

# Remuneration guideline for senior executives

## 1 Applicability and scope

This guideline is applicable for senior executives in Wilh. Wilhelmsen Holding ASA (WWH), defined as group CEO, group CFO, and other members of the group management team (GMT).

The principles are also used when recommending remuneration for senior leaders in significant subsidiaries in the Wilhelmsen group where WWH has full control, including Ships Service, Port Services, Ship Management, and Global Business Services.

The guideline also includes remuneration principles for the board of directors, board committee members, and members of the nomination committee.

## 2 Purpose and overall principles

The guideline is developed to ensure that senior executive remuneration complies with relevant regulatory requirements, shareholder expectations, and is aligned with the group's strategy, ambition, and governing elements. Remuneration should be performance-based and easy to understand and assessed by the group's various stakeholders.

Below list includes the key remuneration principles. Remuneration is designed to:

- retain and attract the right employees with the skills and expertise necessary to deliver on the group's short- and long-term ambitions, including financial and non-financial targets.
- ensure the group achieves the right results, the right way. This includes the actual results ("what") and how they have been achieved. While the "what" is clearly linked to financial and business results, the "how" is based on the group's governing elements, including values, leadership expectations, ESG, and business standards.

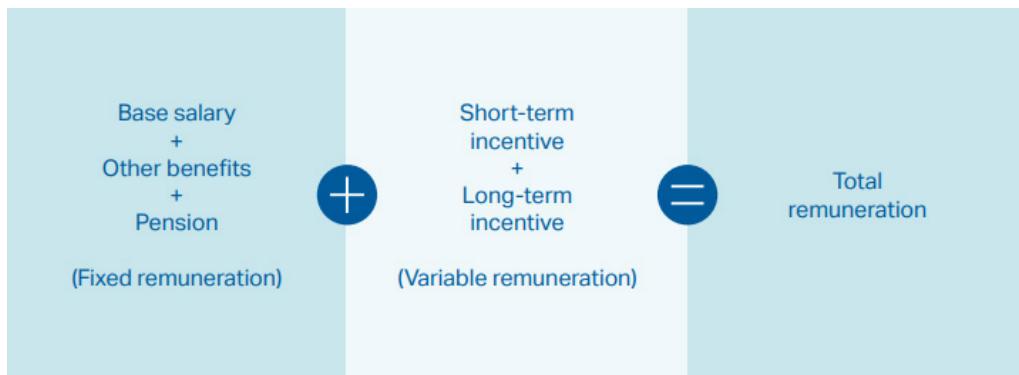
Compensation should be competitive, but not market leading, in the relevant labour market(s). It should be fair, reflect the complexity, and responsibility for each position as well as the performance of the individual, and it should reflect the group's overall performance and financial results.

Remuneration should also be aligned with and strengthen the common interests of the company, the senior executives, and the group's shareholders.

The guideline, including the objective of each element of the remuneration, award levels, and performance criteria should be clear, transparent, and give a comprehensive overview of how the group compensates senior executives and how the different elements are believed to contribute to realising the group's strategic ambitions, long-term interests, and profitability.

### 3 Main remuneration elements

Remuneration consists of a combination of fixed and variable remuneration as described below:



**Base salary, other benefits, and pension** is described in more detail below.

Variable remuneration, should as rule, not exceed base salary, but this might happen in years with settlement on both short- and long-term incentive schemes. While the short-term incentive includes four elements (development of internal value index, total shareholder return, ESG, and individual performance), the long-term incentive scheme only includes three elements (development of internal value index, total shareholder return, and ESG).

The **internal value index** is deemed to be a sound financial measurement for the portfolio of companies and investments in the Wilhelmsen group, and clearly linked to the group's ambition of creating value over time. Value creation over time presupposes sustainable business models, in broad sense of the word including being financially profitable short- and longer-term and taking needs of future generations and society at large into account. A sustainable business strategy deemed necessary to ensure the survival of the group. To further strengthen the group's focus supporting the sustainable development goals, above an increase in value index over time, specific targets linked to **ESG performance** (environment, social and/or governance targets) are included in the short- and long-term incentive schemes.

While ESG performance is measured through an internal ESG index, described in the quarterly financial report as well as the annual ESG report available on [wilhelmsen.com](http://wilhelmsen.com), the development of the value index is determined using a sum-of-the-parts method. The internal value index is mainly based on publicly available market prices and data disclosed in the WWH reports. Non-listed entities are valued using earnings multiples less debt and minorities or at asset value. The value index is developed for internal use – solely to define a criterion for incentive plan purposes – where the objective is to use the development of the value of the shareholdings as basis for variable compensation. The value index shall not be taken as an opinion on the value of the shares in the company (WWI/WWIB). A comment related to the changes in the value index development will be disclosed in the annual Remuneration report. The value index includes dividend and share buybacks.

To ensure a tighter link between senior executives' and shareholders' interest, variable remuneration is also linked to **total shareholder return** including dividend. In addition, senior executives have share exposure through using part of their long-term incentive settlement to buy shares in the company.

**Individual performance** includes two elements: a) the individual senior executive's ability to deliver on an agreed value creation plan for the respective segment he/she is responsible for and/or for the group's value creation plan, and b) an assessment of how the individual "lives the Wilhelmsen values".

Below table outlines the remuneration elements for senior executives in the Wilhelmsen group:

Remuneration element	Objective	Award level and performance criteria
<b>Annual base salary</b>	Retain and attract the right employees with the right experience and skills.	<p>Wilhelmsen offers competitive, but not market leading base salaries aligned with the markets in which the group operates.</p> <p>The base salary should consider responsibilities, complexities, exposure/risk, skills/experience, and performance related to the individual positions.</p> <p>External benchmarks are also used when assessing award levels.</p> <p>The base salary is assessed annually based on the individual's performance, normally in June with effect from 1 July. The assessment includes financial and non-financial elements. It is also based on the general development of salaries in the local market in which the individual operates. Other adjustments might occur because of change in responsibilities.</p> <p>Senior executives have a six months' notice period. For a detailed overview of the individual base salary, please refer to the Remuneration report available on <a href="http://wilhelmsen.com">wilhelmsen.com</a>.</p>
<b>Pension and insurance</b>	Offer competitive post-employment and other benefits.	<p>Wilhelmsen offers general occupational pension and insurance schemes aligned with local markets. The company also offers a health insurance, disability, and dependents' benefits in accordance with the company's general pension plan.</p> <p>The senior executives can be offered individual early retirement agreements as part of their remuneration package.</p> <p>For a detailed overview of the individual pension and insurance schemes, please refer to the Remuneration report available on <a href="http://wilhelmsen.com">wilhelmsen.com</a>.</p>
<b>Benefits in kind</b>	Additions to supplement the base salary to be competitive in local markets.	Wilhelmsen might offer benefits in kind including newspapers, electronic communication, and car salary as part of senior executive remuneration.
<b>Severance</b>	To secure a pay guarantee if a senior executive must leave the company.	<p>Senior executives might be offered pre-agreed severance pay should a resignation be requested by the board or the company.</p> <p>A severance payment is normally offered if a senior executive is asked to leave the company due to mergers, substantial changes in ownership, or if deemed necessary by the board and/or the group CEO.</p> <p>Generally, the senior executive's own notice will not instigate severance payment. Entitlement to severance payment is also conditional on the senior executive not being guilty of gross misconduct, gross negligence, disloyalty, or other material breach of his/her duties.</p> <p>After a six months' notice period, income during the severance pay period may be deducted from the severance pay by up to 50%.</p>

		<p>For a detailed overview of the individual severance agreements, please refer to the Remuneration report available on <a href="http://wilhelmsen.com">wilhelmsen.com</a>.</p>
<b>Annual variable remuneration (short-term incentive - STI)</b>	<p>Senior executives are participants in the short-term incentive scheme in force for WWH. The aim is to encourage a strong performance-based culture, reward individuals for annual achievements, and to be an attractive employer. The targets are linked to the group's financial and non-financial performance, including both business achievements and how the achievements have been made.</p>	<p>The maximum opportunity for annual variable settlement for a senior executive is capped at six months' salary.</p> <p>The board may reduce or withhold variable remuneration if the company delivers net loss to equity holders of the company and/or if agreed performance criteria are not fulfilled and/or in case of documented individual underperformance, misconduct or similar. Even though the requirements are met, the board can, if the group has or foresees severe financial constraints, decide to postpone and/or decide not to award any variable remuneration.</p> <p>The STI carries no pension or benefit rights, and it is the base salary at the point of payment, which makes up the foundation for potential payment. Between the threshold and stretch targets, there will be an adjusted/prorated payment, based on achievement.</p> <p>The settlement is prorated in line with the employment time throughout the year but requires a minimum of 50% employment time to be eligible for a prorated portion of the</p> <p>Performance includes financial and non-financial business achievements (what) and how achievements have been made. While senior executives have a common responsibility for delivering on the short-term targets, the annual variable remuneration also includes an element of individual performance.</p> <p>Targets and results are proposed by the Remuneration and people committee, approved by the board, and proposed to the Annual General Meeting for an advisory vote as part of the company's annual Remuneration report, available on the company's webpage.</p> <p>While the board approves the final settlement for the group CEO, the board has delegated to the group CEO to make the final assessment of the settlement for other senior executives.</p> <p>The employee may not be entitled to settlement if the employee at the time of the actual settlement has given notice of resignation or been given such notice.</p> <p>For a detailed overview of the individual short-term incentive agreements, please refer to the Remuneration report available on <a href="http://wilhelmsen.com">wilhelmsen.com</a>.</p>
<b>Other variable remuneration (long-term incentive - LTI)</b>	<p>Senior executives are participants in the long-term incentive scheme in force for WWH.</p> <p>The aim is to strengthen the alignment of the company's, senior executives', and shareholders' longterm interests. A long-term incentive scheme also contributes to being an attractive employer for senior executives.</p>	<p>The long-term incentive scheme starts 1 January and lasts for four years. Maximum opportunity for potential earnings through the four year longterm incentive schemes is capped at 6 months for all senior executives, except the group CEO who has 12 months.</p> <p>The board may reduce or withhold variable remuneration if the company delivers net loss to equity holders of the company and/or if agreed performance criteria are not fulfilled and/or in case of documented individual underperformance, misconduct or similar. Even though the requirements are met, the board can, if the group has or foresees severe financial constraints, decide to postpone and/or decide not to award any variable remuneration.</p> <p>The LTI carries no pension or benefit rights, and it is the base salary at the point of payment, which makes up the foundation for potential payment. The settlement is prorated in line with the employment time throughout the period but requires a minimum of 50% employment time to be eligible for a prorated portion of the LTI. The employee may not be entitled to any settlement if the employee at the time of the actual settlement, has given notice of resignation or been given such notice.</p> <p>The LTI settlement is based on joint responsibility for delivering on the group's strategic ambitions and is not directly linked to individual performance.</p>

		<p>Target(s) and results are proposed by the Remuneration and people committee, approved by the board, and proposed to the Annual General Meeting for advisory vote as part of the company's annual Remuneration report.</p> <p>The targets are proposed to the Annual General Meeting as part of the company's Remuneration report. Between the threshold and stretch targets, there will be an adjusted/prorated payment, based on achievement.</p> <p>Senior executives are expected to use 20% of their net LTI settlement after tax to buy shares in WWH, until the accumulated shareholding of the individual senior executive is equal to, or exceeds, 50% of his/her/their gross annual base salary. As the share price and value of the holding may fluctuate, the cost price of the shares will be used as evaluation criteria if necessary.</p> <p>For a detailed overview of the individual long-term incentive agreements, please refer to the Remuneration report available on <a href="http://wilhelmsen.com">wilhelmsen.com</a>.</p>
<b>Threshold</b>	To ensure no or reduced variable remuneration is granted if the company's financial performance is weak, financial thresholds for payment of variable remuneration is established for the short- and long-term incentive schemes.	See short- and long-term incentive schemes for details and the latest Remuneration report available on <a href="http://wilhelmsen.com">wilhelmsen.com</a> .
<b>Employee share programme</b>	Align and strengthen employee and shareholders' interest	Wilhelmsen offers an employee share programme which has been financially supported by "The foundation for shares and cabins in the Wilhelmsen (WW) group". The offer to buy shares in WWH at a discount is presently limited to employees who are tax resident in Norway and employed by the parent company or a Norwegian subsidiary owned with more than 50% by Wilh. Wilhelmsen Holding ASA
<b>Board compensation</b>	Award for sitting on internal and external boards	<p>Board compensation is used to award directors for time spent, responsibility following a directorship, and to attract relevant board members.</p> <p>Senior executives do, as a rule, not receive compensation as chair of or board members on internal boards. Board remuneration if sitting on external, stock listed boards may occur.</p>

#### **4 Guidelines for remuneration of board and committee members**

Fee to board members, members of the Audit and sustainability committee, the Remuneration and people committee and the nomination committee should reflect the competence required of members holding positions in listed entities, the amount of work, time spent, responsibility, potential risk and more. The fees are also designed to attract relevant and competent members.

Remuneration to board and committee members is awarded one year in arrears.

The board instruction encourages board members to own shares in the company, and expect that board members use 20% of their net annual board remuneration after tax to buy shares in the company up until the accumulated value of the shareholding of the board member is equal to, or exceeds, the gross annual remuneration received by the board member from the company. As the share price and value of the holding may fluctuate, the cost price of the shares will be used as evaluation criteria if necessary.

The company includes an overview of board and committee fees as well as the respective board members' shareholding in the annual Remuneration report published on the company's website.

## 5 The decision-making process

The Annual General Meeting is responsible for approving the Remuneration guideline, every four-year as a minimum. Minutes from the Annual General Meeting must include how the Annual General Meeting voted regarding the guideline.

The Annual General Meeting also votes on the Remuneration report. The vote is advisory. The report will include how the Annual General Meeting voted on the report and include how the board has integrated potential feedback from the meeting into the remuneration process and report.

Material changes in the guideline, award levels and/or performance criteria must be approved by the Annual General Meeting, whilst the Annual General Meeting will be made aware of minor changes.

The board is responsible for developing and executing the remuneration guidelines. The board has established a separate Remuneration and people committee to prepare and propose remuneration and people related topics to the board.

In addition to the guideline, the Remuneration and people committee is responsible for preparing and proposing to the board an annual Remuneration report which must include an overview of how the board has executed the guideline. The report is made public as part of the group's annual report and proposed as a separate item to the Annual General Meeting for an advisory vote.

The Remuneration report will be as exhaustive as possible, but consider GDPR, stock sensitive information and/or facts regarded as trade secrets. A reason for not including specific details will be included in the report.

In addition to deciding the key performance indicators for the short- and long-term incentive programme for all senior executives, the board decides the annual base salary and other employment terms for the group CEO. The board has delegated the authority to decide the annual base salary and employment terms for remaining senior executives to the group CEO.

The Remuneration and people committee makes an annual performance evaluation of the variable incentive schemes based on agreed targets and presents a recommendation to the board. The performance is evaluated along two dimensions, the actual results achieved (what) and how results have been achieved. A similar process is followed by the group CEO when assessing the performance of other senior executives.

Despite fulfilling the agreed short- and long-term performance indicators, the board can at any given time decide to cancel the schemes to safeguard the group and shareholder's short- and long-term interests. The board can also cancel the scheme for one or more senior executives or require a postponement or repayment of variable remuneration. The reason for cancelling or requiring a repayment must be made in the Remuneration report.