REMUNERATION POLICY

for the Board of Directors and Executive Management of Gabriel Holding A/S
Adopted at the annual general meeting on 10 December 2020

Gabriel®

1. Purpose

Gabriel's strategy is to grow with the largest market participants. Gabriel's growth is based on close development partnerships and trading with selected major leading customers in a global strategy where organic growth and acquisitions contribute to achieving the stated financial and non-financial goals. The overall objectives of the remuneration policy are:

- To attract, motivate and retain qualified members of the Board of Directors and Executive Management,
- To ensure a convergence between management's interest and the interests of Gabriel and the shareholders, and
- To help promote long-term value creation in Gabriel and thus support the Company's business strategy.

The remuneration policy, in particular the remuneration of Executive Management, contributes to Gabriel's business strategy as well as long-term interests in several ways. The performance criteria (KPIs) and related targets for cash-based incentive programmes are closely aligned with the objectives guiding Gabriel's strategy and the Board of Directors (Board) will annually assess and adapt them to changes in the strategy and Gabriel's situation.

The remuneration policy sets out the general framework and guidelines for the remuneration of the Board and Executive Management of Gabriel Holding A/S. The policy must be approved by the general meeting and submitted for a binding vote at least every four years or by material changes. On the basis of the remuneration policy Gabriel will annually submit a remuneration report at the annual general meeting - for the first time in 2021.

Agreements on remuneration concluded before the adoption of this policy may continue on the agreed terms.

2. Decision process and conflicts of interest

Gabriel has established a Governance, Remuneration & Nominating Committee (Committee) whose central task is to assist the Board in preparing and reviewing the remuneration policy. The Board is responsible for implementing the remuneration policy.

The remuneration policy must be reviewed annually and if the Committee finds it necessary to revise the remuneration policy, the Committee prepares a resolution proposal to the Board, which then decides on a possible revision of the remuneration policy in accordance with the Board's usual decision-making procedure. The Committee's charter can be found on Gabriel's website, www.gabriel.dk.

When reviewing the remuneration policy, the Committee may consult Executive Management, but Executive Management has no decision-making power in relation to remuneration policy.

If the Board adopts the Committee's proposal to revise the remuneration policy, the revised remuneration policy shall be submitted to the shareholders for consideration and approval at the general meeting.

Any material amendments must be clearly described in the remuneration policy, including how the shareholders' vote and considerations towards the remuneration policy and remuneration reports have been taken into account since the last general vote on the remuneration policy. Amendments will appear at the end of the remuneration policy, as an annex.

The Board assess that the risk of conflicts of interest in connection with the Committee's and the Board's work on the remuneration policy is minimized, as the remuneration of the Board is exclusively a fixed fee, which in all cases must be approved by the general meeting.

In preparing the remuneration policy the Committee has compared and evaluated the remuneration of Executive Management with the salaries and employment terms of other employees in the Company. In relation to the other employees' terms of employment, the remuneration policy is designed so that the remuneration of Executive Management reflects proportionately the responsibility that the Executive Management's duties entail. As a part of the determination of the remuneration policy Gabriel has also taken into account, that the ratio between the total remuneration of Executive Management and the other employees, including the development thereof, does not deviate significantly from comparable market ratios.

3. Remuneration

Remuneration of the Board

The members of the Board of Gabriel are remunerated with a fixed annual fee and are not covered by any kind of incentive remuneration or pension schemes.

The members of the Board shall be paid a fixed base fee. The chairman and vice-chairman of the Board receive 3.2 and 1.6 times the base fee, respectively. Members of the Board, who are also members of a board committee, shall receive an additional fixed fee, as remuneration for their committee work.

- A fee equal to 0,2 times the base fee is paid to each ordinary member of the Audit Committee and 0,8 times the base fee to the chairman of the committee.
- A fee equal to 0,4 times the base fee is paid to each ordinary member of the Acquisition Committee and 0,8 times the base fee to the chairman of the committee.
- A fee equal to 0,4 times the base fee is paid to each ordinary member of the Cybersecurity Committee and 0,8 times the base fee to the chairman of the committee.
- A fee equal to 0,4 times the base fee is paid to each ordinary member of the Governance, Remuneration & Nomination Committee and 0,2 times the base fee to the chairman of the committee, however, the chairman and vice-chairman of the Board will not receive such additional fees if they are elected to the Governance, Remuneration & Nomination Committee.

The remuneration for the last financial year is approved at the annual general meeting in connection with the annual report, as well as the amount of the Board's base fees and additional fees for the current financial year is set for approval at the annual general meeting. The base fee is determined according to the scope and nature of the work and the requirements for the competences of the board members. The agreed fees are paid quarterly in arrears.

The overall objective is for the Board remuneration to be competitive and to be able to attract and retain board members with the desired competences, but without being market-leading on wages.

The board member’s agreement on the directorship in Gabriel runs one year at a time, with the board members being elected annually at Gabriel's annual general meeting. No special retention or resignation schemes apply to the members of the Board.

Remuneration of the Executive Management

The Executive Management’s remuneration may consist of both fixed and variable parts. No share-based remuneration is given. It is the Board’s position that incentive-based programs linked directly to Gabriel's growth strategy and financial goals, can contribute to the realization of such set goals and thus support the joint interests between Gabriel, the management and the shareholders.

The individual remuneration components may amount up to the following of the fixed base salary:

Remuneration component	Maximum
Fixed base salary, including usual employee benefits	100 %
Cash based incentive programs – Short term – Long-term	 33 % 20%

Fixed base salary

The fixed remuneration consists of a base salary which is regulated annually as well as pension contributions and usual employee benefits. The value of the remuneration shall be disclosed in the remuneration report.

The purpose of the fixed base salary is primarily to give each Executive Manager a predictable minimum salary in order to be able to attract and retain members of the Executive Management with the desired competences. The salaries shall be determined in accordance with the level of remuneration in comparable companies and taking into account the competences, experience and performance of the individual. The base salary of each member of Executive Management is determined each year based on a negotiation.

Members of Executive Management do not receive any remuneration for directorships and committee work in Gabriel's subsidiaries.

Incentive-based remuneration

The purpose of cash-based bonuses will be to ensure Executive Management's focus on the short-and long-term KPIs, supporting Gabriel's overall strategy and long-term growth plans and similarly reward satisfactory results against the established performance criteria.

The Board may choose to supplement the Executive Management's fixed base salary with cash bonuses based on short- and/or long-term incentive programmes:

- A short-term incentive programme (1 year) may be based on annual cash bonus awards calculated on the basis of the degree of compliance with a number of predetermined KPIs. Such performance criteria may be financial or non-financial and related to the objectives for Gabriel.
- A long-term incentive programme (3 years or more) is measured over a 3-year period and is based on performance criteria that may be financial or non-financial and related to the objectives for Gabriel.

KPIs are set annually by the chairmanship of the Board in connection with the budget process and are applicable to the allocations of the following financial year.

Common to the established KPIs is that they should be closely linked to the objectives that guide Gabriel's strategy both short-and long-term. The close link between the KPIs for the variable remuneration of Executive Management and Gabriel's strategy, ensures that the remuneration policy, in particular the variable remuneration of Executive Management, effectively contributes to the achievement of Gabriel's short-term and long-term interests and value creation and the relevant objectives thereof. The fulfilment of Gabriel's overall strategy also contributes to strengthening Gabriel's sustainability, as the business strategy will, among other things, consolidate the stable core business and develop new products that ensure Gabriel's continued growth.

The determination of compliance with KPIs will generally be based on the audited financial statements in relation to the financial performance criteria. For non-financial performance criteria, the fulfilment here will be

based on externally validated statements. The measurability in relation to the established KPIs is reviewed annually by Gabriel's auditor as part of the audit of the annual report. The payment of any bonus shall be subject to the approval of the annual report by the general meeting.

For the total cash bonus there is no claw-back option. Thus, bonus paid out cannot be recovered if it subsequently turns out that the bonus has been paid out or earned on the basis of information that is erroneous or which does not comply with the guidelines drawn up by the Board.

Termination terms

Executive Management will typically be employed without a time limit, but with a right to mutual termination, unless it is a temporary arrangement. An Executive Manager has a 12-month notice period from Gabriel's side, while the Executive Manager's notice of termination to Gabriel is 6 months. Executive Managers are not covered by severance pay schemes.

Extraordinary remuneration

The Board may, in exceptional cases where necessary to safeguard Gabriel's long-term interests, waive the upper limit on the payment of cash bonus to a member of Executive Management.

4. Changes

Following the implementation of the provisions of the Shareholder's Rights Directive in Danish legislation this remuneration policy is published and updated, thereby creating the greatest possible transparency in relation to the remuneration of management.

The remuneration policy has been drawn up in accordance with Sections 139 and 139a of the Danish Companies Act and replaces, among other things, previous Section 139, of the Danish Companies Act on guidelines for incentive remuneration and, as in the past, is supplemented by the recommendations of the Committee on Corporate Governance on communication on management's remuneration for listed companies.

5. Coming into force and publication

When the remuneration policy is adopted, the current guidelines on incentive pay, which have been set out in Gabriel Holding A/S' articles of association, become void and are thus deleted. The remuneration policy in force at any time can be found on Gabriel's website www.gabriel.dk

The remuneration policy is approved by a sufficient majority at the annual general meeting of Gabriel Holding A/S on 10 December 2020. As no shareholders have requested a full report, no full statement of the votes cast has been made.

According to Annex 1, on 26 August 2021, the Board has made minor changes, that the Board has assessed are not of significant importance.

Annex 1 – amendments to the remuneration policy adopted by the general meeting dated 10 December 2020

- Section 3 Remuneration of the Board has been amended on 26 August 2021. The section on fees for the committee work is specified in relation to the individual committees. At the same time, at new board committee – the Cybersecurity Committee – has been added. The Board has assessed that the clarifications are not essential, which is why the policy has not been submitted for a vote at the general meeting.