Remuneration Policy 2022

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Contents

Introduction

The Remuneration Committee ('Committee') continuously monitors prevailing market practice and developments within our peer group companies specifically. We value ongoing dialogue with our shareholders, institutional investors and other stakeholders to ensure that our Policy remains fit for purpose and helps drive execution of the company's strategy.

This Remuneration Policy ('Policy') has been prepared in accordance with Sections 139 and 139a of the Danish Companies Act and sets the framework for remuneration of the members of the Board of Directors ('Board') and the Executive Board of A.P. Møller - Mærsk A/S.

The Policy outlines the principles of remuneration design, the total remuneration by components and how each component supports the achievement of the strategy, long-term interest and sustainability of the company.

After considering the feedback from investors at the previous Annual General Meetings and based on the dialogue we have had since with the investors, the Board has reviewed the Policy to ensure that investors' views are taken into consideration and that remuneration for the Executive Board continues to support the achievement of business objectives.

This Policy is a continuation of the policy adopted at the Annual General Meeting in March 2020 with the following substantive changes which are further described in this Policy:

1) A change of the Long-Term Incentive Programme from the current Restricted Share and Stock Option Plans to a new Performance Share Plan, including:
   - Incorporation of Environmental, Social, and Governance (ESG) measures.
   - At vesting, the number of performance shares can be reduced or increased with up to 100% of the initial target grant based on performance measures.

2) Introduction and definition of the scheme for indemnification of the Board and the Executive Board.

The Policy is effective from adoption at the 2022 Annual General Meeting, save for the Long-Term Incentive Programme, which takes effect from 1 January 2023, and until then the Long-Term Incentive Programme will follow the 2020 Remuneration Policy. The time between 2022 Annual General Meeting and delivery of the new Long-Term Incentive Programme will be used to ensure that we fully align and integrate the right ESG targets to deliver on our commitments.

Remuneration objectives

The content of the Policy supports business needs by enabling a total remuneration package that has a clear link to the business strategy and aligns with shareholder interests. The objectives of the Policy are described below, and further details of each remuneration component are detailed throughout the Policy, including how they support the sustainability of the company and link to the short-term company performance goals, stakeholder interests and long-term shareholder value creation.

Ensure appropriate total remuneration

The remuneration design and decisions are guided by market practice to ensure the total remuneration package provided is supporting the attraction and retention of executive leaders. This is reflected in the remuneration components offered, and the total remuneration value provided.

Link to business strategy

Remuneration supports the need for executive leaders to focus on delivering short and long-term business progress through a combination of short and long-term incentive components. The design and relative weight of these components motivate behaviours and performance that contribute positively to the company's sustained performance and avoid excessive risk-taking.

Align with shareholder interest

The Policy is designed to support the delivery of strong financial and operational results over time, which will ultimately grow shareholder value. Consequently, a sizeable part of the remuneration for the Executive Board is delivered in the form of a share-based component to align the interests of executive leaders directly with those of shareholders.

The Remuneration Committee

The company's Remuneration Committee ('Committee') consists of three members of the Board and meets at least four times per year.

The Committee meetings are attended by the company's Chief People Officer and when invited by the Committee, the Chief Executive Officer (CEO), other members of the Executive Board, relevant A.P. Moller - Maersk employees and external advisors may be present to provide input on selected topics.

Decision-making process

The Committee recommends the Policy and individual Executive Board remuneration terms for Board approval. The Policy is reviewed for appropriateness by the Committee on an annual basis, considering market practice and fit to business strategy. Recommended changes are reviewed and presented to the Board.

The Committee conducts an annual review and provides a recommendation for the Board for approval of the following items:

- The total remuneration for the Executive Board members.
- The performance measures applied to incentive programmes, including weighting and measurement scale, to ensure that the metrics reflect the business priorities short and long-term.
- Long-term incentive grant levels and terms in advance of grants being delivered.

The Committee is responsible for evaluating and making recommendations to the Board on the fees payable to the members of the Board. The fee for the Board members, including the Chairman, is determined by the Board. If changes are agreed by the Board, these will be brought to the shareholders for approval as part of the approval of the Annual Report and Remuneration Report before they take effect.

Conflict of interest

As the Committee discusses and prepares proposals for the Board, individual members – and anyone else present at the Committee meeting – are obliged to disclose any conflict of interest without delay. A conflict of interest will result in either 1) the Committee member and/or meeting participant leaving the meeting or 2) the conflict of interest being highlighted to the Board as part of introducing a proposal.

The Chairman does not participate in the discussion of his/her own fee.

More information about the Committee can be found in the Rules of Procedure of the Remuneration Committee published on the company website.

Remuneration – Board of Directors

In line with market practice, members of the Board are paid a fixed annual fee and are not entitled to any incentive-based remuneration.

Fixed fee

The level of fixed fees is set to reflect the requirements and responsibilities of the Board member's role.

The fee for the Chairman of the Board can be set as inclusive of Committee work and all other additional duties.

Board members serving on Board Committees or performing any additional duties beyond the normal responsibilities as a Board member, receive an additional annual fee.

Shareholding requirement

To align the interests of the Board with shareholders, members of the Board must hold a specific minimum level of A.P. Møller - Mærsk A/S shares. Within 24 months of the member being elected to the Board, the member must have a holding value equal to 25% of the fixed annual Board fee (excluding Committee fees) before taxes.

Should a Board member be re-elected, the member must increase his/her shareholding within 24 months of the member being elected, so it equals the value of 50% of the annual Board fee (excluding Committee fees) before taxes.

Remuneration structure at a glance

Fixed fee	Attracts individuals with a broad range of experience and skills, rewards the Board members for setting strategy and overseeing its implementation.
Shareholding requirement	Aligns the interests of the Board members with shareholders.

Remuneration – Executive Board

The remuneration structure for the Executive Board reflects the company's desire to offer a market-relevant total remuneration package with an appropriate balance between base salary and variable pay, which includes short and long-term incentive components.

The remuneration of the Executive Board includes a base salary, variable pay in the form of an annual cash bonus and a share-based long-term incentive as well as other standard benefits.

To underline the responsibility of the Executive Board members to deliver a sustained long-term performance, it is intended, over time, to position the total target remuneration mix close to 40% weight on base salary and 60% weight on variable pay. This will be achieved by delivering any future increases primarily in the form of long-term incentives.

Peer group

The starting point for peer group selection is the individual Executive Board member role. In selecting the appropriate peer companies, we consider role and incumbent specific factors such as scope, key drivers, skills and competences as well as company factors such as size and complexity. The Committee reviews the peer companies annually to ensure they remain comparable and fit the business. This can include companies across sectors in the European and Nordic regions and global industry-specific companies.

Base salary

The base salary is the annual fixed pay which recognises market value and reflects the nature of the role in terms of scale, complexity and responsibility as well as the individual's experience, contribution, and sustained performance level.

The base salary is inclusive of employer pension contribution and company car, which gives the Executive Board members flexibility to make personal investment choices. This simplified and transparent approach also applies to the top business leaders below Executive Board level.

The base salary is reviewed by the Board at least once a year. The Board may consider off-cycle reviews if suggested by the Committee in certain extraordinary circumstances.

Variable pay

The variable pay components are in place to incentivise the delivery on the company's strategic ambitions and the annual priorities towards the long-term business plan.

The variable pay includes a short-term cash bonus plan and a long-term share-based incentive plan.

Both the short-term and long-term incentives are awarded annually.

Short-term incentive

The Short-Term Incentive (STI) rewards the achievement of annual company goals guided by the long-term business strategy. STI is entirely driven by business performance in the specific financial year.

The target pay-out is up to 50% of the annual base salary, with actual pay-out ranging from 0% to 100% of the annual base salary.

Performance measures and targets are set at the start of the financial year. Metrics are selected to reflect the specific business goals for the financial year and should include a combination of financial metrics, operating performance and other non-financial metrics, including, but not limited to project progression, transformation and ESG measures. The Committee may also take broader views to consider other relevant measures, which directly or indirectly support the business strategy.

Annual performance targets are proposed by the Executive Board. The Committee reviews the proposal considering business goals, objectives, past performance and outcomes of scenario analyses. Following the review, a recommendation is brought to the Board for approval.

Following the end of a financial year, the Board reviews performance of the set metrics against data sources which may include audited financial figures, key performance indicators with tracking available as well as any relevant internal assessments. Performance for any qualitative metric(s) will be at the Board's discretion, if applicable.

In case of extraordinary circumstances and/or unforeseen events, impacting for example safety, company strategy, environment or society, the Board can decide to deviate from the performance metrics and targets.

Key features of the Short-Term Incentive are detailed in the table below.

Key aspects of the Short-Term Incentive

Purpose	Link a sizeable portion of the total remuneration with short-term business results. It motivates Executive Board members to deliver short-term business results to progress towards the long-term goals of the company.
Key features	• Annual cash plan. • Target value up to 50% of annual base salary, with actual pay-out ranging from 0% to 100% of annual base salary. • Performance measures can include, but are not limited to, company EBIT, EBITDA, company return on invested capital, segment/business revenue, transformation metrics, ESG measures. • The combination of financial measures should have a weight of at least 75%. • The weight of a single performance measure should be at least 10% and no more than 40%.
Leaver provision	In the event of resignation from the company, the Executive Board member will not be entitled to STI after the release from duties. In event of termination the Executive Board members may remain eligible to receive the short-term incentive for the financial year, where they leave the role in line with market practice, and pay-out is normally based on employment time and business performance.

Long-term incentive

Delivering on the long-term ambitions of the company and maximising long-term value for shareholders and other stakeholders is paramount to the role of the Executive Board.

The long-term incentive is in place to link a sizeable portion of the total remuneration to the sustained performance of the company. This is achieved through the close link between the actual total remuneration, share price development and strong company results over time. The long-term incentives are furthermore in place to support the retention of the Executive Board members.

From 2023, the LTI is delivered in the form of a single plan – the Performance Share Plan. The transformation of the company is successfully underway and with a Performance Share Plan, focus is on motivating and rewarding the achievement of long-term business goals and the value to shareholders and other stakeholders.

ESG measures will be a key element of the performance KPIs in the plan as of 2023. The intent is that strategic priorities in the ESG area, e.g., decarbonisation, are appropriately reflected in the long-term incentive of the Executive Board members.

We refer to the table on the left for details on the Performance Share Plan.

Key aspects of the Performance Share Plan

Purpose	Link a sizeable portion of the total remuneration with long-term business results. It motivates Executive Board members to deliver business results in a sustained manner and thereby align with shareholder interests. It also supports attraction and retention of the Executive Board members.
Key features	• Performance Share grants have a four year vesting period. • The actual value of Performance Shares is directly linked to company share price and the achievements (in full or in part) of specific performance measures determined for the specific grant. • Performance measures can include, but are not limited to, return on invested capital, relative shareholder return against appropriate peer group, revenue growth and ESG measures. A description of the performance targets will be disclosed in the company's Annual Remuneration Report at the end of the four-year performance period. • The weight of a single performance measure should be at least 20% and no more than 50%. • The Board has a discretion (based on factual observations) to adjust or waive a performance measure should it become obsolete or not appropriate during the four-year performance period due to events which could not be foreseen at the beginning of the performance period, such as strategy changes, acquisitions/divestments, etc.
Grant value	• The total grant value of the Performance Shares awarded within a given financial year is up to 100% of the base salary, prorated based on the actual employment period in the year of the grant. • The number of Performance Shares awarded is determined corresponding to a percentage of the individual Executive Board member's annual base salary in the year of grant divided by the grant share price. • At the end of the vesting period the number of shares awarded can be reduced or increased subject to the achievement of performance measures. • The reduction or increase in number of shares can be up to 100% of initial target grant. The actual range is determined for each grant at the time of grant. • The share price at grant is set as the volume weighted average share price of A.P. Møller - Mærsk A/S B shares, traded on Nasdaq Copenhagen on the five trading days immediately following publication of the company's Annual Report.
Leaver provision	If the Executive Board member is a 'good leaver' (i.e. termination is initiated by the Company without cause or the member retires), he or she will retain the unvested awards following the original vesting schedule. If the Executive Board member is a 'bad leaver' (i.e. he or she resigns from the Company or is terminated with cause), any unvested award will be forfeited.

Benefits

Benefits are broadly aligned to what the company provides to the general workforce in the same country. Benefits include, but are not limited to, insurance coverage, health check, mobile phone, newspaper subscriptions, internet connection, sports club, long service awards and other benefits according to the relevant benefit policies. Specific benefits may be provided in the event of recruitment and termination cases, such as relocation service, tax assistance on annual filing, outplacement service and others.

Service contract – main terms

The Executive Board members have open-ended service contracts containing standard conditions for executive officers in Denmark and Europe including notice periods.

The Executive Board member can resign from the company by giving 12 months' notice, and the company may terminate the contract by giving the executive 24 months' notice. In the event of termination by the company, the severance payment can be up to 24 months of the total remuneration package including the notice period.

Treatment of STI and share-based awards in case of termination follows the leaver provision described under Short-term and Long-term incentive.

The Executive Board member also has a non-competition clause in the service contract, which restricts the individual to directly or indirectly participate in any competitive business competing wholly or partly with the company within 12 months following the date of release from duty, unless approved by the Board.

Exceptional compensation

To attract external candidates during recruitment, compensation may be offered to compensate any awards foregone upon joining A.P. Moller - Maersk.

The Committee seeks to minimise such arrangements. To the extent practicable, the Committee favours buy-outs delivered in the form of matching A.P. Møller - Mærsk A/S shares over cash.

The company would require reasonable documentation to confirm the nature and value of any forfeited awards. Consideration of appropriate compensation is given by considering the forfeited award terms, potential value, time to vesting and any performance conditions.

The exceptional recruitment compensation, if applicable, is in addition to the awards granted under the regular long-term incentive plans.

The Board may consider extraordinary compensation to reward exceptional company and/or individual performance or to support retention in appropriate circumstances.

Rights of amendments

For short and long-term incentive awards provided as of 1 January 2020 or later, the Board can reduce the size of the awards before (Malus) and after (Claw-back) payment/vesting/exercise, in case of a trigging event that has resulted in a material financial or reputational loss for the company. In addition, under such provision, if an award is subsequently proven to be based on misstated information or individual misconduct, the company is entitled to demand full or partial repayment of the award to the extent possible under the applicable law. These awards can be recovered (or 'clawed back') up to 24 months after the short-term incentive payment and/or the shares vesting.

If events occur that affect the share capital of the company or change in control, the Board may exercise the discretion to maintain the value of share-based awards during the vesting period. Such adjustment will ultimately be determined with binding effect by an auditor appointed by the company.

The Board is at its sole discretion to amend the general terms and conditions of the incentive plans not limited to complying with local requirements or changes in statutory law. Such discretion may include, but is not limited to the size and time of the award, the vesting conditions, treatment of the unvested awards in the event of merger, change in control or others. The information is further detailed in the general terms and conditions of the incentive components.

Implementation of such amendment will be documented and disclosed in the company's Annual Remuneration Report for the respective year.

Consideration of wider employee group and stakeholder views

It is important to the Board that the approach to remuneration is consistent across the company.

The remuneration reviews and decisions for the Executive Board are made applying the same remuneration principles as applied for the wider employee group:

- Total target remuneration is based on the role, individual experience, skill, and sustained performance level.
- The remuneration level and relative weight of the remuneration components are reflective of market practice for the roles and the fit to business needs and priorities.
- Short-Term Incentive payments are based on the annual business performance metrics.
- Senior leaders who have the broader responsibility are eligible for Long-Term Incentives to underline the long-term sustainable performance of the company.
- Benefits are tailored to the local market where the individuals are employed.
- Remuneration is normally reviewed annually considering market movement, business, and individual performance.

The company maintains a close dialogue with the major shareholders and other stakeholders to consult their views in remuneration matters. Their feedback, together with the understanding of market relevance, has been and will continue to be key in shaping the Policy and developing changes.

Indemnification Scheme

The company may decide to take out appropriate and customary directors' and officers' liability insurance to attract qualified Board & Executive Board members.

Board & Executive Board members may be offered indemnification by the company in respect of claims raised by a third party in relation to the exercise of their duties as Board & Executive Board members of the company to the fullest extent permitted by law.

Any indemnification will be for the sole benefit of the Board & Executive Board member, and may include any loss incurred by the Board & Executive Board member in relation to the claim, and will exclude any loss related to:

- Claims raised by the company or its subsidiaries.
- Claims arising out of the Board & Executive Board member's fraud or wilful misconduct.
- Claims arising out of the Board & Executive Board member's deliberate criminal acts.
- Claims where an indemnification would be inconsistent with applicable law.

Any indemnification paid by the company shall cover any applicable personal taxes owed by any Board & Executive Board member having benefitted from the indemnification.

Deviation from the Policy

In the event of exceptional circumstances, including, but not limited to Mergers & Acquisitions, the Board may decide to deviate from the Policy to safeguard the long-term interests of the company and the shareholders. The Board may offer extraordinary compensation such as one-off bonus, additional share award or others when it deems it appropriate.

Such discretion shall only be approved based on verifiable criteria, and application of the derogation will be disclosed in the company's Remuneration Report for the respective financial year.

Approval and publication

This Policy will be presented for approval at the company's Annual General Meeting 2022. Subject to shareholder approval, it will take effect from 15 March 2022 and be in force for the subsequent four years, except for the Long-Term Incentive Programme which will take effect from 2023.

However, the Committee may seek approval for a new Policy at an earlier point, if applicable. The Policy is further published and available on the company's website.