus payments has been agreed, nor does the company have the option of claiming repayment of bonus already paid.

**Adjustment of remuneration**

Any amendment of the above-mentioned remuneration policy by the board of directors of RIAS A/S is subject to section 139a, subsections (4) and (5), of the Danish Companies Act.

Any amendment of the remuneration policy will be conditional on a significant change in the assumptions underlying the fixing of remuneration to the executive board, including the variable element. In specific cases where necessary in order to protect the company's long-term interests, the board of directors may depart from the upper limit for payment of cash bonus or fixed remuneration to the executive board, for example, in connection with the employment of additional or new members of the executive board, or in special circumstances.

Any significant changes, e.g. adjustment to the framework for the distribution of fixed and variable remuneration or the introduction of new components in the remuneration must be submitted for voting at a general meeting in accordance with the Danish Companies act, section 139, subsection (2).

Decisions regarding deviations is made by the Board of Directors.

During financial year 2020/21 no amendment to the policy has been made and the remuneration has been done according the policy.

Remuneration to executive board and board of directors.:

## Amounts in DKK

<b>Remuneration Henning Hess</b>					
	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>
Fixed salary	1.676.800,00	1.710.000,00	1.728.000,00	1.738.000,00	1.749.772,00
Bonus	219.300,00	238.300,00	316.600,00	478.000,00	423.000,32
Pension scheme	167.117,24	167.228,00	168.879,99	175.707,00	189.339,79
Fringe benefits	277.216,42	270.525,57	248.635,56	244.282,76	248.861,39
	<b>2.340.433,66</b>	<b>2.386.053,57</b>	<b>2.460.115,55</b>	<b>2.635.989,76</b>	<b>2.610.973,50</b>
<i>*Fringe benefits consists of leasing car, newspaper, internet and insurance.</i>					
<i>Split between fixed and variable</i>					
	<i>Fixed</i>				
	<i>Variable</i>				
	90,6%	90,0%	87,1%	81,9%	83,8%
	9,4%	10,0%	12,9%	18,1%	16,2%
Salary development executive board in %	-0,68%	1,95%	3,10%	7,15%	-0,95%
Development in EBIT (TDKK)	8.350	9.129	9.753	11.537	16.823
Development in EBIT %	0,8%	9,3%	6,8%	18,3%	44,1%
Development in average salary other employees	446.613	464.380	447.225	470.571	472.235
Development in average salary other employees %	-1,6%	4,0%	-3,7%	5,2%	0,4%
<b>Remuneration board of directors</b>					
June Svendsen	15.000,00	15.000,00	15.000,00	15.000,00	15.000,00
Søren Koustrup	15.000,00	15.000,00	15.000,00	15.000,00	15.000,00
Steen Raagaard	60.000,00	60.000,00	60.000,00	60.000,00	60.000,00
<b>Reimburses board of directors paid by</b>					
	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>
Jürgen Westphal	74.832,09				
Gudrun Degehart			60.047,51	42.063,45	
Dieter Wetzel	93.255,78	83.784,23	56.341,36	40.782,89	
Peter Swinkels				7.059,55	3.652,94
Astrid Meicherzyk					

### Variable remuneration executive board.

The financial targets are set during the budget process for the financial year.

The value of the variable remuneration to the executive board is calculated on the basis of the following targets.

	Weight	
- Adj. EBIT RIAS A/S	30.00%	Above target
- tkVA RIAS (organic growth)	30.00%	Above target
- Excellerate GC (growth on defined business areas)	20.00%	On target
- Individual targets (strategy project)	20.00%	Above target

The above targets have been achieved and the total cash payout to the executive board in 2020/21 therefore is 673,000 kr. where 250,000 kr. already has been paid out in the financial year.

## **Management's Statement – Remuneration Report - UK**

### **Management's Statement**

The Board of Directors has today considered and adopted the remuneration report for the financial year 2020/21 for the listed company RIAS A/S.

The remuneration report is presented cf. Section 139 b of the Companies Act.

The remuneration report is submitted for indicative vote at the Annual General Meeting.

Roskilde 9<sup>th</sup> December 2021

### **Board of Directors of RIAS A/S**



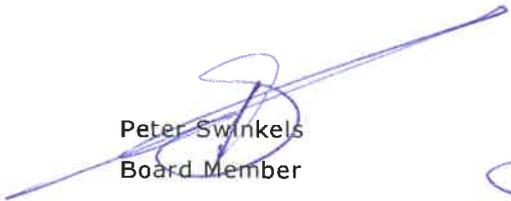
Astrid Meicherczyk  
Chairman



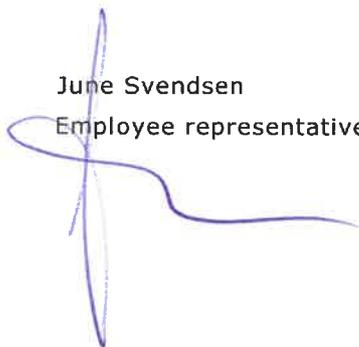
Steen Raagaard Andersen  
Vice Chairman



Dieter Wetzel  
Board Member



Peter Swinkels  
Board Member



June Svendsen  
Employee representative



Søren Koustrup  
Employee representative



## ***Independent Auditor's Statement on Remuneration Report***

To the Shareholders of RIAS A/S

According to section 139 b of the Danish Companies Act, Management is responsible for preparing a remuneration report in accordance with the remuneration policy adopted at the General Meeting.

Our opinion on the audit of the Financial Statements does not include the remuneration report, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements for 2020/21, it is, however, our responsibility pursuant to section 147 of the Danish Companies Act to verify that all disclosures required under section 139 b(3) of the Danish Companies Act are included in the Company's remuneration report for 2020/21.

We found no reason to point out any omissions with respect to the disclosures included in the remuneration report for 2020/21.

Hellerup, 9 December 2021

**PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab

*CVR No 33 77 12 31*

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