

# Remuneration Policy

for Svitzer Group A/S

## 1 Introduction

- 1.1** This remuneration policy (the "Remuneration Policy") of Svitzer Group A/S (the "Company") has been prepared in accordance with section 139 and 139a of the Danish Companies Act and the recommendations published by the Danish Committee on Corporate Governance and implemented by Nasdaq Copenhagen A/S.
- 1.2** The Remuneration Policy sets out the framework for remuneration to the Board of Directors and the Executive Management. The "Executive Management" consists of the members of the executive management of the Company registered as such with the Danish Business Authority. "Group" refers to Svitzer Group A/S as well as its subsidiaries and affiliates.

## 2 Objectives

- 2.1** The overall objectives of this Remuneration Policy are (i) to ensure alignment of interests between the Board of Directors, Executive Management, the Company itself and its shareholders, (ii) to attract and retain qualified members of the Board of Directors and Executive Management, and (iii) to ensure and maintain the motivation for achieving the Group's strategic long and short-term targets as well as to promote long-term sustainable value creation for the benefit of the shareholders.
- 2.2** The Board of Directors considers that the composition of remuneration supports these objectives. Incentive arrangements are implemented for Executive Management (i) to ensure focus on relevant operational and strategic goals as well as on goals that support the sustainability of the Company and wider society as a whole and (ii) to ensure a high degree of alignment between the interests of Executive Management, the Company itself and its shareholders, in each case by linking payouts to relevant parts of the Company's business strategy and development in the Company's share price, whilst considering the industry dynamics that impact the Company.

## 3 Remuneration of the Board of Directors

- 3.1** The Board of Directors considers the remuneration to the members of Board of Directors at least once a year based on recommendations from the Remuneration Committee. When preparing these recommendations, the Remuneration Committee is guided by relevant comparisons with other companies of similar size and complexity based in Denmark and Europe. This is supplemented by a perspective based on industry dynamics that impact the Company.

### 3.2 Fixed pay

- 3.2.1** Each ordinary member of the Board of Directors receives a fixed annual base fee, while the Chair and Vice Chair receive fixed multiples of the fixed annual base fee according to the requirements and responsibilities of the role of the individual board member. Participation in a board committee entitles a board member to an additional fixed annual fee calculated based on a multiple of the fixed annual base fee. Table 1 outlines the fixed multiples of the fixed annual base fee applicable to the remuneration of the Board of Directors.

- 3.2.2** Should a board member, including the Chair or Vice Chair, assume specific ad-hoc tasks beyond the normal work and responsibilities as member of the Board of Directors, the Board of Directors may decide on an additional fixed fee for such tasks. Any ad hoc task shall be approved by the Board of Directors. The size of the aggregate ad hoc fees payable to a member of the Board of Directors in a financial year may not exceed 200% of the total fixed annual fee paid or payable to such member of the Board of Directors for the financial year, including any additional fixed fees to the Chair, the Vice Chair and board committee members. Any ad hoc fees paid to the members of the Board of Directors will be disclosed in the Company's remuneration report.

### 3.3 Benefits and incentive pay

- 3.3.1** Expenses such as travel and accommodation relating to board meetings, meetings of board committees and

**Table 1** Remuneration structure of the Board of Directors – fixed fee multiples

	Board of Directors	Audit and Risk Committee	Remuneration Committee	Nomination Committee
<b>Chair</b>	3x fixed annual base fee	0.75x fixed annual base fee	0.5x fixed annual base fee	0.5x fixed annual base fee
<b>Vice Chair</b>	2x fixed annual base fee	–	–	–
<b>Member</b>	1x fixed annual base fee	0.5x fixed annual base fee	0.25x fixed annual base fee	0.25x fixed annual base fee

relevant training are reimbursed in accordance with the Group's travel policy applicable at executive level. In addition to the fixed annual fee, the Company pays social security contributions to the extent imposed by foreign national authorities in relation to fixed fees and reimbursable expenses.

**3.3.2** The Board of Directors shall not receive any incentive pay from the Company.

#### **3.4 Term**

**3.4.1** Members of the Board of Directors are elected by the general meeting for a term of one year. Re-election may take place. Members of the Board of Directors are not entitled to separate payments in relation to their resignation from the Board of Directors.

## **4 Remuneration of Executive Management**

**4.1** The remuneration to Executive Management is decided by the Board of Directors based on recommendations from the Remuneration Committee. When preparing these recommendations, the Remuneration Committee takes into account that the remuneration shall not exceed what is considered usual taking into account the nature and extent of the work, and what is considered reasonable with regard to the Company's financial position.

**4.2** The remuneration of Executive Management is considered annually and compared to that of other international companies of similar size and complexity in Denmark and Europe. This is supplemented by a perspective based on industry dynamics that impact the Company.

#### **4.3 Fixed pay**

**4.3.1** Members of the Executive Management receive a fixed annual cash base salary.

#### **4.4 Incentive pay**

**4.4.1** In addition to the annual fixed base pay, members of Executive Management may be eligible to receive incentive compensation consisting of a cash incentive opportunity and/or share-based incentives, subject to the decision of the Board of Directors. Such program may comprise of restricted share units ("RSUs"), performance share units ("PSUs"), or a mix of any such share-based incentives as determined by the Board of Directors.

**4.4.2** The Board of Directors may lay down specific terms governing the lapse of incentive arrangements or repayment of incentive pay (clawback) as well as accelerated vesting or exercise, and adjustment of the incentive arrangements, exercise price, performance targets, etc.

**4.4.3** When determining the size and composition of the incentive arrangements and the split between the total awarded incentives and the fixed payment, the Board of Directors shall carefully consider the overall principles

of the Remuneration Policy, including the aim of supporting the achievement of the Group's strategic long- and short-term goals, financial and non-financial.

#### **4.4.4 Short-term incentive**

**4.4.4.1** The short-term incentives are primarily cash-based and designed to incentivise and encourage the members of Executive Management to high performance and ensure achievement of the Group's short-term objectives.

**4.4.4.2** The Company wishes to promote a pay-for-performance philosophy where the opportunity for an annual cash incentive is dependent on the achievement of specific targets and metrics as approved by the Board of Directors. The targets and metrics may be selected to reflect the specific business goals for the financial year and may cover a combination of financial, strategic, and individual performance areas.

**4.4.4.3** The specific targets and metrics may be divided into relevant performance areas and value drivers, such as:

1. Financial metrics (e.g. absolute financial performance, relative financial performance, and cash generation); and
2. Strategic metrics (e.g. key transformation metrics, decarbonization progress, and other ESG criteria).

**4.4.4.4** The size of the annual cash incentive payout for a financial year will be decided by the Board of Directors upon recommendation from the Remuneration Committee based on achievements against the measures established.

**4.4.4.5** The cash incentive payout will generally be made once a year following the Board of Directors' approval of the annual report and can constitute an amount corresponding to a maximum of 100% of the fixed pay at the end of the performance period for earning the cash incentive.

**4.4.4.6** In case of extraordinary circumstances and/or unforeseen events significantly impacting for example the financial performance, the Company's strategy, environment or society, the Board of Directors can decide to deviate from the performance targets and metrics if required to support the purpose of this Remuneration Policy.

**4.4.4.7** The Board of Directors may, in individual cases, decide that the short-term incentive is granted primarily as share-based incentives if deemed necessary in order to meet the share ownership requirement applicable to Executive Management.

#### **4.4.5 Long-term incentives**

**4.4.5.1** The long-term incentives are primarily share-based and designed to incentivise long-term performance, commitment and retention of the members of Executive Management, as well as to promote alignment of their interests with those of the shareholders. The form of the long-term incentive programme avoids disproportionate windfall gains, or rewards for short-term performance that is not sustained.

4.4.5.2 The value of long-term share-based incentives for a financial year may be up to 100% of the annual fixed base pay for the recipient. The value of the share-based incentives is calculated as described in the Company's annual report. The aggregate value of long-term incentives will be disclosed in the annual report.

4.4.5.3 The grant of share-based incentives may be subject to achievement of certain targets. All long-term incentives shall have a vesting or maturity period of 3 years from the relevant date of grant until the time they vest or mature. The vesting or maturity period shall be determined by the Board of Directors prior to grant.

4.4.5.4 The Company intends to use treasury shares to meet its obligations in relation to long-term share-based incentives. The Board of Directors may decide to satisfy a grant in cash.

4.4.5.5 In line with market practice, share-based incentives are subject to good leaver and bad leaver provisions.

4.4.5.6 In case of extraordinary circumstances and/or unforeseen events significantly impacting for example the financial performance, the Company's strategy, environment or society, the Board of Directors can decide to deviate from principles applicable to any share-based incentive programme set out in this section.

#### **4.4.6 Restricted share units**

4.4.6.1 Members of Executive Management may be eligible to receive long-term incentives in the form of RSUs. The RSU program is designed to further align management compensation with the long-term interests of the shareholders and the performance of the Company by linking a higher proportion of annual pay to the share price development of the Company. Further, the RSU program supports the Company' long term business model and strategy.

4.4.6.2 The program is revolving and grant of RSUs does not depend on the achievement of specific goals. Ownership of shares is transferred free of charge or by payment of par value of the shares delivered to each member of Executive Management 3 years after the time of grant (the "Vesting Period"), contingent on the member of Executive Management having not resigned during the Vesting Period. During the Vesting Period, no transfer of shares to the individual member of Executive Management will take place. After expiry of the Vesting Period and transfer of ownership of shares to the individual member of Executive Management, the member shall have all rights and obligations as shareholder of the Company, including the entitlement to receive dividends. The number of shares granted to members of Executive Management will be stated in the Company's annual reports.

#### **4.4.7 Performance share units**

4.4.7.1 Members of Executive Management may be eligible to receive long-term incentives in the form of PSUs. The PSU program is designed to further align management

compensation with the long-term interests of the shareholders and the performance of the Company by linking a higher proportion of annual pay to the share price development of the Company as well as certain performance targets. Further, a PSU program supports the Company' long term business model and strategy.

4.4.7.2 The program is revolving and grant of PSUs shall be subject to achievement of specific goals that may include financial targets such as earnings per share and total shareholder return compared against Danish listed companies and international companies and/or other non-financial targets or objectives such as ESG and other sustainability related objectives as determined by the Board of Directors from time to time. Ownership of shares is transferred free of charge or by payment of par value of the shares delivered to each member of Executive Management 3 years after the time of grant (the "Vesting Period"), contingent on the member of Executive Management having not resigned during the Vesting Period. During the Vesting Period, no transfer of shares to the individual member of Executive Management will take place. After expiry of the Vesting Period and transfer of ownership of shares to the individual member of Executive Management, the member shall have all rights and obligations as shareholder of the Company, including the entitlement to receive dividends. The number of shares granted to members of Executive Management will be stated in the Company's annual reports.

#### **4.4.8 Share ownership requirement**

4.4.8.1 Members of Executive Management are subject to a share ownership requirement to be fulfilled through share-based grants or own investments in shares and applicable during the member of the Executive Management's employment. Within 48 months of the member of the Executive Management being appointed to the Executive Management, the CEO must have a shareholding with a value corresponding to 100% of the fixed annual cash base salary and other members of Executive Management must have a shareholding with a value corresponding to 75% of the fixed annual cash base salary.

4.4.8.2 For as long as the share ownership requirement is not met, each member of the Executive Management will be restricted from selling any shares that have vested under any long-term incentive scheme (except for sales to obtain funds for payment of taxes triggered by grants vested or shares sold under the long-term incentives).

#### **4.4.9 Extraordinary incentives**

4.4.9.1 The Board of Directors may, in individual cases, grant one-off bonuses or other extraordinary incentives, e.g. retention bonus, severance payment, sign-on bonus, transaction bonus or other similar arrangements, provided that such extraordinary incentive is deemed necessary in order to meet the overall objectives of the Remuneration Policy.

4.4.9.2 The value of such extraordinary incentives for a financial year may not exceed an amount corresponding to two times the maximum value of annual incentive pay (i.e. the sum of short-term incentive and long-term incentive) granted to the recipient in the year of award. Such grant may be cash and/or share-based remuneration. The Board of Directors may decide whether grant and/or vesting shall be subject to fulfilment of certain pre-defined targets as well as other terms which may deviate from the terms applicable to ordinary incentives.

#### 4.4.10 Adjustment and repayment of incentive-based remuneration

4.4.10.1 In case of extraordinary events, the Board of Directors may lay down specific terms for incentive-based remuneration governing the lapsing, repayment, capping of ultimate gains or other adjustments of the incentive-based remuneration, including accelerated vesting or exercise and adjustment to the exercise price or the performance targets. Such extraordinary event may include, but is not limited to, significant divestiture of activities, change in capital structure, demerger, merger or other business combination involving the Company or material parts of the Group, a member of Executive Management resigning/being dismissed or other material events that would otherwise influence positively or negatively the value or effect of the incentive-based remuneration.

#### 4.4.11 Clawback

4.4.11.1 The Company has the option of reclaiming, in full or in part, granted incentive remuneration in certain situations, including where incentive remuneration was awarded or paid out on the basis of information which is subsequently proved to be manifestly misstated or if a member of Executive Management is deemed to have caused a material loss to the Company due to wilful misconduct or gross negligence or acting in bad faith in respect of other matters which implied payment of a too large incentive-based remuneration.

### 4.5 Pension and benefits

4.5.1 In addition to the fixed annual cash base salary, members of the Executive Management may receive a cash-based benefit allowance with a yearly value of up to 15% of the annual fixed salary to be used towards their own benefit elections, including pension or company car.

4.5.2 In addition to the benefit allowance, members of Executive Management may receive non-monetary benefits, such as, phone, insurance coverage, annual health check, newspaper subscriptions, training/education, and similar benefits that are generally made available to other employees at the location. Expenses incurred by members of Executive Management in the interest of the Company relating to travel, conferences, necessary training and similar are reimbursed in accordance with policies applicable from time to time.

4.5.3 In the event that an existing or new member of Executive Management is to relocate, the Remuneration Committee may recommend and the Board of Directors may approve appropriate relocation allowances for a specified time period in addition to the benefit allowance. This may cover costs such as (but not limited to) relocation, cost of living, housing benefit, home leave, tax and social security equalisation and education assistance.

## 5 D&O insurance and indemnification

5.1 The Company has taken out customary D&O insurance covering the Board of Directors and Executive Management.

5.2 The Company may implement an indemnification scheme for members of the Board of Directors and Executive Management, from time to time, covering losses (including costs, expenses, interests, and potential tax liabilities associated therewith) incurred by individual members and arising out of the discharge of such individual's duties as a member of the Board of Directors or Executive Management, including in connection with listing of the Company's shares on Nasdaq Copenhagen (the "Indemnification Scheme"). The Indemnification Scheme covers claims made or arising out of circumstances or events having occurred no later than 30 April 2029.

5.3 The Indemnification Scheme will be for the sole benefit of the individual members of the Board of Directors or Executive Management, and will exclude claims (i) to the extent covered by insurance taken out by the Group, including D&O insurance, (ii) arising out of the individual's wilful misconduct, gross negligence, or improper acts or omissions (in Danish "utilbørlige dispositioner"), or any sanctioned offence under applicable criminal law, (iii) raised by the Group or a Group company, and (iv) if and to the extent it would be inconsistent with applicable law to offer indemnification.

## 6 Service agreements

### 6.1 Company notice period and severance pay

6.1.1 Members of the Executive Management are employed on individual contracts, which are generally entered into on an indefinite term with a mutual right of termination. The notice period may be up to six months for the member of the Executive Management and up to 12 months for the Company.

6.1.2 Remuneration paid to a member of the Executive Management during a notice period, including any severance payment, may not exceed two years' remuneration, including all remuneration components.

## 6.2 New or amended agreements

- 6.2.1** Conclusion of new service agreements or amendments of existing service agreements with members of Executive Management will be subject to the principles set out in this Remuneration Policy. Agreements about incentive pay for members of Executive Management have been entered into conditional on the adoption of this Remuneration Policy, and subject to adoption of this Remuneration Policy will continue on the terms already agreed. Any change of existing agreements will be subject to the principles set out in this Remuneration Policy.

## 7 Remuneration to the Company's other employees

- 7.1** The Board of Directors has taken into account the terms of employment and remuneration of employees of the Company other than the Board of Directors and Executive Management.
- 7.2** The Board of Directors believes there is an appropriate balance between remuneration to the Company's employees and remuneration to the Board of Directors and the Executive Management taking into account market practice for remuneration in appropriate peer companies of comparable size and considering the responsibilities and duties of the members of the Board of Directors and the Executive Management compared to other employees of the Company.

## 8 Deviations

- 8.1** In extraordinary circumstances, the Board of Directors may decide to deviate from the specific requirements of the Remuneration Policy on an individual basis in order to attain the overall objectives of the Remuneration Policy and safeguard the long-term interests of the Company and its shareholders. Such deviations may include one-off bonuses, changes to the relative proportion of the remuneration components, including any ad hoc fees, changes to the vesting and exercise period of incentive programmes, changes to the maximum value of short-term incentives, changes to the long-term share-based program, including maximum value, duration and leaver provisions of the program as well as changes to the term and termination provisions of contracts entered into with members of Executive Management.
- 8.2** Deviations are subject to prior approval by the Board of Directors and shall be explained in the Company's annual report or remuneration report.

## 9 Approval process and conflicts of interest

- 9.1** The Board of Directors has established a Remuneration Committee. The Remuneration Committee prepares a proposal for a remuneration policy that is submitted to the Board of Directors for approval. The Board of Directors submits the approved remuneration policy to the general meeting for approval.
- 9.2** The Board of Directors annually reviews the Remuneration Policy based on recommendation from the Remuneration Committee. If deemed necessary, the Board of Directors submits a proposal for a revised remuneration policy to the general meeting for approval.
- 9.3** The Remuneration Policy will be in force for a period of four years from approval, however, the Board of Directors may submit a proposal for a revised remuneration policy to the general meeting for approval at an earlier point, if deemed necessary.
- 9.4** To avoid conflicts of interests, any remuneration paid to members of the Board of Directors shall be approved by the general meeting. Remuneration paid to members of Executive Management shall be approved by the Board of Directors and must comply with the principles of the Remuneration Policy. Further, any material amendments to the Remuneration Policy are subject to approval of the general meeting.

## 10 Remuneration report

- 10.1** The Board of Directors shall annually prepare a remuneration report which provides an overview of remuneration paid or due to members of the Board of Directors and the Executive Management on both an aggregate and an individual level. The remuneration report shall be submitted to the general meeting for an advisory vote.

## 11 Adoption and publication

- 11.1** The Remuneration Policy has been adopted on 26 April 2024 in connection with establishment of the Company and is available on the Company's website.