

A.P. Møller - Mærsk A/S

Statutory annual corporate governance statement, cf. Section 107b of the Danish Financial Statements Act

This annual corporate governance statement for A.P. Møller - Mærsk A/S is part of the Directors' Report in the 2013 Annual Report and covers the accounting period 1 January to 31 December 2013.

The statement includes a description of the Company's management structure, a review of how the Company

considers the "Recommendations for corporate governance" implemented by NASDAQ OMX Copenhagen in the Rules for issuers of shares ("Regler for udstedere af aktier") as well as a description of the main elements of the Group's internal control and risk management systems in connection with the Group's financial reporting.

I – Management structure

A.P. Møller - Mærsk A/S has a two-tier management structure consisting of the Board of Directors and the Executive Board (Management).

The Board of Directors

Pursuant to the articles of association, the Board of Directors shall consist of 4–13 members elected by the Annual General Meeting. The Board members are elected for a two-year term. There are Board members up for election every year to ensure continuity in the work of the Board of Directors. Board members are eligible for re-election. Presently, the Board consists of 12 members. The Board elects its Chairman and two Vice-chairmen among its members.

The Board of Directors lays down the general business and management principles for the Group and ensures the proper organisation of the Company. Furthermore,

the Board of Directors decides the strategy and the risk policies and supervises the performance of the Company and its Management.

The Board of Directors usually meets 7–9 times a year and is otherwise convened when deemed necessary. The Board of Directors is organised in the following committees:

The *Chairmanship* consists of the Chairman of the Board of Directors, Michael Pram Rasmussen, and the Vice-chairmen, Niels Jacobsen and Ane Mærsk Mc-Kinney Ugglå. The Chairmanship meets regularly and as required.

The *Audit Committee* consists of 3–4 Board members appointed by and among the Board members. The committee consists of three members (Arne Karlsson (chairman), Jan Tøpholm and Lars Pallesen) and re-

ports to the Board of Directors. The tasks of the committee include the review of accounting, auditing, risk and control matters, which are dealt with at meetings with the external auditors, the Group CFO and the heads of the accounting and internal audit functions. The committee determines the frequency of its meetings and it usually meets 3-4 times a year. The tasks of the Audit Committee are described in terms of reference and rules of procedure approved by the Board of Directors.

The Remuneration Committee consists of the Chairman and the two Vice-chairmen. The committee makes a proposal for the remuneration of the members of the Executive Board (Management). The committee also decides on the overall annual adjustment of salaries for most of the Group's employees in Denmark. Furthermore, the committee determines the size of the proposed annual overall remuneration, including pensions, bonuses and the like, for key executives of the Group worldwide. The committee meets 2-4 times a year.

Information on the members of the Board of Directors, including names, photos and existing and previous occupations as well as other management duties can be found on <http://investor.maersk.com/directors.cfm>.

The Executive Board (Management)

Firmaet A.P. Møller stepped down as registered Management of A.P. Møller - Mærsk A/S as of 1 January 2013, with effect from which date the members of the Executive Board, Nils S. Andersen, Claus V. Hemmingen, Søren Skou, Trond Westlie, Kim Fejfer and Jakob Thomsen were registered as Management of A.P. Møller - Mærsk A/S.

Information on the members of the Management, including names, photos and existing and previous occupations can be found on <http://www.maersk.com/Aboutus/Management/Pages/Management.aspx>.

Internal Audit

The main focus of the Maersk Group's internal audit function (Group Internal Audit) is to review the effectiveness of internal procedures and systems and to deal with the prevention and detection of any irregularities.

The Head of Group Internal Audit reports to the Chairman of the Board of Directors and to the Audit Committee.

II – Recommendations on corporate governance in Denmark

NASDAQ OMX Copenhagen refers to a “comply or explain” principle, and specifies that it is not decisive whether a company follows the recommendations or chooses to explain deviations from them. The Board of Directors of A.P. Møller - Mærsk A/S is continuously considering the “Recommendations on corporate governance” implemented by NASDAQ OMX Copenhagen in the “Rules for issuers of shares”. The Company complies with most of the recommendations, but there are some which the Board of Directors has chosen not to follow.

A.P. Møller - Mærsk A/S' comments to the “Recommendations for corporate governance” from May 2013, included in the latest version of “Rules for issuers of shares”, can be found below. Where not otherwise indicated in the comments the Company complies with a recommendation.

1. COMMUNICATION AND INTERACTION BY THE COMPANY WITH ITS INVESTORS AND OTHER STAKEHOLDERS

1.1 Dialogue between company, shareholders and other stakeholders

1.1.1 **THE COMMITTEE RECOMMENDS** that the board of directors ensure ongoing dialogue between the company and its shareholders in order for the shareholders to gain relevant insight into the company's potential and policies, and in order for the board of directors to be aware of the shareholders' views, interests and opinions on the company.

Comment:

A.P. Møller - Mærsk A/S' Investor Relations office ensures an ongoing dialogue between the Company and its shareholders, whether existing or potential, as well as

analysts etc. The Company wishes to be open to national as well as international investors, and on the Company's website, www.maersk.com, a specific site with detailed material of interest to shareholders is available. Prior to the Annual General Meeting, the Company's shareholder site is open to questions from shareholders, which are responded to on a current basis. The Investor Relations office regularly holds meetings with analysts and investors, and information from these meetings is passed on to the Management.

The Company publishes stock exchange announcements, annual and interim reports as well as press releases which are all available on the Company's website. Information of considerable importance for the shareholders' and financial markets' assessment of the Company is published in accordance with the legislation and NASDAQ OMX Copenhagen's rules.

Since 2012, the Company has hosted a yearly Capital Markets Day, which aims at providing the investors and equity analysts with a more detailed insight into the Group's and business units' strategy and goals.

1.1.2 THE COMMITTEE RECOMMENDS that the board of directors adopt policies on the company's relationship with its stakeholders, including shareholders and other investors, and that the board ensures that the interests of the stakeholders are respected in accordance with company policies.

Comment:

Until January 2013, the Company's relationship with its stakeholders was set out in "The Maersk Principles of Conduct". These have been replaced by "The Maersk Group's Group Policies", which lay down basic business principles based on the Company's fundamental values, "The Maersk Group Values" (www.maersk.com/Aboutus/Pages/OurValues.aspx).

The Group Policies describe, among other things, the Company's commitment to continuously improve its deliverables by including economic, environmental and social aspects in its decisions and actions, to pursue relationships which are beneficial to the Company, its customers, suppliers and partners, and to understand customers, supply chains and the societies in which the Company operates.

The Group Policies are supplemented by mandatory standards amongst others on Health Safety and Environment, Responsible Procurement, Anti-corruption, Labour Standards, Sustainability Reporting and Interaction with Governments and Public Authorities. The Maersk Group Values (Constant Care, Humbleness, Uprightness, Our Employees and Our Name) apply to the Company as well as its employees' activities relating to the company's stakeholders.

1.1.3 THE COMMITTEE RECOMMENDS that the company publish quarterly reports.

Comment:

The Company started publishing quarterly reports as from Q3 2011.

1.2 General Meeting

1.2.1 THE COMMITTEE RECOMMENDS that, when organising the company's general meeting, the board of directors plans the meeting to support active ownership.

Comment:

A.P. Møller - Mærsk A/S has an active dialogue with the shareholders before and during the Annual General Meeting. Communication also takes place through company announcements and at meetings with investors and analysts.

The registered shareholders will receive an invitation and material upon request. Moreover, shareholders with voting rights can record their voting instructions for each agenda item on a proxy form available on the Company's website and via the Company's shareholder portal. Proxy can be given to the Board of Directors or a named third party, who can also be appointed to represent the shareholder at the Annual General Meeting. In this manner, the shareholders can exercise their voting rights even though they are not able to attend the Annual General Meeting. Reference is also made to the comment under 1.1.1 above regarding access to pose questions at the shareholder site.

The Annual Report, agenda etc. – as well as other useful information concerning the Annual General Meeting – are all available on the Company's website. The Chairman's report at the Annual General Meeting is web casted via the Company's web site.

In connection with the publishing of the Annual and interim reports, open teleconferences are held for investors, analysts, the press and other stakeholders. Furthermore, individual meetings are held with analysts and current and potential investors.

1.2.2 **THE COMMITTEE RECOMMENDS** that proxies granted for the general meeting allow shareholders to consider each individual item on the agenda.

Comment:

In connection with the Annual General Meeting a proxy form is made available for all registered holders of A shares. On this proxy form they can record their voting instructions for each individual item on the agenda at the Annual General Meeting.

1.3 Takeover bids

1.3.1 **THE COMMITTEE RECOMMENDS** that the company set up contingency procedures in the event of takeover bids from the time that the board of directors has reason to believe that a takeover bid will be made. According to such contingency procedures, the board of directors should not without the acceptance of the general meeting, attempt to counter the takeover bid by making decisions which in reality prevent the shareholders from deciding on the takeover bid themselves.

Comment:

Since more than 50% of the votes in the Company are owned by one shareholder a takeover bid will be forwarded and discussed with this shareholder.

2. TASKS AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS

2.1 Overall tasks and responsibilities

2.1.1 **THE COMMITTEE RECOMMENDS** that at least once a year the board of directors take a position on the matters related to the board's performance of its responsibilities.

2.1.2 **THE COMMITTEE RECOMMENDS** that at least once a year the board of directors take a position on the overall strategy of the company with a view to ensuring value creation in the company.

Comment:

In its annual meeting schedule, the Board of Directors defines its most important work themes, considering the financial and managerial control of the Company and other matters relating to the Board's performance. The development and definition of the Group's strategy constitute an important management task. At a board seminar, usually held once a year, the Board of Directors decides on its strategic priorities and goals for the Company.

2.1.3 **THE COMMITTEE RECOMMENDS** that the board of directors ensure that the company has a capital and share structure ensuring that the strategy and longterm value creation of the company are in the best interest of the shareholders and the company, and that the board of directors presents this in the management commentary on the company's annual report and/or on the company's website.

Comment:

The Board of Directors regularly and at least once a year evaluates the Company's present capital and share structure to ensure appropriateness and that the Company has the funds to fulfil its existing and future liabilities and can support the business strategy on an ongoing basis.

2.1.4 **THE COMMITTEE RECOMMENDS** that the board of directors annually review and approve guidelines for the executive board; this includes establishing requirements for the executive board on timely, accurate and adequate reporting to the board of directors.

Comment:

The Board of Directors has specified certain tasks and obligations for the Management, for instance concerning:

- Reporting to the Board;
- The conduct of the day-to-day management of the Company;
- Preparation of financial reports and the management of the Company's financial affairs;
- Communication between the Board and the Management;
- Organisational matters.

These tasks and obligations are included in the rules of procedures for the Board of Directors. Furthermore, the Board has defined limits on the authority of the Manage-

ment. These tasks, obligations and limits are binding upon the Management and together they cover the matters recommended to be regulated by rules of procedure for the Management. In substance the Company complies with the recommendation. However, the Board has chosen not to issue rules of procedure for the Management in a separate document in order to maintain simplicity and ensure coherence between the respective obligations of the Board of Directors and the Management.

2.1.5 **THE COMMITTEE RECOMMENDS** that at least once a year the board of directors discuss the composition of the executive board, as well as developments, risks and succession plans.

Comment:

At least once a year the Board of Directors discusses the composition of the Management, as well as developments, risks and succession plans. When composing the Management the Board of Directors takes into account that the short absence of a member of the Executive Board should not significantly affect the day-to-day operations of the Company and its business units.

2.1.6 **THE COMMITTEE RECOMMENDS** that once a year the board of directors discuss the company's activities to ensure relevant diversity at management levels, including setting specific goals and accounting for its objectives and progress made in achieving the objectives in the management commentary on the company's annual report and/or on the website of the company.

Comment:

The Board of Directors annually discusses the Company's efforts to ensure diversity at management levels. In this connection, policies, action plans, including specific targets have been prepared. Such targets include efforts to increase female representation at management levels in general and the proportion of women at specific management levels. This is described in the Maersk Group Sustainability Report, which is part of the Annual Report.

2.2. Corporate social responsibility

2.2.1 **THE COMMITTEE RECOMMENDS** that the board of directors adopt policies on corporate social responsibility.

Comment:

In 2009, the Company joined the UN Global Compact which then became the frame for the Company's policies on corporate social responsibility and sustainability.

In accordance with the Global Compact and the Danish Financial Statements Act (årsregnskabsloven), the Company annually publishes a sustainability report, which fulfills the Company's obligation to provide annual communication on progress to the UN Global Compact (UNGC). The annual Maersk Group Sustainability Report is prepared following the Global Reporting Initiative's (GRI) G4 guidelines and is independently assured. The report is available on www.maersk.com/sustainability along with further information on the Company's sustainability performance, commitments and partnerships.

2.3. Chairman and vice-chairman of the board of directors

2.3.1 **THE COMMITTEE RECOMMENDS** appointing a vice-chairman of the board of directors who will assume the responsibilities of the chairman in the event of the chairman's absence, and who will also act as effective sparring partner for the chairman.

Comment:

The Board of Directors comprises a Chairman and two Vice-chairmen. Together they constitute the Chairmanship. The Chairmanship meets regularly and as required.

2.3.2 **THE COMMITTEE RECOMMENDS** ensuring that, if the board of directors, in exceptional cases, asks the chairman of the board of directors to perform special operating activities for the company, including briefly participating in the day-to-day management, a board resolution to that effect be passed to ensure that the board of directors maintains its independent, overall management and control function. Resolutions on the chairman's participation in day-to-day management and the expected duration hereof should be published in a company announcement.

Comment:

The Chairman of the Board of Directors only performs special tasks for the Company if asked to by the Board of Directors. In that case, and if required by law, it would be disclosed in a stock exchange announcement.

3. COMPOSITION AND ORGANISATION OF THE BOARD OF DIRECTORS

3.1 Composition

3.1.1 **THE COMMITTEE RECOMMENDS** that the board of directors annually accounts for

- the skills it must have to best perform its tasks,
- the composition of the board of directors, and
- the special skills of each member.

Comment:

Prior to the Annual General Meeting, the Board of Directors reviews its composition, including the members' skills and assesses which skills are needed to perform its tasks.

The Annual Report includes an overview of the Board of Directors' composition. The individual Board members' CVs are available on the Company's website (<http://investor.maersk.com/directors.cfm>).

3.1.2 **THE COMMITTEE RECOMMENDS** that the selection and nomination of candidates for the board of directors be carried out through a thoroughly transparent process approved by the overall board of directors. When assessing its composition and nominating new candidates, the board of directors must take into consideration the need for integration of new talent and diversity in relation to age, international experience and gender.

Comment:

The Chairman of the Board is responsible for ensuring a thorough and transparent process for the selection and nomination of candidates to the Board. The composition of the Board of Directors is intended to ensure the skills and expertise necessary for the Board to perform its duties in the best possible way. The entire Board of Directors makes an assessment of new candidates, including the professional and personal qualifications of potential candidates, before recommending them for election at the Annual General Meeting. Diversity is one of the criteria considered, which is also reflected in the Board of Director's current composition. In 2013 the Board of Directors has set a target for the share of the underrepresented gender on the Board and a deadline for reaching such target as required by Danish legislation. Further information is provided in the Sustainability Report, which is part of the Annual Report.

3.1.3 **THE COMMITTEE RECOMMENDS** that a description of the nominated candidates' qualifications, including information about the candidates'

- other executive functions, e.g. memberships in executive boards, boards of directors, and supervisory boards, including board committees in foreign enterprises, be accompanied by the notice convening the general meeting when election of members to the board of directors is on the agenda.
- demanding organisational tasks, and information
- about whether candidates to the board of directors are considered independent.

Comment:

When convening the Annual General Meeting, the notice contains a description of the candidates' management experience including position, education and information on the candidates' other demanding executive functions held in Danish and foreign enterprises. The notice also stipulates whether the candidates are considered to be independent.

3.1.4 **THE COMMITTEE RECOMMENDS** that the company's articles of association stipulate a retirement age for members of the board of directors.

Comment:

The Board of Directors includes age in the assessment of the qualifications of a Board member, but the Board is of the opinion that age in itself cannot constitute any ground for qualification or disqualification. As a result, the Company does not have any rules regarding age limits or age requirements for Board members. The Annual Report and the Company's website, www.maersk.com contain information on Board members' year of birth. The Company does therefore not comply with the recommendation.

3.1.5 **THE COMMITTEE RECOMMENDS** that members of the board of directors elected by the general meeting be up for election every year at the annual general meeting.

Comment:

The Board members are elected to serve two-year terms in accordance with the articles of association. There are members up for re-election every year. The two-year term is appropriate to ensure some measure

of necessary continuity. The Company does therefore not comply with the recommendation.

3.2 Independence of the board of directors

- 3.2.1 **THE COMMITTEE RECOMMENDS** that at least half of the members of the board of directors elected by the general meeting be independent persons, in order for the board of directors to be able to act independently of special interests. To be considered independent, this person may not:
- be or within the past five years have been member of the executive board, or senior staff member in the company, a subsidiary undertaking or an associate,
 - within the past five years, have received larger emoluments from the company/group, a subsidiary undertaking or an associate in another capacity than as member of the board of directors,
 - represent the interests of a controlling shareholder,
 - within the past year, have had significant business relations (e.g. personal or indirectly as partner or employee, shareholder, customer, supplier or member of the executive management in companies with corresponding connection) with the company, a subsidiary undertaking or an associate.
 - be or within the past three years have been employed or partner at the external auditor,
 - have been chief executive in a company holding cross-memberships with the company,
 - have been member of the board of directors for more than 12 years, or
 - have been close relatives with persons who are not considered independent.

Comment:

After the election of Board members at the Annual General Meeting in 2013 more than half of the members of the Board of Directors were considered not to be independent in accordance with the definition in the recommendation. Thus, the Company does not comply with this recommendation. The Company's web site lists the Board members considered to be independent.

3.3 Members of the board of directors and the number of other executive functions

- 3.3.1 **THE COMMITTEE RECOMMENDS** that each member of the board of directors assesses the expected time commitment for each function in

order that the member does not take on more functions than he/she can manage satisfactorily for the company.

Comment:

All members of the Board of Directors regularly assess the expected time commitment for the relevant board work and strive to perform their work for the Company in a satisfactory manner.

- 3.3.2 **THE COMMITTEE RECOMMENDS** that the management commentary, in addition to the provisions laid down by legislation, includes the following information about the members of the board of directors:
- the position of the relevant person,
 - the age and gender of the relevant person,
 - whether the member is considered independent,
 - the date of appointment to the board of directors of the member,
 - expiry of the current election period,
 - other executive functions, e.g. memberships in executive boards, boards of directors, and supervisory boards, including board committees in foreign enterprises and
 - demanding organisational tasks, and
 - the number of shares, options, warrants and similar in the company, and other group companies of the company, owned by the member, as well as changes in the portfolio of the member of the securities mentioned which have occurred during the financial year.

Comment:

The Annual Report comprises information on the Board of Directors' members' existing and any previous position, other executive functions, incl. directorships, education and seniority. Any trading of the Company's shares by Board members must be reported to and published by NASDAQ OMX Copenhagen pursuant to the provisions of the Danish Securities Trading Act (værdipapirhandelsloven). For this reason, the Board of Directors has not found it necessary or useful to publish the trading of the individual Board members in the Annual Report by stating the Board members' total shareholdings and any changes to such holdings during the financial year, as otherwise recommended.

The Annual Report states when the members joined the Board of Directors, the time of the most recent

re-election of the member, the expiry of the current election period and whether each member is considered independent. The Annual Report contains information on the Board members' year of birth, however the gender of the Board members is not included.

Also, the Company's website lists the Board members and whether they are considered to be independent and the list of board candidates up for election at the Annual General Meeting, states whether Board candidates are considered to be independent.

3.4 Board committees

3.4.1 **THE COMMITTEE RECOMMENDS** that the company publish the following on the company's website:

- The terms of reference of the board committees,
- the most important activities of the committees during the year, and the number of meetings held by each committee, and
- the names of the members of each committee, including the chairmen of the committees, as well as information on which members are independent members and which members have special qualifications.

Comment:

The members of the Board of Directors are collectively responsible for the work of the board committees, thus the board committees are internal to the board. Further, the Danish Act on Registered and State-Authorised Public Accountants (revisorloven) specifies the areas for which the Audit Committee is responsible. For these reasons the Board of Directors has decided not to publish terms of reference on the Company's website. The members of the board committees and information on their independence appear on the Company's website and in the Annual Report. The website also provides information on the number of meetings. The Company therefore complies partly with the recommendation.

3.4.2 **THE COMMITTEE RECOMMENDS** that a majority of the members of a board committee be independent.

Comment:

The majority of the members of the Audit Committee are independent, whereas the majority of the members of the Chairmanship and the Remuneration Committee are

not considered to be independent. The Board of Directors elects the members for the committees on the basis of a collective assessment of qualifications. Independence is part of the assessment, but it is not the decisive factor alone, since the Board of Directors finds that, among other things, insight into the Group's business, markets and the committee's work area carry more weight. The Company therefore complies partly with the recommendation.

3.4.3 **THE COMMITTEE RECOMMENDS** that the board of directors set up a formal audit committee composed such that

- the chairman of the board of directors is not chairman of the audit committee, and
- between them, the members should possess such expertise and experience as to provide an updated insight into and experience in the financial, accounting and audit aspects of companies whose shares are admitted to trading on a regulated market.

Comment:

In accordance with the Danish Act on Registered and State-Authorised Public Accountants, the Company has set up an Audit Committee that consists of three Board members appointed by and among the Board members of A.P. Møller - Mærsk A/S. The Company's website and the Annual Report provide information on committee members.

The Chairman of the Board of Directors is not chairman of the Audit Committee. The composition of the Audit Committee is in accordance with the provisions on audit committees in the Danish Act on Registered and State-Authorised Public Accountants (revisorloven) and it is ensured that the committee has the required expertise and experience in financial affairs and in accounting and auditing affairs in listed companies.

3.4.4 **THE COMMITTEE RECOMMENDS** that, prior to the approval of the annual report and other financial reports, the audit committee monitors and reports to the board of directors about:

- significant accounting policies,
- significant accounting estimates,
- related party transactions, and
- uncertainties and risks, including in relation to the outlook for the current year.

Comment:

The tasks of the Audit Committee include a review of accounting, auditing and risk and control matters. The tasks are carried out by monitoring of accounting processes and review of audit plans and risk management processes presented by and discussed with external auditors, the Group CFO and the heads of the accounting and internal audit functions. The tasks of the Audit Committee are described in terms of reference and rules of procedure approved by the Board of Directors. The Audit Committee convenes 3-4 times a year and reports to the Board of Directors after each meeting.

3.4.5 **THE COMMITTEE RECOMMENDS** that the audit committee:

- annually assesses the need for an internal audit, and in such case, makes recommendations on selecting, appointing and removing the head of the internal audit function and on the budget of the internal audit function, and
- monitor the executive board's follow-up on the conclusions and recommendations of the internal audit function.

Comment:

The Group's internal audit function (Group Internal Audit) was established by the Board in 1998, and its main function is to review the effectiveness of internal procedures and control systems and to deal with the prevention and detection of any irregularities.

The head of the internal audit function reports to the Chairman of the Board of Directors and to the Audit Committee. The appointment and dismissal of the head of the internal audit function is decided by the Board of Directors upon recommendation by the Audit Committee and the Chairman of the Board of Directors. On a current basis, the Audit Committee assesses the work of the internal audit function and annually reviews the budget of the internal audit function.

The Audit Committee monitors the Management's follow up on the conclusions and recommendations of the internal audit function.

3.4.6 **THE COMMITTEE RECOMMENDS** that the board of directors establish a nomination committee chaired by the chairman of the board of directors with at least the following preparatory tasks:

- describe the qualifications required by the board of directors and the executive board, and for a specific membership, state the time expected to be spent on having to carry out the membership, as well as assess the competences, knowledge and experience of the two governing bodies combined,
- annually assess the structure, size, composition and results of the board of directors and the executive board, as well as recommend any changes to the board of directors,
- annually assess the competences, knowledge and experience of the individual members of management, and report to the board of directors in this respect,
- consider proposals from relevant persons, including shareholders and members of the board of directors and the executive board for candidates for the board of directors and the executive board, and
- propose an action plan to the board of directors on the future composition of the board of directors, including proposals for specific changes.

Comment:

The Chairmanship of A.P. Møller - Mærsk A/S performs the tasks recommended concerning the candidates for the Board of Directors. Candidates to the Management are selected by the Board of Directors collectively on the basis of qualifications, including managerial and technical qualifications. The Board of Directors has not formally established a nomination committee and the Company therefore only complies with the principles of the recommendation.

3.4.7 **THE COMMITTEE RECOMMENDS** that the board of directors establish a remuneration committee with at least the following preparatory tasks:

- to recommend the remuneration policy (including the general guidelines for incentive-based remuneration) to the board of directors and the executive board for approval by the board of directors prior to approval by the general meeting,
- make proposals to the board of directors on remuneration for members of the board of directors and the executive board, as well as ensure that the remuneration is in compliance with the company's remuneration policy and the assessment of the performance of the persons concerned.

The committee should have information about the total amount of remuneration that members of the board of directors and the executive board receive from other companies in the group, and

- recommend a remuneration policy applicable for the company in general.

Comment:

The Company has set up a Remuneration Committee, the members being the Chairman and the two Vice-chairmen. The Committee makes a proposal for the remuneration of the members of the Management. The Chairman of the Board of Directors makes proposals regarding the remuneration of the Board of Directors. For further information on the Remuneration Committee, please see above under "I - Management Structure". The Committee has prepared a general remuneration policy for the Company and decides on the overall annual adjustment of salaries for most of the Group's employees in Denmark.

3.4.8 **THE COMMITTEE RECOMMENDS** that the remuneration committee do not consult with the same external advisers as the executive board of the company.

Comment:

The Remuneration Committee does not consult with the same external advisers as the Company's Management.

3.5 Evaluation of the performance of the board of directors and the executive board

3.5.1 **THE COMMITTEE RECOMMENDS** that the board of directors establish an evaluation procedure where contributions and results of the board of directors and the individual members, as well as collaboration with the executive board are annually evaluated. Significant changes deriving from the evaluation should be included in the management commentary or on the company's website.

Comment:

The Annual General Meeting evaluates the work and results of the Board of Directors. The Chairman of the Board is to ensure that the Board functions and attends to its duties in a satisfactory manner. The Chairman evaluates the performance and achievements of the Board and its members at each meeting. Further, the Chairman evaluates the co-operation with the Management on an ongoing basis, as also stated in the comment to recommendation

3.5.4 below. The Board of Directors finds that this continuous evaluation is a better tool for the evaluation of the Board's work than a formal annual procedure. The Board of Directors has therefore chosen not to comply with the recommendation on a formal evaluation procedure.

3.5.2 **THE COMMITTEE RECOMMENDS** that in connection with preparation of the general meeting, the board of directors consider whether the number of members is appropriate in relation to the requirements of the company. This should help ensure a constructive debate and an effective decision-making process in which all members are given the opportunity to participate actively.

Comment:

The Board of Directors regularly discusses the number of members. The Board of Directors finds that a constructive debate and an effective decision-making process is possible with the existing 12 members. When preparing the Annual General Meeting, the Board of Directors also considers whether the number of members is appropriate in relation to the Company's requirements.

3.5.3 **THE COMMITTEE RECOMMENDS** that at least once every year the board of directors evaluate the work and performance of the executive board in accordance with predefined clear criteria.

Comments:

The Board of Directors regularly assesses the Management's work and performance, not least in relation to predefined financial and strategic objectives.

3.5.4 **THE COMMITTEE RECOMMENDS** that the executive board and the board of directors establish a procedure according to which their cooperation is evaluated annually through a formalised dialogue between the chairman of the board of directors and the chief executive officer and that the outcome of the evaluation be presented to the board of directors.

Comment:

The Chairman of the Board of Directors and the Group CEO have an ongoing dialogue, which includes an evaluation of their co-operation, the outcome of which is reported not only on a yearly but on an ongoing basis to the Board of Directors.

4. REMUNERATION OF MANAGEMENT

4.1 Form and content of the remuneration policy

- 4.1.1 **THE COMMITTEE RECOMMENDS** that the board of directors prepare a clear and transparent remuneration policy for the board of directors and the executive board, including
- a detailed description of the components of the remuneration for members of the board of directors and the executive board,
 - the reasons for choosing the individual components of the remuneration, and
 - a description of the criteria on which the balance between the individual components of the remuneration is based.

The remuneration policy should be approved by the general meeting and published on the company's website.

Comment:

The Board of Directors has established a remuneration policy for the Board of Directors and the Management, which exhaustively describes the components of the remuneration and the criteria on which the balance between the individual components of the remuneration is based.

The remuneration policy was adopted by the Annual General Meeting in 2012. The remuneration policy includes "General guidelines on incentive pay for the Board of Directors and the Management Board". The remuneration policy is published on the Company's website, <http://investor.maersk.com/guidelines.cfm>.

- 4.1.2 **THE COMMITTEE RECOMMENDS** that, if the remuneration policy includes variable components,
- limits be set on the variable components of the total remuneration package,
 - a reasonable and balanced linkage be ensured between remuneration for governing body members, expected risks and the value creation for shareholders in the short and long terms,
 - there be clarity about performance criteria and measurability for award of variable components,
 - there be criteria ensuring that qualifying periods for variable components in remuneration agreements are longer than one calendar year, and
 - an agreement is made which, in exceptional cases, entitles the company to reclaim in full or in part variable components of remuneration that

were paid on the basis of data, which proved to be misstated.

Comment:

The Management's remuneration includes variable components. The Company uses incentive pay, short-term as well as long-term, to retain key employees and to ensure a high degree of coinciding interests between the Company's Management and its shareholders. Information on incentive pay can be found in the "General guidelines on incentive pay for the Board of Directors and the Management Board", which are available on the Company's website <http://investor.maersk.com/guidelines.cfm>. The Management's remuneration includes a short-term cash incentive, which is linked to the calendar year. This part of the recommendation is therefore not complied with.

So-called "claw-back" clauses are used in the Company's remuneration agreements for the Management when required by the nature of the remuneration programme and its components. So far, this has not been required.

- 4.1.3 **THE COMMITTEE RECOMMENDS** that remuneration of members of the board of directors does not include share options.

Comment:

The remuneration to the Board of Directors comprises fixed fees and does not include share options or any other type of incentive or performance based remuneration.

- 4.1.4. **THE COMMITTEE RECOMMENDS** that if share-based remuneration is provided, such programmes be established as roll-over programmes, i.e. the options are granted periodically and should have a maturity of at least three years from the date of allocation.

Comment:

Under the incentive pay program existing until the ordinary Annual General Meeting 2012, members of the Management Board were obliged to acquire share options, at their own expense, at a value of up to 25% of the fixed annual remuneration. The exercise price for the share option cannot be less than 110% of the listed price of the Company's shares at the time of purchase.

Agreements about incentive pay for members of the Management entered into before the adoption of the

new guidelines in 2012 will continue on the terms already agreed. Any change of existing agreements will be subject to the new guidelines. The new incentive pay guidelines adopted in 2012 allow for restricted shares (but not for share options) with a restriction period between and 5 and 7 years.

The "General guidelines on incentive pay for the Board of Directors and the Management Board" are available on the Company's website (<http://investor.maersk.com/guidelines.cfm>). Should the Company choose to allocate restricted shares as part of the remuneration to the Management, the number of allocated shares will be stated in the Company's Annual Report.

4.1.5 **THE COMMITTEE RECOMMENDS** that agreements on termination payments should not amount to more than two years' annual remuneration.

Comment:

Agreements on termination payment have a maximum value that corresponds to the remuneration of the past two years. There are no unusual termination schemes for the Management.

4.2 Disclosure of the remuneration policy

4.2.1 **THE COMMITTEE RECOMMENDS** that the company's remuneration policy and compliance with this policy be explained and justified annually in the chairman's statement at the company's general meeting.

Comment:

When the remuneration policy was presented for adoption at the Annual General Meeting in 2012 the Chairman included an explanation in his report. Upon the Annual General Meeting in 2012 the composition of the remuneration was implemented in accordance with the remuneration policy. By the Annual General Meeting 2013 there were no changes to the policy and it was not explained. If changes are implemented in the policy or the Company's compliance the Chairman will comment on such at the relevant Annual General Meeting.

4.2.2 **THE COMMITTEE RECOMMENDS** that the proposed remuneration for the Board of directors for the current financial year be approved by the shareholders at the general meeting.

Comment:

The Board of Directors seeks the shareholders' approval of the Board's remuneration for the past year as part of the approval of the Annual Report. This allows the shareholders to assess the remuneration in light of the past year's achievements and work of the Board of Directors. The Company's general remuneration policy is described above. The recommendation is therefore not considered complied with.

4.2.3 **THE COMMITTEE RECOMMENDS** that the total remuneration granted to each member of the board of directors and the executive board by the company and other companies in the group, including information on the most important contents of retention and retirement/resignation schemes, be disclosed in the annual report and that the linkage with the remuneration policy be explained.

Comment:

The aggregate remuneration to the Management is stated in the Annual Report. In order to provide transparency with respect to the composition of the remuneration this figure is further divided into three categories: Fixed annual fee, short term incentive and long term incentive. The accumulated remuneration to members of the Board of Directors, which consists of a fixed fee only, is also set out in the Annual Report.

The Company's Board of Directors and Management Board each consists of several members (12 and 6 respectively). Certain responsibilities of each of these Boards are shared among its members and tasks are performed by coordinated and concerted efforts. Therefore, the Company considers it relevant to disclose the remuneration for each Board on an aggregate level. Furthermore, information about remuneration on an individual basis does not, in the opinion of the Company, serve any objective purpose. For these reasons, the Company has decided to not comply with the recommendation to provide information on an individual level.

The period of notice from the Company's side for the members of the Management is between 12 and 24 months. The members of the Board of Directors and the Management do not have a pension scheme in connection with their work for the Company.

Contracts of employment for members of the Management contain terms customary in Danish listed companies, including termination notice and competition clauses. Retention schemes are described above under the comment to recommendation 4.1 and in the General Guidelines on Incentive Pay for the Board of Directors and the Management Board.

5. FINANCIAL REPORTING, RISK MANAGEMENT AND AUDITS

5.1 Identification of risks and transparency about other relevant information

5.1.1 **THE COMMITTEE RECOMMENDS** that the board of directors in the management commentary review and account for the most important strategic and business related risks, risks in connection with the financial reporting as well as for the company's risk management.

Comment:

Once a year, the Board of Directors undertakes a discussion of the most important strategic and business risks. Furthermore, the Company's risk profile is regularly discussed with the Board of Directors among other things in connection with the planning of strategies and major investments or divestments.

At least once a year, the Audit Committee and the Management undertake a general identification and assessment of risks in connection with the financial reporting, including the risk of fraud, and consider the measures to be implemented in order to reduce or eliminate such risks.

Decisions on measures to reduce or eliminate risks are based on an assessment of materiality and probability of errors and omissions.

5.2. Whistleblower scheme

5.2.1 **THE COMMITTEE RECOMMENDS** that the board of directors decide whether to establish a whistleblower scheme for expedient and confidential notification of possible or suspected wrongdoing.

Comment:

In January 2011, the Company established a global whistleblowing scheme which allows for confidential

and anonymous notification of possible or suspected violations. The scheme allows employees as well as external parties to submit notifications online and by telephone in approximately 40 different languages. Relevant notifications from the whistleblowing scheme are reported to the Audit Committee on a yearly basis.

5.3. Contact to auditor

5.3.1 **THE COMMITTEE RECOMMENDS** that the board of directors ensure regular dialogue and exchange of information between the auditor and the board of directors, including that the board of directors and the audit committee at least once a year meet with the auditor without the executive board present. This also applies to the internal auditor, if any.

Comment:

The dialogue between the Board of Directors and the auditors is ensured partly via the statutory long-form audit report, partly via the Audit Committee reporting to the Board of Directors after each meeting. The auditors attend the Board of Directors' meeting at which the Annual Report is evaluated.

The members of the Audit Committee meet with the auditor at least once a year without the Management being present, and meet with the head of the internal audit function several times a year without the Management being present. The members of the Audit Committee report to the Board of Directors after each meeting. The Chairman regularly meets with the head of internal audit.

5.3.2. **THE COMMITTEE RECOMMENDS** that the audit agreement and auditors' fee be agreed between the board of directors and the auditor on the basis of a recommendation from the audit committee.

Comment:

Based on a recommendation from the Audit Committee, the Board of Directors approves the audit agreement and the auditors' fee.

III – The main elements of The Group's internal control and risk management systems in connection with its financial reporting

The Group's risk management and internal controls in connection with its financial reporting are planned with a view to reducing the risk of errors and omissions in the financial reporting.

Control environment

The Board of Directors/Audit Committee and the Management regularly assess material risks and internal controls in connection with the Group's financial reporting process. The Audit Committee has a supervisory responsibility and reports to the entire Board of Directors. The responsibility for the everyday maintenance of an efficient control environment in connection with the financial reporting rests with the Group's Management. The managements of the Group's business units are responsible for ensuring an efficient control environment for the respective business units.

Based on the applicable rules and regulations, the Board of Directors and the Management prepare and approve the general policies, procedures and controls in significant areas in connection with the Group's financial reporting. The starting point is a clear organisational structure, clear chains of command, authorisation and certification procedures and segregation of duties as well as adequate accounting and consolidation systems, including validation controls.

In addition, the Group has set up policies, manuals and procedures within significant areas in connection with its financial reporting. The policies, manuals and procedures adopted are updated and disseminated on an ongoing basis.

Risk assessment and management

At least once a year as part of risk assessment, the Board of Directors/Audit Committee and the Management undertake a general identification and assessment of risks in connection with the financial reporting, including the risk of fraud, and consider the measures to be implemented in order to reduce or eliminate such risks.

Decisions on measures to reduce or eliminate risks are based on an assessment of materiality and probability of errors and omissions.

Control activities

Specific control activities have been defined for each significant business unit with a view to minimising risks specific to both the Group and the business units.

The performance of such control activities is monitored on both business unit and Group level. This includes an annual statement of warranties and representations from the most significant business units in the Group as well as controller reports including findings and recommendations.

Information and communication

The Board of Directors has decided that the Group should have information and reporting systems in place to ensure that its financial reporting is in conformity with rules and regulations as well as the requirements laid down in the policies, manuals and procedures set up by the Group. A global consolidation system and related reporting instructions have been implemented for this purpose. Also, control catalogues have been established and collated for all significant business units and for Group functions.

Monitoring

The monitoring of risk management and control systems in connection with financial reporting takes the form of ongoing assessments and control at different levels in the Group.

Any weaknesses, control failures and violations of the applicable policies, manuals and procedures or other material deviations are communicated upwards in the organisation in accordance with the Group's relevant policies and instructions. Any weaknesses, omissions and violations are reported to the Management. The Board of Directors/Audit Committee receive reports from the Management and from Group Internal Audit on the compliance with the guidelines, etc. as well as on the weaknesses, omissions and violations of the policies, procedures and internal controls found.

The auditors elected by the Annual General Meeting account for any material weaknesses in the Group's internal control systems related to financial reporting in the long-form audit report to the Board of Directors. Minor irregularities are reported in Management Letters to the Management.