

## **GENERAL GUIDELINES FOR INCENTIVE PAYMENT OF THE MANAGEMENT IN FIRSTFARMS A/S**

### **1. Introduction**

The Board of Directors in FirstFarms A/S (hereafter "Company") has according to the Company's Act section 139 fixed these general guidelines for incentive payment to the management.

The guidelines are reviewed and approved on the Company's annual general meeting 21 April 2015.

Specific agreements about incentive payment of the management shall be in accordance with these general guidelines.

### **2. Included persons**

The Board of Directors is paid fixed cash remuneration. No incentive payments are agreed with the Board of Directors. These general guidelines therefore only include the persons who at any time are notified at the Business Authority as directors in the Company.

### **3. General principles**

The Board of Directors believes that a combination of a fixed and performance-based salary for the management helps to ensure that the Company can attract and retain key persons, contemporary with that these persons are encouraged to create value in favour of the shareholders.

The purpose of these general guidelines is to determine the frames for the performance-based salary, in order to ensure, both that the form of payment provides an actual incentive for the management and that the form of payment is not leading to carelessness, unreasonable behavior or inappropriate acceptance of risk.

### **4. Elements of payment**

The management's total salary package may consist of

- fixed salary,
- pension contribution
- customary accessory benefits, i.e. company car, telephone, newspaper,
- cash bonus and
- warrants

### **5. Cash bonus**

The Board of Directors may establish a cash bonus scheme for the management, where payment of bonus is based on fulfilment of special goals, i.e. achievement of specific financial goals, size of the total result of the year or the occurrence of a relevant event.

The cash bonus which can be achieved within an accounting year may for the individual member of the management not exceed 4 months fixed salary excluding pension contribution and customary accessory benefits. This limit may however in special cases be deviated from, i.e. at the occurrence of a relevant event.

Bonus is paid yearly after approval of the annual report for the accounting year in question.

### **6. Warrants**

Allocation of warrants can be by done either by decision on the annual general meeting or by decision of the Board of Directors based on an authorisation from the annual general meeting.

No special conditions shall apply, including requirement for prior goal achievement, for allocation of warrants.

The Board of Directors must, however prior to any proposal for motion of resolution or allocation of warrants, assess whether the concerned allocation is relevant for the Company.

The Board of directors must also assess whether the total number of shares subscribed by the management according to the intended and already established warrant program constitutes an appropriate and usual level compared to the total number of shares in the Company.

The value of warrants allocated within an accounting year may not exceed 30 percent of the fixed salary of the individual member of the management excluding pension contribution and customary accessory benefits in a period corresponding to the period from the allocation time to the date for utilisation.

The estimated present value of the allocated warrants is calculated in accordance with the principles for recognition in the Company's annual report in compliance with the current accounting principles, including Black Scholes.

At allocation of warrants the utilisation date must not be earlier than 2 years and not later than 5 years after the time of allocation, except that it should be possible to bring forward the utilisation date in cause of the Company's dissolution, including merger or demerger, or in other exceptional cases where the Board of Directors considers it appropriate.

Utilisation is to take place in one or more of the trade windows determined in the Company's internal rules for trade with the Company's shares. The Board of Directors shall however in exceptional cases be able to decide to give dispensation.

The utilisation right of warrants in case of termination of employment shall be regulated by rules similar to the rules of the Stock Option Act.

## **7. Publication**

The then-current general guidelines for incentive payment to management will be available on the Company's website stating when the annual general meeting approved the guidelines.