



## Corporate Governance

### Recommendations for Good Corporate Governance in Denmark

The Board of Directors of A.P. Møller - Mærsk A/S continues to consider the "Recommendations for Good Corporate Governance" prepared by OMX Nordic Exchange Copenhagen A/S. Most of the recommendations have been complied with, but there are some which the Board of Directors has chosen not to follow. With reference to the "comply or explain" principle, OMX Nordic Exchange Copenhagen A/S has stated that companies should either comply with the recommendations or explain why they deviate from them.

### *The role of the shareholders and their interaction with the management of the company*

Day-to-day communication between A.P. Møller - Mærsk A/S and the shareholders is carried out primarily at the Annual General Meeting and through stock exchange announcements. In addition, online presentations are made for investors, share analysts, the press and other stakeholders in connection with the publication of annual and interim reports, and interim management statements, and individual meetings are held with share analysts, as well as current and potential investors. Investors and share analysts are welcome to contact the company's Investor Relations office.

Information about the Group's activities, capital structure, press releases, announcements of financial results and annual reports is published at [maersk.com](http://maersk.com). The annual report, press releases and announcements are published in both Danish and English.

The Annual General Meeting constitutes, within the boundaries laid down in the articles of association, the supreme authority in the affairs of the company. The Annual General Meeting must be held in Copenhagen, Svendborg or Århus, Denmark, before the end of April. In accordance with the articles of association Annual General Meetings are normally convened with three weeks' notice, but must be convened at no fewer than eight days' and no more than four weeks' notice. Notices of Annual General Meetings are announced in the Danish daily press and in the Danish Commerce and Companies Agency information system. Registered shareholders receive an invitation with an agenda and appendices, including the annual report, if requested. They also receive a proxy form on which the shareholder can record his or her proxy voting instructions for each item of the agenda. The Board of Directors or a named third party can be appointed proxy. It is also possible to appoint a proxy via [maersk.com](http://maersk.com). This ensures that shareholders can exercise their voting rights even though they are not able to attend the Annual General Meeting.

The annual report, agenda and other published material - as well as other useful information concerning the Annual General Meeting - are all available at [maersk.com](http://maersk.com). Procedures for the company's Annual General Meeting are laid down in articles 8-14 of the articles of association [[link](#)].

The Board of Directors finds that the company's capital structure, together with the majority shareholding held by the A.P. Møller Foundations, benefits the development of the company, and that a continuation would be advantageous to holders of both class A and class B shares.

### *The role of stakeholders and their importance to the company*

The Board of Directors has laid down guidelines for the company's relationship with its stakeholders. In "Maersk Fundamental Business Principles", which is available at [maersk.com](http://maersk.com) [[link](#)], the Board of Directors has laid down the fundamental business principles that describe, on the basis of the company's fundamental values, the company's relationship to the local communities in which the Group operates, as well as policies on environmental and labour-related matters.

### *Openness and transparency*

The Management has prepared an information and communication policy that is supported by the Board of Directors.

Significant information of importance to the assessment of A.P. Møller - Mærsk A/S and its activities, business objectives, strategies and results by shareholders and the financial markets is published as soon as possible via stock exchange announcements.

In order to ensure an ongoing dialogue between the company and both its existing and potential shareholders, share analysts etc. an Investor Relations function to which questions concerning the company can be addressed has been established.

The company's annual report is prepared in accordance with "International Financial Reporting Standards" (IFRS) - as adopted by the EU - as well as with additional Danish disclosure requirements for the annual reports of listed companies. The annual report, which also includes a range of non-financial information, is published at maersk.com.

In connection with the preparation of the company's annual report, the Board of Directors decides on additional relevant non-financial information.

Annual and interim reports and interim management statements, as well as stock exchange announcements on significant (share price relevant) circumstances concerning the company are presented. They are all published at maersk.com. Announcements are made between annual and interim reports and interim management statements when changes or circumstances that may influence the share price occur.

### ***The duties and responsibilities of the Board of Directors***

As prescribed by Danish law, the Board of Directors is responsible for the overall governance of the company and lays down guidelines for, and supervises the work of, the Management. The development and definition of the Group's strategies constitute an important management task. On an ongoing basis, the Board of Directors discusses and determines its duties at least once a year.

The Board of Directors has established a set of procedures. At the individual Board meetings, the Board of Directors decides which duties are to be performed on a daily basis and in the long term. It is the opinion of the Board of Directors that this method of working is the most suitable for the company - more appropriate, for example, than formal, detailed job and duty descriptions for the Chairman and the Vice-chairmen which could prove restrictive.

The Board of Directors is organised with a Chairman and the two Vice-chairmen. When allocating the duties of the Board of Directors, and during the general discussion at Board meetings, the Chairman strives to ensure that the special knowledge and competence of the individual Board members is put to the best possible use for the benefit of the company.

The Board of Directors' set of procedures outlines the reporting made by the Management to the Board of Directors. This is to ensure that the Board of Directors continually receives the information it requires regarding the company's activities.

The Board of Directors' procedures are reviewed once a year to ensure alignment with the requirements of the company.

### ***The composition of the Board of Directors***

The Board of Directors has authorised the Chairman to ensure a thorough and transparent process for the selection and nomination of candidates to the Board of Directors. This is intended to ensure a composition that provides the skills and expertise necessary for the Board of Directors to perform its duties in the best possible way.

Candidates are presented to the entire Board of Directors, which makes an assessment of the professional and personal qualifications of potential candidates. A number of recruitment criteria can be established, but it is the opinion of the Board of Directors that it is neither appropriate nor relevant to prepare an exhaustive list of specific recruitment criteria. This means that the recommendation to provide information about the recruitment criteria established by the Board of Directors is not followed.

The individual Board members have been nominated and elected on the basis of an overall assessment of the qualifications of the Board of Directors and the individual members, including any relevant and necessary knowledge, and experience in relation to the needs of the company. The other management positions and significant organisational duties of the individual Board members are disclosed in the annual report. This means the recommendation to publish a yearly profile of the composition of the Board of Directors and information about any special skills or qualifications that individual Board members may have is not followed.

When new members join the Board of Directors, they receive an introduction to the most important departments of the company and are introduced to the day-to-day operations. The Chairman of the Board of Directors and new members discuss whether the new members require supplementary training.

It is the opinion of the Board of Directors that each individual Board member is otherwise responsible for calling attention to any needs they may have for updating their qualifications and expertise. For this reason, it has not been deemed necessary for the Board of Directors to annually assess any such need, as suggested in the recommendations.

The Board of Directors currently consists of 12 members, which, given the size, complexity and global nature of the A.P. Møller - Maersk Group, is considered appropriate.

The majority of the members of the Board of Directors is considered to be independent. As Board members from the principal shareholder - A.P. Møller og Hustru Chastine Mc-Kinney Møllers Fond til almene Formaal - Ane Mærsk Mc-Kinney Uggla and Leise Mærsk Mc-Kinney Møller are not considered to be independent. As employees of the A.P. Møller - Maersk Group, John

Axel Poulsen and Cecilie Mose Hansen are not considered to be independent.

As stated above, the Board of Directors normally meets 7-9 times a year and is otherwise convened when deemed necessary by the Chairman.

The company has not established any boundaries which define the number of other management positions held by individual Board members. This means the individual Board members are expected to balance time they spend on Board work with their management positions in a responsible manner.

All Board members are obliged to own A-shares in the company and to have these registered. The Board members are only allowed to trade the company's shares within the four weeks immediately following the publication of the company's annual report and the issue of the company's interim report. Any trading in the company's shares by Board members will be reported to and published by OMX Nordic Exchange Copenhagen A/S pursuant to the provisions of the Danish Securities Trading Act. For this reason the Board of Directors and the Management have not found it necessary or useful to publish the trading of the individual Board members in the annual report by stating the members' total holdings and resultant changes, as otherwise recommended by OMX Nordic Exchange Copenhagen.

Along with their invitation to the Annual General Meeting, registered shareholders receive a list of candidates that states the candidates' ages, etc. The Board of Directors is of the opinion that age may be included in the assessment of the qualifications of a Board member, but that age cannot constitute grounds for qualification or disqualification in and of itself. As a result, the company does not have any rules regarding age limits or age requirements for Board members.

At A.P. Møller - Mærsk A/S, Board members are elected to serve two-year terms in accordance with the articles of association. A two-year period has been considered suitable to ensure both the opportunity to renew the Board of Directors and the necessary level of continuity.

The Board of Directors collectively signs for and acts on behalf of the company. [As a result, the terms of reference for the Audit Committee and the Remuneration Committee are considered as a matter between the individual committees and the Board of Directors and are not described in the annual report, as otherwise recommended.

The Annual General Meeting evaluates the work and results of the Board of Directors. The Chairman of the Board ensures on an everyday basis that the Board functions satisfactorily and that the duties of the Board are attended to. Improvements are made regularly. As a result, the recommendation for a formal assessment procedure has not been adopted.

The working relationship between the Board of Directors and the Management is evaluated on an ongoing basis at meetings between the Chairmanship and the Group CEO. It has not been considered necessary to follow the recommendation to formalise the dialogue with, and the reporting to, the entire Board of Directors. The Management does not participate in those parts of Board meetings during which the Board of Directors discusses the relationship with the Management.

### ***Remuneration of the Board of Directors and the Management***

As described in the introduction, the remuneration payable to the Management is a reflection of what is reasonable in relation to the size, global activities and other conditions of the company. The same applies to the remuneration of the Board of Directors.

The recommendations for a written remuneration policy, a statement of the implementation of such policy in the past, present and coming year, and a presentation of the current year's remuneration to the Board of Directors for approval by the Annual General Meeting have not been adopted. The company's general remuneration policy is mentioned above under "Remuneration of the Management".

The remuneration of the Management and the entire Board of Directors for the previous year and for a comparative year is stated in note 2 and note 3 of the Annual Report 2008. In this way, the Annual General Meeting can determine whether the remuneration is reasonable. Unless special conditions apply, the Chairman of the Board will not elaborate on the remuneration policy in his report to the Annual General Meeting.

At the Annual General Meeting of the company on 29 April 2008 the "General Guidelines for Incentive Pay" were adopted. These general guidelines require a revolving share option programme with a fixed redemption price that is higher than the market price on the date of allocation. Incentive programmes for the Management established prior to the adoption of the general guidelines are in accordance with the guidelines. The remuneration to the Board of Directors comprises fixed fees that do not include share options.

The level of remuneration to the Management and members of the Board of Directors can be assessed from the information in the annual report concerning the remuneration to the entire Management. Information about remuneration on an individual basis does not, in the opinion of the company, serve any objective purpose. For this reason, the company has not adopted the recommendation to provide information at an individual level.

There are no unusual termination payments for Management. Information about details of the schemes is considered to be an internal matter.

### ***Risk management***

In connection with the preparation and updating of the company's strategy and general objectives, the company's Board of Directors and Management identify the most significant business risks.

Rules for the Group's risk management have been laid down in the systematic reporting. This also includes reporting from the Management to the Board of Directors. In addition, Group Internal Audit makes a report on risk management at the meetings of the Audit Committee. The Group's risk management activities are extensive, and the most important of these are stated in the annual report.

### ***Audit***

The Board of Directors performs a specific and critical assessment of the independence, competence, etc. of the auditors for the purpose of making recommendations to the Annual General Meeting concerning the appointment of auditors.

The independence of each auditor is assured by the general framework for the auditors' delivery of non-audit services adopted by the Board of Directors. On this basis, the Audit Committee annually reviews the auditors' services. The Audit Committee regularly reviews and assesses the company's internal control systems as well as the Management's guidelines and supervision.

The significant accounting policies applied and accounting estimates are reviewed at Board meetings, at which the Board of Directors discusses the annual report with the auditors.

At the same time, and on the basis of a review of the long-form audit report, the Board of Directors assesses the work of the auditors.