

REMUNERATION POLICY

Green Hydrogen Systems A/S



1. Introduction

- This remuneration policy (the “Remuneration Policy”) describes the principles for the remuneration of the members of the Board of Directors (the “Board”) and of the members of Executive Management of Green Hydrogen Systems A/S (the “Company”). “Executive Management” means the members of executive management of the Company registered as such with the Danish Business Authority.
- The Remuneration Policy has been prepared pursuant to sections 139 and 139a of the Danish Companies Act, also taking into account the recommendations published by the Danish Committee on Corporate Governance.
- The Remuneration Policy aims to attract, retain and motivate members of the Board and Executive Management. The remuneration shall be designed with a view to:
 - Attract and retain qualified members of the Board and Executive Management;
 - Retain and motivate the Executive Management by providing financial incentives based on their performance and results achieved in an appropriate alignment of interests with the shareholders;
 - Incentivize the Executive Management to achieve the Company’s strategic long-term and short-term targets;
 - Align the interests of the Board and Executive Management with those of the shareholders; and
 - Provide a clear and transparent remuneration framework through which shareholders can assess the basis on which the Board and Executive Management are compensated.
- The Board shall ensure that the remuneration is in compliance with this Remuneration Policy and that the remuneration does not exceed what is considered usual taking into account the nature and extent of the work and the Company’s financial position.

2. Procedure for adoption and conflicts of interest

- The Remuneration and Nomination Committee is responsible for preparing the Remuneration Policy and submitting it to the Board for review and approval. The Remuneration Policy shall ultimately be approved by the shareholders at a general meeting.
- The Remuneration Policy is reviewed once a year by the Board based on recommendations from the Remuneration and Nomination Committee. In making its recommendations, the Remuneration and Nomination Committee will among other things consider the need to revise the Remuneration Policy due to changes in market practice, specific circumstances as well as any feedback received from shareholders and other stakeholders.
- The Remuneration and Nomination Committee will review this Remuneration Policy annually while any change hereto is subject to approval by the Board.
- The Remuneration Policy shall be presented to the general meeting of the Company for approval at least every fourth year and upon any proposed material amendments.
- The risk of conflicting interests is remedied as the Remuneration Policy and all material changes must be approved by the general meeting. Remuneration to the members of the Board is approved annually by the general meeting. The Board is responsible for determining and approving remuneration to members of the Executive Management within the framework of the Remuneration Policy.
- The Rules do not contemplate to amend existing incentive remuneration components which the Company is already committed to, including some share or equity based schemes and bonus agreements, and such entitlements may defer the implementation towards individuals with such existing rights.

3. Remuneration of the members of the Board of Directors

Purpose	<ul style="list-style-type: none"> The fee offered to the members of the Board shall be designed to be able to attract and retain competent members to the Board and motivate the members to ensure the implementation of the Company's strategy and achieve the Company's long-term and short-term targets. The fee shall reflect the experience and knowledge of the members of the Board. 																
Remuneration structure	<ul style="list-style-type: none"> The members of the Board are offered a fixed annual base fee (the "Base Fee"). The Base Fee paid to the Board in a financial year is decided by the general meeting based on a proposal from the Board which has received a recommendation from the Remuneration and Nomination Committee. The Base Fee shall reflect the scope and complexity of the work and be reasonable when compared with other listed companies of the same size and complexity. The members of the Board will not participate in any incentive schemes; however part of the fixed fee may be paid in time-only restricted shares or in ordinary shares. Members of the Board receive the same Base Fee, however the Chairperson and the Vice Chairperson receive an additional proportion of the Base Fee as set out below. For additional work required in Board committees the members receive an additional fee proportionate to the Base Fee as set out below. <table border="1" data-bbox="432 1048 1305 1323"> <thead> <tr> <th></th> <th>Board of Directors</th> <th>Audit Committee</th> <th>Remuneration & Nomination Committee</th> </tr> </thead> <tbody> <tr> <td>Chairperson</td> <td>2.5x</td> <td>2/3x</td> <td>1/3x</td> </tr> <tr> <td>Vice Chairperson</td> <td>1.5x</td> <td>N/A</td> <td>N/A</td> </tr> <tr> <td>Member</td> <td>1x</td> <td>1/3x</td> <td>1/4x</td> </tr> </tbody> </table>		Board of Directors	Audit Committee	Remuneration & Nomination Committee	Chairperson	2.5x	2/3x	1/3x	Vice Chairperson	1.5x	N/A	N/A	Member	1x	1/3x	1/4x
	Board of Directors	Audit Committee	Remuneration & Nomination Committee														
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Member	1x	1/3x	1/4x														
Ad hoc tasks	<ul style="list-style-type: none"> In the event a member of the Board on request from the Board takes on ad hoc tasks, such member may be offered an ad hoc fee for the work carried out. Any ad hoc fee must be approved at the following general meeting for approval. 																
Expenses and benefits	<ul style="list-style-type: none"> Reasonable expenses such as travel and accommodation relating to board and committee meetings and relevant training may be reimbursed by the Company if approved by the Board or the Chairperson. In addition, the Company may offer to cover social security contributions within the EU to the extent imposed by foreign national authorities in relation to board fees and reimbursable expenses. 																
D&O liability insurance	<ul style="list-style-type: none"> To be able to attract qualified Board members and members of Executive Management, it is the Company's policy to take out customary directors' and officers' liability insurance (the "D&O Insurance"), as appropriate. If the monetary insurance coverage of the D&O Insurance is insufficient compared to the market standard, then the Company shall indemnify the parties insured pursuant to the D&O Insurance on the same terms and conditions as had the D&O Insurance had a monetary insurance coverage 																

	in accordance with the market standard. The indemnification of the Company is subsidiary in respect to the D&O Insurance.
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4. Relationship between the Remuneration Policy and the remuneration and terms of other employees

- The Remuneration Policy has been established taking into consideration the remuneration and other terms of employment of the Company's employees.
- Taking into account the market practice for remuneration in comparable companies, the size, complexity, geographic scope and industry of the Company, and considering the responsibilities and duties of the members of the Board and the Executive Management compared to other employees of the Company, the Board believes there is an appropriate balance between remuneration to employees of the Company and remuneration to the Board and the Executive Management.
- As determined by the Board, a selected number of employees of the Company in key positions may be eligible to participate in long-term incentive programs on terms similar to those of the Executive Management.

5. Remuneration of the members of the Executive Management

Purpose and Remuneration structure	<ul style="list-style-type: none"> • The remuneration of the members of the Executive Management consists of a fixed annual salary and variable remuneration. The variable remuneration is comprised by a short-term incentive program and a long-term incentive program. • The fixed salary serves the purpose of being able to attract and retain high performing members of the Executive Management with the ability to implement the Company's strategy and deliver long-term shareholder value. Furthermore, the fixed salary enables the members of the Executive Management to make decisions with a long-term perspective in mind without undue considerations for short- or long-term incentives. • The variable remuneration is designed to promote performance in line with the Company's strategy, long-term performance and sustainability. The variable remuneration is based on a number of targets, which must be achieved before the remuneration to the member of the Executive Management is earned and paid. These targets are aligned with strategic priorities in the Company's strategy and aim to ensure that short- and long-term goals are achieved. • Furthermore, the variable remuneration is designed to encourage retention of members of the Executive Management with a view to ensure continuity and serve the long-term interests and sustainability of the Company and its shareholders. • Finally, the long-term incentive is designed to align the interests of management with those of the shareholders by being share-based and including targets which are linked to the achievement of long-term goals.
Fixed salary	<ul style="list-style-type: none"> • The fixed salary level is set annually by the Board on the basis of a recommendation of the Remuneration and Nomination Committee. • The compensation level is generally reviewed annually and compared to the market standard of management compensation among comparable listed companies of similar size and complexity. • When determining the fixed salary, a range of factors are taken into consideration, including: <ul style="list-style-type: none"> – the individual's skills, performance and experience; – the scope and responsibilities of the role; – the market practice of comparable listed companies; – the remuneration package in its totality; and – pay development and levels for the Company's other employees, relative to the size and complexity of the respective roles.

Pension	<ul style="list-style-type: none"> The members of the Executive Management are covered by a pension scheme, where company-paid contributions can maximum be 15% of the annual fixed salary.
Short-term incentive	<ul style="list-style-type: none"> The short-term incentive program is designed to incentivize members of the Executive Management to achieve short-term targets supporting the Company's strategy and development and reward individual performance within each member's functional area. Members of the Executive Management will as part of the Company's short-term incentive program be eligible to receive an annual performance-based cash bonus, which will be subject to certain predefined financial, non-financial and individual targets being met. The specific targets linked to the short-term incentive program, including the weighting of each target, are determined by the Board on an annual basis. Company targets typically weigh 75% of the potential incentive and typically reflect areas such as revenue, earnings, commercial success, sustainability, and safety performance. Individual targets typically weigh 25% of the potential incentive and performance against predefined individual and functional targets, such as innovation, organizational development and personal contribution, relating to the executive and the executive's functional area. The size of the cash bonus will be determined by the Board based on the level of achievement of the pre-defined targets. The cash bonus under the short-term incentive program may have a maximum value of up to 100% of the annual fixed salary. Typical target bonus level is 20%-40% of the annual fixed salary.
Long-term incentive	<ul style="list-style-type: none"> The long-term incentive is designed to align the interests of management with those of the shareholders, to appropriately retain members of the Executive Management and to give each member a significant interest in the performance of the company, its sustainability and the share price development over a longer period of time. The total aggregate value of annual grants under the long-term incentive program(s) may not exceed 100% of the fixed annual salary for each member of the Executive Management at the time of grant, though will typically be targeted at 20-40% of the annual fixed salary. Members of the Executive Management are subject to customary "good leaver" and "bad leaver" provisions for vested awards. In "good leaver" situations, any unvested awards will vest on a pro-rated basis relative to the employment and the vesting period applicable to long-term incentive awards. In "bad leaver" situations, all unvested awards will be forfeited. Members of the Executive Management participate in a long-term incentive program in the form of a performance share units ("PSUs") program. <p>Performance share units</p> <ul style="list-style-type: none"> Members of Executive Management may be granted performance share units (PSUs). The vesting or maturity period shall as a main rule be at least three years and is determined by the Board prior to grant. If the Board decides that it may be in the shareholders' interests, it may decide that the grant will vest gradually over a period of three years. The grant value of PSUs shall be based on the market price of the shares calculated as an average price as quoted on Nasdaq Copenhagen during a number of trading days preceding the time of grant as determined by the Board (typically a 5-day average).

	<ul style="list-style-type: none"> The number of PSUs that vest may be between 0% and 200% of the granted PSUs depending on achievement of a number of pre-determined KPIs, such as revenue growth, earnings growth, or major innovation milestones. If the KPI thresholds are not achieved, no PSUs shall vest. Upon vesting, holders of PSUs will receive one share in Green Hydrogen Systems A/S free of charge for each vested PSU. In exceptional circumstances, the Board can decide to settle vested PSUs in cash. Prior to receiving shares, holders of PSUs will not have any shareholder rights, such as voting and dividend rights.
Shareholding requirement	<ul style="list-style-type: none"> The shareholding requirement serves the purposes of aligning members of the Executive Management's interests with those of the shareholders as well as the long-term development and sustainability of the Company. Members of the Executive Management are required to hold shares corresponding to at least 6 months' fixed salary before tax. The shareholding may be built up over a 5-year period by retaining share-based instruments granted as part of the Company's long-term incentive program from time to time.
Amendment of incentive programs in exceptional cases	<ul style="list-style-type: none"> The Board may decide: <ul style="list-style-type: none"> the lapse of the scheme, including lapse in the event that the member of Executive Management resigns; in case of a takeover in whole or in part, significant divestiture of activities, demerger, merger or other amalgamation of the Company, that specific terms shall apply for accelerated vesting as well as for adjustment of the incentive program; in the event that the Company's capital structure is changed, or in the event of other material events, which would otherwise adversely influence the value or effect of the incentive program either significantly up or down, to lay down terms governing adjustment of e.g. the number of PSUs in order to maintain the same intended incentive opportunity.
Benefits	<ul style="list-style-type: none"> Members of the Executive Management may receive non-monetary customary benefits such as phone, computer and internet, insurances, etc., as well as other benefits, such as company car or a transportation allowance, in line with typical market practice.
Recruitment arrangements	<ul style="list-style-type: none"> When recruiting new executives externally, the Board may grant a sign-on arrangement in the form of cash payment, shares or a share incentive programme. Green Hydrogen Systems will seek to minimise the use of sign-on arrangements. If a sign-on arrangement is deemed necessary in order to attract talented executives, the terms for such arrangement will be determined on a case-by-case basis and take into consideration that (a significant part of) the arrangement should be payable in shares and depend on the executive staying in the company for a defined period of time potentially combined with a performance requirement. The sign-on arrangement should be aligned (or capped) with a previous incentive forfeited in another company – and a specific number of shares (or amount in cash) would be agreed in order to cap the value of the arrangement.
Size and relativity of the components	<ul style="list-style-type: none"> The aggregate maximum amount that may be granted as incentive for a given year is equal to 200% of annual base salary for a member of Executive Management (though typically the maximum will be 140%, reflecting a typical STI max of 60% and a typical LTI max of 80%). The split between fixed and variable remuneration is intended to result in a reasonable part of the salary being linked to performance, while at the same time promoting sound business decisions to achieve the Company's long-term strategy and sustainability.

	<ul style="list-style-type: none"> For members of Executive Management, the base salary accounts for approximately 40% to 50% of the total value of the remuneration package. The interval states the span between 'maximum performance' and 'on-target-performance', based on typical incentive levels. 																															
	<table border="1"> <thead> <tr> <th rowspan="2">Remuneration component</th> <th colspan="3">Relative size at</th> </tr> <tr> <th>minimum performance</th> <th>on-target performance</th> <th>maximum performance</th> </tr> </thead> <tbody> <tr> <td>Fixed annual base salary</td> <td>84%</td> <td>53%</td> <td>39%</td> </tr> <tr> <td>Pension</td> <td>13%</td> <td>8%</td> <td>6%</td> </tr> <tr> <td>Short-term cash bonus (STI)</td> <td>0%</td> <td>16%</td> <td>23%</td> </tr> <tr> <td>Long-term incentive (LTI)</td> <td>0%</td> <td>21%</td> <td>31%</td> </tr> <tr> <td>Other benefits</td> <td>3%</td> <td>2%</td> <td>2%</td> </tr> <tr> <td>Total</td> <td>100%</td> <td>100%</td> <td>100%</td> </tr> </tbody> </table>	Remuneration component	Relative size at			minimum performance	on-target performance	maximum performance	Fixed annual base salary	84%	53%	39%	Pension	13%	8%	6%	Short-term cash bonus (STI)	0%	16%	23%	Long-term incentive (LTI)	0%	21%	31%	Other benefits	3%	2%	2%	Total	100%	100%	100%
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Claw back	<ul style="list-style-type: none"> Any variable remuneration from the Company earned, awarded or paid out may be reduced, lapse or be reclaimed by the Company if the variable remuneration was earned, awarded or paid out on the basis of fraud, willful misconduct, gross negligence, incorrect or misleading information or that the conditions for earning, award or payment of variable remuneration have not been fulfilled. 																															
D&O liability insurance	<ul style="list-style-type: none"> To be able to attract qualified Board members and members of Executive Management, it is the Company's policy to take out customary directors' and officers' liability insurance (the "D&O Insurance"), as appropriate. If the monetary insurance coverage of the D&O Insurance is insufficient compared to the market standard, then the Company shall indemnify the parties insured pursuant to the D&O Insurance on the same terms and conditions as had the D&O Insurance had a monetary insurance coverage in accordance with the market standard. The indemnification of the Company is subsidiary in respect to the D&O Insurance. 																															

6. Termination and severance pay

- The notice period applicable to the Executive Management is up to twelve months for the Company (typically 12 months for the CEO and 6 months for other members of Executive Management) and up to six months for the executive (typically 3 months).
- Any additional severance payment beyond the notice period and statutory entitlements, shall not exceed 2 years of annual fixed salary including pension contribution.

7. Deviations from the Policy

- In order to serve the long-term interests of the shareholders, of the Company as a whole and it's sustainability, or to assure its viability the Board may, based on a recommendation from the Remuneration and Nomination Committee, in exceptional circumstances in relation to specific members of Executive Management temporarily deviate from Section 5 of this Remuneration Policy.
- Any such temporary deviation can only happen in exceptional circumstances and must be based on objective and verifiable criteria. It must also be discussed and approved by the Board on the basis of a written proposal from the Remuneration and Nomination Committee.
- The deviation including the reasoning by the Board must be described in the Remuneration Report following the deviation.

8. Approval and publication

- This Remuneration Policy has been approved by the Board of Directors on 7 April 2021 and adopted by the shareholders in an Extraordinary General Meeting of the Company held on 1 June 2020.
- The Remuneration Policy is made available on the Company's website.
- Information on the remuneration, including the remuneration components for the Board of Directors and Executive Management granted by the Company, including any Group Company, shall be disclosed on an individual basis in the Company's Remuneration Report for the relevant financial year.