



NKT Holding A/S' Annual General Meeting on Wednesday 25 March 2015

## AGENDA AND THE FULL CONTENTS OF THE PROPOSALS

1. Report by the Board of Directors on the Company's activities in 2014.
2. Presentation of the audited Annual Report.
3. Adoption of the audited Annual Report.
4. Proposal by the Board of Directors for the distribution of profits (or cover of loss).

The Board of Directors proposes that a dividend of DKK 4.00 per share of DKK 20 nominal value, equal to a total dividend of DKK 95,737,516 based on the registered share capital of the Company, be paid to the shareholders for the financial year 2014.

5. Resolution discharging the Management and Board of Directors from their liabilities.
6. Approval of the Board of Directors' remuneration.
- 6.1 It is proposed that the Board of Directors' remuneration for 2015 shall be DKK 900,000 to the Chairman, DKK 600,000 to the Deputy Chairman and DKK 300,000 to each of the other members.

It is proposed that the Chairman of the Audit Committee is remunerated with DKK 200,000, whereas the committee's second member is remunerated with DKK 100,000.

It is proposed that the Chairmen of the Remuneration Committee and the Nomination Committee each are remunerated with DKK 100,000 and that the second member of each committee is remunerated with DKK 50,000.

It is proposed that the Chairman of each working committee in Nilfisk and NKT Cables is remunerated with DKK 200,000, and that the second member of each committee is remunerated with 100,000 DKK, and that the remuneration for Photonics Group shall be DKK 150,000 to the Chairman and DKK 75,000 to the second member.

7. Election of board members.

The following board members will resign from the Board of Directors: Jens Due Olsen, Kristian Siem, Jens Maaløe, Kurt Bligaard Pedersen, Lone Fønss Schrøder, and Lars Sandahl Sørensen.

It is proposed that the following persons be re-elected:

Jens Due Olsen, Kristian Siem, Jens Maaløe, Kurt Bligaard Pedersen and Lars Sandahl Sørensen.

Lone Fønss Schrøder does not stand for re-election. The Board of Directors expects to nominate a new candidate for election as member of the Board of Directors.

A description of business profiles and an overview of directorships for all board members proposed for re-election are attached hereto as Exhibit 1.

8. Election of one or more public accountant(s).

It is proposed that Deloitte Statsautoriseret Revisionspartnerselskab (CVR-nr.: 33 96 35 56) be re-elected as sole auditor of the Company.

9. Proposals from the shareholders and the Board of Directors.

**9.1** The Board of Directors proposes that the Board of Directors shall be authorised, up until 25 March 2020, to increase the share capital by a maximum amount of nominally DKK 50m through one or more new share issues. The provisions of article 3(A) of the articles of association will be replaced with the following 4 new articles and the existing authorisation shall no longer apply:

*Article 3A, section 1: "The share capital may, by resolution of the Board of Directors, be increased by a maximum amount of 50,000,000 DKK (2,500,000 shares) equal to the market price through one or more issues of new shares. This authorisation shall be valid until 25 March 2020. The increase may be carried out through the issue of shares for cash consideration, conversion of debt or payment in other values than cash. The capital increase shall be carried out through the issue of shares giving existing shareholders pre-emptive rights."*

*Article 3A, section 2: "The share capital may, by resolution of the Board of Directors, be increased by a maximum amount of 50,000,000 DKK (2,500,000 shares) equal to the market price through one or more issues of new shares. This authorisation shall be valid until 25 March 2020. The increase may be carried out through the issue of shares for cash consideration, conversion of debt or payment in other values than cash. The capital increase shall be carried out through the issue of shares without giving existing shareholders pre-emptive rights."*

*Article 3A, section 3: "New shares issued in accordance with the above authorisation shall carry dividends from such time as may be decided by the Board of Directors, but not later than for the financial year in which the increase in share capital takes place. The shares shall be negotiable instruments and issued to the bearer. The new shares shall with regards to rights, redemption and negotiability in all respects be subject to the same terms as the existing shares."*

*Article 3A, section 4: "The above authorisations to the Board of Directions according to article 3A, section 1-2 can be utilised to increase the share capital by a total maximum of DKK 50,000,000."*

**9.2** Proposal from the Board of Directors to delete expired articles.

The Board of Directors proposes that the following articles of the Articles of Associations be deleted, as the authorisation to the Board of Directors is exhausted and has expired:

9.2.1 *"3.B VII: The article and exhibit H is deleted as the authorisation is exhausted and has expired."*

**9.3** Proposal from the Board of Directors to amendments of "Remuneration policy and general guidelines on incentive pay for the Board of Directors and Board of Management of NKT Holding A/S".

The Board of Directors proposes a number of amendments after which the wording of the remuneration policy and general guidelines for incentive pay for the Board of Directors and the Board of Management in NKT Holding A/S will be as follows:

**"Remuneration policy for the Board of Directors and the Board of Management of NKT Holding A/S and the Boards of Management of NKT's business units including general guidelines on incentive programs"**

**1. Introduction**

*The remuneration policy of NKT Holding A/S for the Board of Directors and the Board of Management comprises principles for provision of remuneration and general guidelines for provision of incentive pay for the Board of Directors and the Board of Management (including the Boards or Management in the business units Nilfisk, NKT Cables and Photonics Group). The "Board of Management" refers to the executive board notified to the Danish Business Authority.*

*NKT uses provision of remuneration to the Board of Directors and provision of remuneration and incentive pay to the Boards of Management with the object of ensuring coincidence of interest between the Company's Board of Directors, Board of Management and shareholders, and with the object of constantly maintaining the motivation of both Boards for achieving the targets set by the Company.*

*In accordance with section 139 of the Danish Companies Act the Board of Directors has formulated general guidelines for the Company's provision of incentive pay to the Board of Directors and the Board of Management of NKT Holding A/S and has submitted*

these guidelines for approval by the Company at the General Meeting (cf. item 3).

## **2. Principles for remuneration of the Board of Directors and the Boards of Management**

### **Board of Directors**

The Board of Directors considers the directors' remuneration at frequent intervals based on recommendations from the Remuneration Committee of the Board. During the formulation of these recommendations the Remuneration Committee is guided by relevant comparisons with other large Danish companies. Proposals for the directors' remuneration for the current year will be notified at the general meeting prior to adoption of the remuneration. The directors' remuneration is approved as a separate item on the agenda at the general meeting.

Each member of the Board of Directors receives a fixed annual fee. Ordinary board members receive a fixed amount (basic fee), while the Chairman and Deputy Chairman receive multiples thereof: The Chairman receives 3 x the basic fee and the Deputy Chairman receives 2 x the basic fee. For participation in the board committees formed by NKT Holding A/S the remuneration shall be as follows:

The Chairman of the Audit Committee is remunerated with DKK 200,000, whereas the committee's second member is remunerated with DKK 100,000.

The Chairmen of the Remuneration Committee and the Nomination Committee are remunerated with DKK 100,000 each and the second member of each committee is remunerated with DKK 50,000.

The Chairman of each working committee in Nilfisk and NKT Cables is remunerated with DKK 200,000, and the second member of each committee is remunerated with DKK 100,000, whereas the remuneration for Photonics Group shall be DKK 150,000 to the Chairman and DKK 75,000 to the second member.

Expenses such as travel and accommodation relating to board meetings and relevant training are reimbursed.

### **Boards of Management**

Proposals concerning the remuneration to the Boards of Management are submitted by the Remuneration

Committee. Proposals for remuneration are dealt with and decided by the Board of Directors.

The remuneration of the Boards of Management is considered annually in relation to that of other comparable companies.

The remuneration package to the Boards of Management consists of a fixed basic salary, a short-term cash bonus, a long-term incentive scheme (share based or bonus based) and other benefits in the form of usual non-monetary benefits and reimbursement of expenses relating to the employment.

### **Pension**

The pension contribution for the Boards of Management comprises 15% of the fixed basic salary.

### **Other benefits**

The Boards of Management receives special non-monetary benefits such as company car, phone, etc. Expenses incurred by the Boards of Management relating to travel, conferences, training etc. are reimbursed.

### **Severance pay**

The period of notice for the Group's Executives may not exceed 18 months. In connection with significant changes in the Company's ownership structure, these notice periods may be extended for a transitional period by six months

## **3. General guidelines on incentive pay for the Board of Directors and the Board of Management of NKT Holding A/S, cf. section 139 of the Danish Companies Act**

NKT Holding A/S has utilised incentive pay for the Board of Management for a number of years, whereas the Board of Directors does not receive incentive pay. These guidelines on incentive pay therefore relate solely to the Board of Management of NKT Holding A/S.

Incentive programs for the Board of Management may consist of pay by shares, stock options, warrants (hereinafter collectively "share based incentives") and phantom shares and bonus agreements.

Up until now the Company has utilised warrants and bonus agreements as incentive pay for the Board of Management.

### **Share based incentives**

*At the decision of the Board of Directors the Board of Management may be granted annually share based incentive pay of a value comprising up to 50% of the individual Executive's fixed annual salary including pension. The value of stock options, warrants or the like granted is calculated using the Black & Scholes formula.*

*It will be determined in the decision of share based incentives whether or not any consideration is payable for the Board of Management. The incentive pay may be granted on terms entailing favourable taxation for the individual Executive, the related costs not being tax-deductible for the Company.*

*The conditions for the share based incentive pay may prescribe that the underlying incentive instruments may be exercised for subscription of shares not earlier than three years and not later than six years after the date granted. Furthermore, the Board of Directors can determine as a condition that any exercise is subject to a certain target achievement in the form of various "key performance indicators" ("KPI"), including increase in for example EBITDA, EBIT, return on investments to the shareholders, available funds, performance compared to competitors etc. ("Matching Shares / Performance Shares").*

*Up until today the Company has utilised warrants with an exercise price at least equal to the average market price for the Company's shares in the month prior to date granted, unless the Board of Directors determines another exercise price which is responsible in market terms. The exercise price has been added a hurdle rate to the exercise price for each year until exercise takes place but the Company reserves the right to abstain from using such hurdle rate. The subscription price is deducted the dividend, if any being paid.*

*The Board of Directors may decide to compensate for disadvantages arising through changes in the Company's capital structure or resulting from submission of a purchase offer for the Company's shares. Shares necessary for any compliance with share pay may be obtained by issue of new shares or use of own shares. The Board of Directors may decide that the warrants can be exercised through differential settlement.*

*The Board of Directors has the right to change or discontinue one or more incentive programs established (but not yet fully exercised) in compliance with this policy, including any KPI, provided that such change is covered by the remuneration policy's general guidelines and does not affect the overall scope and purpose.*

### **Bonus payments**

*An annual bonus may be paid to the individual Executive subject to fulfilment of conditions, targets and terms stated in the bonus agreement.*

*The criteria for granting of bonus may be the achievement of specified sales or earnings targets or completion of special one-off tasks such as significant acquisitions or divestments, etc.*

*On the basis of a bonus agreement an Executive may each year receive a bonus payment corresponding to 30% of the fixed annual salary. Furthermore, the Board of Directors may in special cases decide to award an extraordinary additional bonus of up to 100% of the fixed salary. The value of the total yearly granted bonus will appear in the Company's Annual Report.*

### **Specific agreements**

*Specific agreements on remuneration with the Board of Management or changes to existing agreements may only be entered into within the framework of the present guidelines. Agreements or changes thereto not falling within the framework of these guidelines must be approved by the Annual General Meeting before becoming effective."*

**9.4** The Board of Directors proposes that the chairman shall be authorised to carry out registration with the Danish Business Authority of the amendments to the Articles of Association which are carried at the Annual General Meeting, and that the chairman shall be authorised to make the changes and additions to the approved amendments to the Articles of Association and other matters that the Danish Business Authority may require in General Meeting.

**10.** Any other proposals.



## ADDITIONAL INFORMATION

### Majority requirements

Adoption of the proposals listed under items 9.1 and 9.2 of the agenda calls for a majority voting of at least two-thirds of the votes cast as well as of the voting share capital represented at the Annual General Meeting, cf. article 8 of the Articles of Association. Adoption of the proposals listed under items 9.3 and 9.4 of the agenda calls for simple majority.

### Documents available for inspection

No later than three weeks before the Annual General Meeting, all documents submitted to the Annual General Meeting, including the agenda with the full contents of the proposals and the audited Annual Report 2014, will be available for inspection by the shareholders at the NKT's office, Vibeholms Allé 25, DK-2605 Brøndby.

At the same time, i.e. no later than three weeks before the Annual General Meeting, the following documents will be available on NKT's website, [www.nkt.dk](http://www.nkt.dk) under the heading 'Investors'/Annual General Meeting' and at "NKT InvestorPortal": (1) the notice convening the Annual General Meeting, (2) information about NKT's total share capital and voting rights at the time of the notice convening the Annual General Meeting, (3) the agenda and the full contents of the proposals to be submitted to the Annual General Meeting including exhibit, (4) the Annual Report for 2014 and (5) form to be used for notice of attendance and form for possible voting by proxy and form to be used for voting by correspondence.

### Date of registration

The admission card is issued on the basis of ownership registered in NKT's shareholders register on the date of registration which is Wednesday 18 March 2015, and on the basis of notifications which NKT has received not later than on the date of registration with the purpose of being entered into the shareholders register.

### Share capital and right to vote

The share capital of NKT as per today amounts to DKK 478,687,580, each share of DKK 20 nominally. Any share amount of DKK 20 shall carry one vote at the Annual General Meeting.

The right to vote at the Annual General Meeting is determined by the number of shares held by the shareholder on the date of registration, cf. Article 7(3) of the Articles of Association. The number of shares held by each shareholder at the registration date is calculated based on the number of shares registered in the shareholders register of NKT as well as any notification received by NKT not later than on the date of registration with the purpose of being entered into the shareholders register.

### Admission cards and voting papers

Not later than on Friday 20 March 2015 you are required to request for an admission card for yourself or any proxy and for any attending advisor or accompanying guest if you wish to attend the Annual General Meeting (cf. Article 7 of the Articles of Association). Voting papers are issued together with admission cards.

Admission cards and voting papers can be ordered

- online until Friday 20 March 2015 at 11:59 pm (CET) on VP Investor Services A/S' website [www.uk.vp.dk/agm](http://www.uk.vp.dk/agm) or NKT's website [www.nkt.dk](http://www.nkt.dk) under the heading 'investors'/NKT InvestorPortal;
- by telephone at VP Investor Services A/S, +45 4358 8891 (giving details of your name and VP reference number),
- by contacting NKT at Vibeholms Allé 25, DK-2605 Brøndby, Denmark (also giving details of your VP reference number), or
- in case you receive this notice by post - by returning the completed form duly signed to VP Investor Services A/S or fax +45 4358 8867.

General reference is made to [www.nkt.dk](http://www.nkt.dk) under the heading 'Investors'/NKT InvestorPortal' where the options are described for ordering admission cards and voting papers available to the shareholders.

All requested admission cards and voting papers will be sent to the addresses registered in NKT's shareholders register.

Shareholders who wish to bring an accompanying guest are required to provide the name of the guest upon requisitioning for an admission card. If a shareholder is represented by proxy, the proxy also has the option of being accompanied by a guest provided that the name of the guest is also given.

### **Proxy**

In case you are not able to attend the Annual General Meeting a proxy can be given to the Board of Directors or the Chairman of the Board of Directors, alternatively to another person appointed by you as a shareholder. Hereafter, the proxy holder can exercise the voting rights attached to the shareholder's shares at the Annual General Meeting. The proxy must be received by NKT not later than on Friday 20 March 2015 at 11:59 pm (CET).

Proxy can be given

- online at [www.uk.vp.dk/agm](http://www.uk.vp.dk/agm) or at [www.nkt.dk](http://www.nkt.dk) under the heading 'Investors'/'NKT InvestorPortal', or
- by completing and signing the 'proxy/vote by correspondence form' and post it to VP Investor Services A/S, Weidekampsgade 14, Postboks 4040, DK-2300 Copenhagen S.

Please note that it is not possible to give proxy and to vote by correspondence.

### **Vote by correspondence**

It is also possible to vote by correspondence. The written vote must be received by NKT not later than Monday 23 March 2015 at 10 am (CET). A written vote cannot be withdrawn.

Written votes can be given

- online at [www.uk.vp.dk/agm](http://www.uk.vp.dk/agm) or at [www.nkt.dk](http://www.nkt.dk) under the heading 'Investors'/'NKT InvestorPortal', or
- by completing and signing the 'proxy/vote by correspondence form' with clear indication of the shareholder's name and VP reference number and post it to VP Investor Services A/S, Weidekampsgade 14, Postboks 4040, DK-2300 Copenhagen S.

Please note that it is not possible to vote by correspondence and to give proxy.

### **Information to the shareholders**

The Board of Directors has decided that the Annual General Meeting shall be conducted by physical presence. Prior to the Annual General Meeting the shareholders may ask questions in writing to NKT's Group Management regarding issues of importance for the assessment of the Annual Report for 2014, NKT's position or any other issues which are subject to decision at the Annual General Meeting. Questions shall be sent to [GF2015@nkt.dk](mailto:GF2015@nkt.dk) or by post to NKT's address. NKT may choose to answer the question by posting the answer on the website ([www.nkt.dk](http://www.nkt.dk)). If the shareholder is not represented at the Annual General Meeting, NKT may omit answering the question. At the Annual General Meeting shareholders may ask questions orally to NKT's Group Management and NKT's auditor elected by the Annual General Meeting regarding the above-mentioned issues.

Press officers attending the Annual General Meeting are required to approach the information desk for registration and shall carry visible press tags. Taking photographs during the Annual General Meeting and the subsequent event is permitted only for registered press officers.

*NKT/3 March 2015*