



Remuneration Policy for Employees of DSB

This policy does not apply to the Board of Directors, the Executive Board, the Executive Team and the Chief Internal Auditor.

Department responsible: *HR Services & Compensation*

Approved by: The Board of Directors

Date: 17 September 2024

1. Introduction

The Remuneration Policy is intended to support DSB's strategy and values and aims to establish the basis for pay and employment terms in DSB.

As an independent public company, we have a special obligation for our wage formation to be characterised by integrity and transparency. Remuneration is paid for work performed.

2. Purpose

The Remuneration Policy is based on the relevant market for the position, taking into account the specific circumstances applying to an independent public company. DSB does not want to take the lead as regards pay, but wants to be able to attract and retain qualified labour at all levels.

Pay and employment terms for employees must always adhere to current agreements and/or collective agreements where the employee is covered by a collective agreement. For civil servants employed by DSB, the relevant rules applicable from time to time are observed.

Pay and employment terms at DSB are determined regardless of gender, religion, age, sexual orientation, political orientation and ethnic origin.

Determination of and/or changes to pay and employment terms for managers and employees must be approved by the manager's manager and by HR Negotiation & Employment Law.

3. Our ambition and targets

The Remuneration Policy for Employees of DSB sets the framework for salary and employment conditions for all employees who are not covered by the separate remuneration policy applicable to the Board of Directors, the Executive Board, the Executive Team and the Chief Internal Auditor of DSB.

The Remuneration Policy for Employees of DSB has been approved by the Board of Directors.

4. How we achieve our ambition and/or reach our targets

The remuneration of the individual employee is determined so as to reflect the specific type and level of the position, the individual employee's professional and personal qualifications, as well as performance and results.



Remuneration may consist of a combination of basic salary including the Optional Pay Account, allowances, pension, one-off payments, bonus schemes and employee benefits. Not all remuneration components are relevant for all employee groups or employees.

Employees covered by a collective agreement are classified according to the collective agreement pay grades/scales. Salary adjustments are made in accordance with the collective agreement.

4.1 Impacts, risks and opportunities

If DSB does not have a remuneration policy, there is a risk that DSB will not be able to attract and retain employees with the right qualifications and skills. This will result in high employee turnover, increased recruitment costs and increased loss of production. There is also a risk that DSB does not live up to a market-aligned salary level that is not top-bracket.

4.2 Allowances

Function allowances are linked to the performance of a specific function, position or task. The function allowance may be general and include a large group of employees, or it may be specific and only include a single employee.

A function allowance may be temporary because the performance of the specific function is limited in time or because the allowance is linked to the performance of a specific task. However, a function allowance may also be permanent if the function triggering the allowance forms an integral part of the job specification.

Nuisance/variable allowances are paid in the form of working time-related or work-related allowances when working at certain times or when the work is linked to certain conditions/agreements.

Where professional or personal qualifications are applied in the performance of duties which cannot be regarded as forming part of the basic salary, a qualification supplement will be granted. Qualification supplements are also used in connection with recruitment and retention.

4.3 One-off payments

One-off payments may be awarded for an extraordinary performance in solving large, demanding tasks which are not part of the employee's day-to-day or annual portfolio of tasks.

A one-off payment cannot exceed one month's salary.

One-off payments are used to a limited extent, and one-off payments for managers must be approved by the Remuneration Committee.

In order to award a one-off payment, the respective executive officer must submit a reasoned request to the Executive Vice President, HR.

4.4 Severance of employment

Severance terms for employees are in accordance with the Danish Salaried Employees Act and/or the provisions of the collective agreement. For civil servants employed by DSB, the relevant rules applicable from time to time are observed.

For supervisors/managers employed on a contract basis, a notice period may be agreed which includes the notice periods set out in the Danish Salaried Employees Act of up to nine months for termination on the part of DSB and four months for termination on the part of the employee. In exceptional cases, the Remuneration Committee may extend the period of notice by five months for both parties.

4.5 Pension

DSB wants to be an attractive workplace and to offer pensions in line with market standards for comparable jobs and comparable organisations.

Employees who are covered by a collective agreement are covered by the pension scheme agreed in the collective agreement. For civil servants employed by DSB, the relevant rules applicable from time to time are observed.

Managers and employees who are not covered by a collective agreement or are civil servants are covered by a pension scheme determined by DSB. The pension scheme is a contribution scheme which includes group life insurance, loss of earning capacity insurance, critical illness and pension savings.

4.6 Employee benefits

Managers and employees are covered by benefits offered for their respective job levels. The benefits are offered by agreement and may include a DSB train pass, a telephone, broadband and newspaper subscription.

DSB does not offer a company car or compensation for a company car.

Bonus schemes

4.7 Performance-related pay for non-managers

Performance-related pay may be offered to a limited extent to employees involved in projects and/or major cross-organisational tasks. Performance-related pay may not exceed 10% of the basic salary, including fixed allowances and pension.

The performance targets are directly linked to the employee's portfolio of tasks. For employees who are involved in a specific project or task, the duration of the agreement may be linked to the resource, cost and/or time schedule of the relevant project or task.

In any event, agreements must be approved by the Executive Vice President, HR.

A time frame for the duration of the performance-related pay must be fixed on conclusion of the agreement. The performance-related pay agreement will automatically lapse when the task or project is completed.

4.8 Collective bonus schemes

Collective bonus schemes for employees may be agreed to a limited extent. The bonus amount may not exceed 10% of the basic salary, including fixed allowances and pension.

The bonus framework must be structured in such a way that the amount of the bonus is directly dependent on the individual employee's performance and results.



All collective bonus schemes must be approved by the Executive Vice President, HR.

5. Organisation, responsibility and approval

The Remuneration Policy for Employees of DSB sets the framework for salary and employment conditions for all employees who are not covered by the separate remuneration policy applicable to the Board of Directors, the Executive Board, the Executive Team and the Chief Internal Auditor of DSB.

The Remuneration Policy for Employees of DSB has been approved by the Board of Directors.

6. Interaction with other policies and guidelines

The following other policies are important to this policy:

- Remuneration Policy for the Board of Directors, the Executive Board, the Executive Team and the Chief Internal Auditor
- Terms of reference of the Remuneration Committee
- Performance-related pay manual

Approved by the Board of Directors on 17 September 2024:

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Anne Hedensted Steffensen (Vice Chair)

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Approved at the general meeting:

Chair of the general meeting