

GUIDELINES FOR REMUNERATION OF THE MANAGING DIRECTOR AND THE COMPANY'S MANAGEMENT TEAM

1. Salaries and remuneration to leading employees

Leading employees is in this regard defined as the NEL Management Team. The remuneration packages are designed to attract, motivate and retain leading employees of the necessary calibre and to reward them for enhancing value to shareholders. Total remuneration for leading employees consists of a market based fixed salary and a few common fringe benefits (in addition to shares under the Incentive Program, see item 2 below). Bonuses are considered and provided for selected individuals whose extraordinary effort or achievement of performance objectives can be measured through clearly defined results parameters/KPIs. Results parameters/KPIs include both financial performance targets set for the company as well as individual performance targets tied to the individual's area of responsibility.

The CEO has a bonus arrangement limited to 50% of his fixed salary, which is payable at the Board's discretion, where 50% of the bonus shall be determined on the basis of KPIs determined annually and 50% based on the Board's discretion. The CEO has waived the protection rights under law with respect to termination of his service contract, and as a consequence thereof a right to 6 months' severance pay in the event of termination.

Leading employees are members of the Company's pension and insurance scheme that applies to all employees. No loans or guarantees have been provided to any employees, members of the Board or their related parties.

Term of notice is 3 months for all employees, except for the CEO and CFO which both have 6 months.

2. Options and subscription rights programs and other incentive programs

The CEO has an option agreement over 6 million share options exercisable after 27 months after commencement of employment, which took place in January 2016. The Company may grant share options to a number of further employees for incentive and retention purposes, at further terms to be decided by the board of directors. The total number of share options granted over any year shall not exceed 1.5% of the outstanding shares of the Company in any financial year.

The Company has implemented a share incentive program (the "Incentive Program") for all employees of the Company. The Incentive Program is a recurrent program. Allocation of shares under the Incentive Program will be made by the board of directors, and the annual amount of shares granted shall not in any year exceed a total of 0.5% of the outstanding shares of the Company in any year. The price payable for the shares shall be set by the Company with due consideration to the market price of the Company's shares. Each share subscribed for in the Incentive Program is freely transferrable, but shall entitle the employee to subscribe for two further matching shares, one after 12 months and one after 24 months, provided that (i) the original share is still held by the employee and (ii) the employee has not terminated his/her employment, at the relevant time. Further terms will be set by the board of directors. In addition to the Incentive Program, the Company may offer employees shares under a performance award.

3. Compliance with 2016 remuneration statement

The guidelines for determination of salary and other compensation for leading employees, as outlined for the Annual General Meeting in 2015 have been complied with in 2016.