

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 based on the Danish recommendations on corporate governance. The remuneration policy also sets out the guidelines for incentive-based remuneration section 139 of the Danish Companies Act.

The remuneration policy sets out the general guidelines on 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, Executive Management, the Company and the 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 fulfil the short- and long-term objectives of the Company.

The Board of Directors will continuously consider the remuneration of the Company's management based on the recommendations 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.

The Board of Directors has submitted this policy for approval by the Company at the general meeting on 10 April 2019.

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 will include 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.

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.

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 short- and long-term objectives, 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 (cash or 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 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 may comprise any form of variable remuneration, including share-based instruments such as shares and share options as well as non-share-based 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 these guidelines.

The Executive Management have historically been granted warrants, which are not subject to these guidelines. 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 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 salary.

In exceptional cases, other agreements may be made for the payment of an additional bonus. Under such agreements, a 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 the executive board until a specified time, either defined as a date or a period after the occurrence of a specific event.

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. The long-term incentives may result in a maximum payout per financial year equal to 100% of the member's fixed annual salary. Long-termed incentive schemes are comprised of stock option awards which are conditional upon employment at the date of vesting.

The long-term incentives will in the event of share-based pay be revolving and have a vesting period of minimum three years.

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.

3.4.4 Accumulation

In the event that a member of the Executive Management in the same financial year is entitled to both a short-term and long-term incentive payment, the accumulated payment for the financial year may not exceed 200% of the member's fixed annual salary.

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.

The maximum aggregated remuneration including severance pay of 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

On the annual general meeting of the Company, the Chairman will account for the remuneration policy and the Company's compliance herewith as part of the Chairman's Report.

5. DISCLOSURE OF THE REMUNERATION POLICY

When the general meeting has approved this remuneration policy, a provision in this regard will be included in the Company's Articles of Association and 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.

Aalborg, 18 March 2019.

The Board of Directors

Chris J. Christopher

Jim McDonnel

Jorgen Smidt

Maria Hjorth

As adopted by the general meeting on 10 April 2019.