

# GUIDELINES FOR SALARY AND OTHER REMUNERATION TO LEADING PERSONNEL IN WALLENIUS WILHELMSSEN

## Introduction

These guidelines (the "**Guidelines**") govern the determination of remuneration of the Group Executive Management "GEM" in Wallenius Wilhelmsen ASA ("**Company**"). The guidelines were determined by the Board of Directors at the board meeting on 31 October 2023 and will be approved by the annual general meeting on 29 April 2025.

The changes from the previous updates are purely cosmetic.

Remuneration to members of the company's group management is vital for harmonizing the Company's interests of leading personnel. Hence, main purpose of these guidelines is to allow shareholders to influence the parameters of the salary and other kinds of remuneration, creating a culture for remuneration that promotes the Company's long-term interests, business strategy while ensuring shareholders influence and the Company's financial sustainability.

The guidelines have been prepared in accordance with the provisions of [Section 6-16 a, of the Public Limited Liability Companies Act](#), supplemented by the Regulation 2020 on guidelines and reporting on remuneration for leading personnel (FOR-2020-12-11-2730).

The Guidelines are of a guiding nature for the Board of Directors. If the Board of Directors deviates from the Guidelines in an agreement, a justification shall be given in the relevant board meeting minutes. It is a prerequisite for this that the Guidelines set out procedural conditions for deviating from the Guidelines, and which parts of the Guidelines from which it is permissible for the Board of Directors to deviate. The total remuneration for the GEM is designed to be able to attract required competence to lead the company to optimize business outcomes both short and long term. Incentive programs are designed to reward achievement of objectives within finance, operations, strategic success, and sustainability.

GEM is normally comprised of the CEO and leaders reporting directly to the CEO.

### **Fixed remuneration**

The fixed remuneration for GEM members includes base salary, allowances and benefits in kind such as company car or car allowance and cell phone. The company offers a total remuneration package in levels which are competitive, but not market-leading in the markets in which we operate. Salaries are benchmarked against salary statistics provided by global 3rd party consulting firms like Korn Ferry Hay & Mercer. Principles for allowances vary in accordance with local conditions.

GEM members have pension and insurance coverage and other benefits in line with what is offered to other employees in the company within the unit in which they are employed. In addition, executives in Norway have a pension plan for salaries exceeding 12G.

Expatriate members of GEM are offered conditions connected to the company's Long Term Assignment policy which may include benefits such as housing, children's schooling, home travel etc.

For GEM members being stationed outside their home country temporarily, the company aims to keep the employee in the applicable home country pension scheme. When this is not possible or reasonable, the company uses an external provider and includes Pension, Life and Disability in the plan. This is a group insurance plan. When transferring to a local plan, the company offers pension and insurance arrangements in line with market practice for the position and in compliance with local legislation.

The GEM members typically have severance agreements defined in the employment contracts and vary in length.

### **Variable compensation**

In addition to base salary and benefits in kind, the remuneration for GEM members includes a Short-term Incentive plan and a Long-Term Incentive plan intended to drive and motivate the performance and behaviors needed to deliver on strategy for optimizing business outcomes short and long term respectively. The Long-Term Incentive Plan is a 3-year performance share unit program provided on an annual basis pending Board approval.

### **Short-Term Incentive (“STIP”)**

The STIP is a cash incentive program for managers at a certain level, with a time frame of one year. The KPIs are a combination of financial targets, people & customers, strategy, and sustainability targets.

The financial targets can be measured through e.g. ROCE, EBITDA. The specific objectives are set out in the annual individual participation letters. Pay-out is based on the role level and varies from 40% to 50% of base salary for GEM members. The payout is capped at 100%.

### **Long-Term Incentive (“LTIP”)**

The LTIP is a reward element for selected senior executives, including GEM, designed to emphasize a long-term strategic perspective, value creation and share ownership. A revised LTI plan has been introduced in 2023. Awards are given every year, over a three-year performance period. At the end of the period, Wallenius Wilhelmsen shares are released to the participant, subject both to continued employment and achievement of pre-set performance conditions. The company acquires the requisite shares in the market pursuant to an authorization given by the Annual General Meeting.

Maximum award opportunity is determined by job level at the time of the award (weight of role in question) and can be either 50%, 40% or 30% of base salary at the time. The number of shares awarded will be determined by dividing (i) the value derived by the award’s percentage of base salary (at the award date) by (ii) the average closing price of Wallenius Wilhelmsen ASA over the 20 trading days immediately before the award date.

The award will vest, in whole or in part on the third anniversary of the award date (the “Vesting Date”) subject to the terms and conditions of the LTIP plan, including the fulfilment of the performance conditions and continued employment.

The 2023 plan includes the following performance conditions; Pure WalWil Dividend (relative), Return on Capital Employed (“ROCE”), and two goals on strategic success on the Group Strategy 2030.

The first Performance Condition, Pure WalWil Dividend (relative), will vest up to 10% of the maximum Award, on a performance scale of 40% to 50% relative dividend compared to net profit on average over the fiscal years 2023, 2024 and 2025.

The second Performance Condition, ROCE, will vest up to 50% of the maximum award on a scale of 10.0% to 14.0% ROCE on average over the fiscal years 2023, 2024 and 2025.

The third Performance Condition is Wallenius Wilhelmsen's Goal #1 of the new Group Strategy for 2030 will vest up to 20% of the maximum Award. The achievement of this KPI is measured on Aiming at becoming the leading supply chain and mobility Orchestrator, and Develop a valuable business unit, with clear and measurable target levels for this over the plan vesting period.

The fourth Performance Condition is Wallenius Wilhelmsen's Goal #4 of the new Group Strategy for 2030 will vest up to 20% of the maximum Award. The achievement of this KPI is measured by Customer adoption of biofuel and evaluated by the Board by the end of the 3rd year of the plan period.

LTIP KPIs may vary slightly from year to year, pending Board approval.

The pay-out is capped at a predefined level. The Board of Directors may decide, at its discretion, to reduce pay-outs if the performance outcomes do not reflect the business reality. The scheme includes a malus provision including a claw-back mechanism in the event of wrongful reporting on KPIs relevant to the LTI plan, misconduct or breach of policy, law or regulation. The Board of Directors may also use its discretion to award pay-outs should the strict mathematics of the program dictate unfair or unreasonable cuts in the allocations.

#### **Duration and process**

The Board of Directors set these guidelines for remuneration of GEM. The Board of Directors also approves all compensation elements for the CEO. It is the Administration who proposes the guidelines through the Board's People, Culture and Remuneration Committee and the establishment, revision and implementation of guidelines are subject to Board of Directors approval, as well as the approval by the Annual General Meeting.

#### **Changes to and deviation from the Guidelines**

In extraordinary circumstances like in the event of recruiting new GEM role(s) and to maintain the company's long-term interest and financial performance or ensure the company's ability to operate, the Board of Directors can change or deviate from the guidelines for all parts of the total remuneration. In

the event of deviation from the Guidelines, a justification shall be given in the relevant board meeting minutes.

**In the event of any significant changes to the Guidelines, the proposed changes shall be presented to the Annual General Meeting, and the changed guidelines shall describe and explain the shareholders' views on the guidelines, the annual general meeting's vote, and that the remuneration reports since the last vote on the guidelines, have been taken into account.**

