

Remuneration
Report
2021

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Key developments in 2021

Developments in the executive team remuneration in 2021

Throughout 2021 the executive team consisted of CFO and acting CEO Torbjørn Wist, COO Shipping Services Erik Noeklebye, COO Logistics Services Michael Hynekamp, and CDO and acting CHRO Simon White. Craig Jasienski stepped down as CEO on March 8, and Torbjørn Wist was appointed acting CEO alongside his role as CFO. Anne Lise Hjelseth stepped down as CHRO on August 18, and Simon White was appointed acting CHRO alongside his role as CDO.

Introduction – Purpose of remuneration

This remuneration report provides an overview of the total remuneration of the top executive management team in Wallenius Wilhelmsen ASA during the financial year 2021, with comparative figures for past years. We comply with the governmental requirements and thus provide an insight into the 2021 remuneration as well as creating transparency of our overall remuneration practices for our executive team.

The remuneration of the executive team has been provided in accordance with the Guidelines for salary and other remuneration to leading personnel in Wallenius Wilhelmsen. The overall objective of the guidelines is to attract, motivate, engage, and retain qualified members of the executive team. The guidelines also seek to align the interests of the executive team with Wallenius Wilhelmsen's owners and shareholders. The remuneration is reviewed annually, and all salary components and adjustments hereof are approved by the Board of Directors based on recommendations by the Remuneration Committee. Wallenius Wilhelmsen aims to have a market-aligned practice to remuneration and uses market benchmarks to ensure this.

The remuneration package offered to executives in Wallenius Wilhelmsen rewards the achievement of the short-term targets of Wallenius Wilhelmsen through the allocation of the fixed annual base salary and short-term incentives.

The total remuneration package includes the long-term strategic performance of Wallenius Wilhelmsen through the allocation of long-term incentives focusing on the long-term performance of Wallenius Wilhelmsen.

The remuneration of the executive team consists of:

- fixed annual base salary
- short-term cash-based incentive program
- long-term performance share units (PSU) incentive program
- other benefits such as company car, insurances, and other customary benefits

The remuneration of the executive team is linked to the financial results of Wallenius Wilhelmsen through the incentive programs.

The remuneration report has been prepared in accordance with the Norwegian requirements and aligned to the EU requirements for the Shareholder Rights Directive.

Fixed annual base salary

The fixed annual salary is based on market level comparisons for comparable positions, and it is reviewed annually by the Board of Directors. The executive team members receive no other remuneration for positions or directorships held in Wallenius Wilhelmsen or its subsidiaries. The executive team remuneration is disclosed in this report.

Short-term incentive program

In 2020, a group-wide short-term incentive program was introduced. The effect of the program was fully implemented in Wallenius Wilhelmsen with the short-term incentive program in 2021. Introduction of the short-term incentive program shifted the focus from discretionary payments to a more performance-driven approach to handling short-term variable pay.

The purpose of the short-term incentive program is to provide the executive team with an annual variable remuneration dependent on performance related to short-term financial objectives. The objectives are defined and approved by the board. The short-term incentive program consists of both financial and non-financial objectives.

60 per cent of the executive team's short-term incentive is related to financial targets tied to group EBITDA and segment EBITDA. The CEO, CFO, CDO, and CHRO are measured on group EBITDA. The COO logistics and COO shipping financial targets are split with half on group EBITDA and half on EBITDA related to logistics and shipping respectively.

40 per cent of the short-term incentive program is related to non-financial targets. With an equal split between leadership-oriented objectives and group defined short-term strategic targets

The short-term incentive target for the executive team is set at between 40-50 per cent of fixed annual base salary and is capped at target level.

Long-term incentive program

In 2018, the Board approved the introduction of a long-term incentive program. The program is a performance share unit (PSU) program which is in place for the members of the executive team and other defined employees in key positions.

The purpose of the long-term incentive program is to drive the growth and performance of Wallenius Wilhelmsen leading to long-term value creation and thus increased shareholder value. The program aligns the interest of the executive team and other employees in key positions with the interests of the owners and shareholders of Wallenius Wilhelmsen.

The value of the long-term incentive program is directly linked to three elements:

- i) Wallenius Wilhelmsen ROCE
- ii) Wallenius Wilhelmsen Market Capitalization
- iii) Wallenius Wilhelmsen's strategic success

Grant of share units

Grants of share are typically made each year following the approval of the long-term program at the annual general meeting.

Vesting and exercise of share units

The long-term incentive program is based on a cliff vesting with a three-year performance period. If the performance criteria are not met at the end of the performance period, the program is void and rights to performance shares are forfeited.

The long-term incentive program is set up with an equal split of awarded instruments. One half is awarded as share options and the other half is awarded as synthetic shares that will be paid out as cash at the end of the performance period. The cash payment is intended to cover for the participant's taxes and other costs incurred by the employee. Shares vested are considered in the ownership of the individual participant and can be traded under the applicable insider-rules.

Wallenius Wilhelmsen reserves the right to settle the share options in cash.

Benefits

Wallenius Wilhelmsen benefits includes company car or car allowance, insurances, subscriptions, and other customary benefits

Expatriated members of the executive team are offered conditions within the company's long term assignment policy and includes benefits such as housing, children's tuition, home travel etc.

Pension

Wallenius Wilhelmsen pays pension contributions for all the executive team members. The following pension and insurance arrangements are in place per country, for which the company pays for premiums:

- **Norway:** DNB Group life insurance and pension plans for all employees plus Storebrand "Ekstrapensjon" for TET salaries exceeding 12G.
- **US:** 401K for all employees plus deferred compensation which is funded quarterly for top executive team.

Termination, severance, and retention agreements

Wallenius Wilhelmsen may terminate members of the executive team by giving between six- and 18-months' notice depending on position. The members of executive team may resign their position giving a six months' notice.

2021 Remuneration

Table with the total overview of all remuneration components in aggregate form for 2021. The executive team remuneration amounts to USD 10.5 million in 2021.

Thousand USD	Fixed Annual Salary ¹¹	Benefits ¹²	Pension	Short-term incentives ¹³	Long-term incentives ¹⁴	Severance ¹⁵	Total
Torbjørn Wist, acting CEO and CFO ¹	621 ²	75	80	334	516	-	1,626
Erik Noeklebye, COO	526	34	111	260	668	-	1,599
Michael Hynekamp, COO	663	112 ³	17 ⁴	334	818	-	1,944
Simon White, acting CHRO and CDO ⁵	456 ⁶	3	102	202	606	-	1,369
Craig Jasienski, CEO ⁷	901	168	181	251 ⁸	609	1,011	3,121
Anne Lise Hjelseth, CHRO ⁹	285	36	35	- ¹⁰	184	302	842
Total executive team Remuneration¹⁶	3,452	428	526	1,381	3,401	1,313	10,501

¹ Torbjørn Wist was appointed acting CEO as of March 8, 2021 and takes up the position of CFO and acting CEO until further notice

² Fixed annual salary reflects compensation for taking up role as CFO and acting CEO and covers holiday allowance paid as salary

³ Benefits cover car allowance, other benefits

⁴ Pension cover Employer 401k Match

⁵ Simon White was appointed acting CHRO as of August 18, 2021 and takes up position as CDO and acting CHRO until further notice

⁶ Fixed annual salary reflects compensation for taking up role as CDO and acting CHRO

⁷ Craig Jasienski stepped down as CEO in 2021

⁸ Craig Jasienski short-term incentive is pro-rated for 2021

⁹ Anne Lise Hjelseth stepped down as CHRO in 2021 and is on garden leave until February 2022

¹⁰ As part of severance agreement STIP is annulled for 2021

¹¹ Fixed annual salary covers holiday allowance paid as salary under Norwegian rules

¹² Benefits consist of company car, insurances, subscriptions, and customary benefits

¹³ The annual short-term incentive eligible salary is defined as fixed base salary for December multiplied by 12

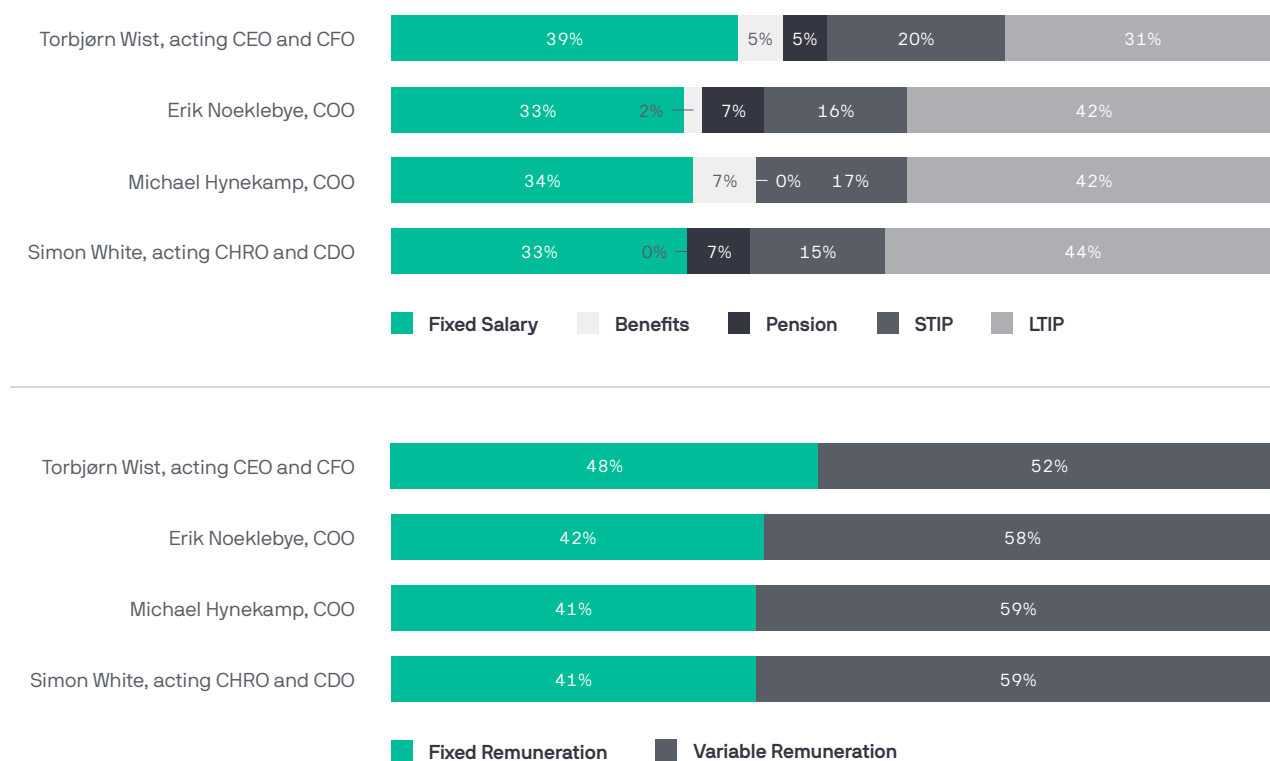
¹⁴ Long-term incentives are accrued to reflect the value of the programs in line with the group accounting principles and reflecting the value stated in the annual report

¹⁵ Severance payment is accrued in full in 2021

¹⁶ Total executive team remuneration outlines all executives in 2021

Portion of fixed and variable remuneration of executive team annual base salary 2021

Wallenius Wilhelmsen follows market practice and aims at having a distinct amount of the remuneration as variable components as seen in the figure below:



The fixed annual salary for the executive team has been adjusted in 2021 in accordance with the local salary review processes. Hence the executive team has had a salary development aligned to the rest of the organization.

Torbjørn Wist and Simon White took up roles as acting CEO and acting CHRO respectively. Both executives were compensated for taking up the added responsibilities.

Craig Jasienski stepped down as CEO in 2021 and was replaced by Torbjørn Wist taking up the role as acting CEO.

Anne Lise Hjelseth stepped down as CHRO in 2021 and was replaced by Simon White taking the role as acting CHRO.

Short-term incentive program

60 per cent of the executive team's short-term incentive is related to financial targets tied to group EBITDA and segment EBITDA. The CEO, CFO, CDO, and CHRO are measured on group EBITDA. The COO logistics financial targets are split with half on group EBITDA and half on EBITDA related to logistics. The COO shipping's financial targets are split in half group EBITDA and half shipping EBITDA.

20 per cent of the short-term incentive is related to non-financial objectives. The non-financial objectives are heavily driven by a sustainability focus in Wallenius Wilhelmsen, and objectives both measuring diversity, equality, inclusion, and environmental improvement create a clear link between Wallenius Wilhelmsen strategic goals and how employees in senior positions are rewarded.

Making individual leadership assessments is an important element of the leadership agenda of Wallenius Wilhelmsen. This objective weigh 20 per cent in the short-term incentive program.

The short-term incentive target is set at 50 per cent of the fixed annual base salary for the CEO, CFO, and COOs, while the target is 40 per cent of fixed annual salary for the acting CHRO and CDO. The annual short-term incentive eligible salary is defined as fixed base salary for December multiplied by 12.

	Target percent
Torbjørn Wist, acting CEO and CFO	50%
Erik Noeklebye, COO	50%
Michael Hynekamp, COO	50%
Simon White, acting CHRO and CDO	40%

The below table summarizes the weight of the group's short-term incentive 2021 objectives:

	Group EBITDA	Segment EBITDA	Sustainability	Leadership	Total
Torbjørn Wist, acting CEO and CFO	60%	-	20%	20%	100%
Erik Noeklebye, COO	30%	30%	20%	20%	100%
Michael Hynekamp, COO	30%	30%	20%	20%	100%
Simon White, acting CHRO and CDO	60%	-	20%	20%	100%

Based on the 2021 financial results, the group short-term incentive program achieved a result slightly above target. Group EBITDA was well above target with an achievement of 110 per cent. The segments EBITDA have achievements of 116 per cent and 95 per cent respectively. Sustainability result was slightly above target and leadership were at target. While the short-term incentive program 2021 overall result is above target, the Board has decided that the executive team short-term incentives are capped at target with 100 per cent achievement. This means that the short-term incentive paid to the executive team for results achieved in 2021 is paid out at target.

Long-term incentive program

In 2018 the Board approved the introduction of a long-term incentive program. The program is a performance share unit (PSU) program which is in place for the members of the executive team and other defined employees in key positions.

The value of the long-term incentive program is directly linked to three elements: i) Wallenius Wilhelmsen ROCE, ii) Wallenius Wilhelmsen market capitalization and iii) Wallenius Wilhelmsen's strategic success.

For the long-term incentive program awarded in 2021-2023 sustainability has been added to further build on the important agenda for Wallenius Wilhelmsen.

	Objective
ROCE	ROCE reported at the end of the three-year performance period
Market capitalization	Per cent growth of the average share price at the beginning and end of the vesting period
Sustainability	Sustainability performance
Strategic success	Board-approved result

The main drivers of the long-term incentive program are the achievement of the financial result. The strategic success of Wallenius Wilhelmsen is strongly linked to the achievement of the long-term sustainable result since the driver for success is the sustainability agenda.

The PSU is structured as a conditional right for participants to receive shares after a three-year performance period. The award is given as one award which is split into two equal numbers of instruments consisting of shares and synthetic shares. The synthetic shares are paid out as cash and calculated based on the defined share price at the time of vesting. Shares are transferred to the participants' private accounts upon request from the participant.

The award is maximum 50 per cent of annual fixed salary for the CEO, and 40 per cent of fixed annual salary for other members of the executive team. For other executives participating in the long-term incentive program, the award is maximum 30 per cent of the fixed annual salary.

The maximum number of shares (PSUs) is calculated based on the average share price for the 20 trading days preceding grant date and capped at the maximum predetermined percentage of base salary. The number of shares awarded on vesting is based on the achievement of the performance criteria and determined as a percentage of the maximum PSUs at grant date.

The aim of the long-term incentive program is to promote and reward a long-term perspective, while helping executives and senior leaders build a personal share ownership in Wallenius Wilhelmsen. The share program is new to Wallenius Wilhelmsen and therefore the amount of shares owned by the executive team members are limited.

Share ownership by 31 December 2021	Shares
Torbjørn Wist	5,000
Erik Noeklebye	8,936
Michael Hynekamp	-
Simon White	-

Executives have been invited to participate in the long-term incentive programs that has been awarded on an annual basis since 2018.

The long-term incentive program 2019-2021 will vest with a share allotment of a total of 63,833 shares for the executive team members and an equal allotment converted to cash based on the share price defined by the program guidelines.

As of year-end 2021, the potential outstanding awards for the executive team members for on-going programs is as listed below. This shows the potential for the long-term incentive programs and will upon vesting follow the normal guiding rules for distribution to the participants:

Outstanding awards	long-term incentive program 2019 – 2021 ²	long-term incentive program 2020 - 2022	Long-term incentive program 2021 - 2023
Torbjørn Wist ¹	-	149,600	106,202
Erik Noeklebye	30,397	152,414	66,172
Michael Hynekamp	33,246	198,960	78,230
Simon White	26,677	154,400	38,020
Craig Jasienski	37,347	86,260	-
Anne Lise Hjelseth	-	40,000	5,907

¹ Torbjørn Wist was not employed at the time of the 2019-2021 long-term incentive program and his first invitation is for the 2020-2022 long-term incentive program

² The instruments for the long-term incentive program 2019-2021 is settled and the actual value of the program is known at the time of vesting

Executive team changes in remuneration

The group went through a significant restructuring in 2017. The business combination of Wilh. Wilhelmsen ASA and Wallroll AB marked a new start for the group. This transaction materially impacted the consolidated financial statements for the group, rendering prior year information not comparable to the group post-merger. We have therefore not included 2016 figures in the information presented. The table below outlines the changes in remuneration for members in the executive team from 2017 up to 2021.

tUSD	2017	2018	2019	2020	2021
Torbjørn Wist, CFO and acting CEO ¹	-	-	-	220	1,626
Erik Noeklebye, COO Shipping ²	604	1,131	1,061	895	1,599
Michael Hynekamp, COO Logistics	1,275	1,325	1,268	959	1,944
Simon White, CDO and acting CHRO ³	-	-	433	659	1,369
Craig Jasienski, CEO ⁴	1,231	906	1,856	1,100	3,121
Rebekka Herlofsen, CFO ⁵	607	674	623	246	-
Anne Lise Hjelseth, CHRO ⁶	-	-	-	289	842
Total Remuneration	3,717	4,036	5,241	4,368	10,501

¹ Torbjørn Wist joined Wallenius Wilhelmsen in October 2020

² Erik Noeklebye joined Wallenius Wilhelmsen in April 2017

³ Simon White joined the executive team in May 2019

⁴ Craig Jasienski joined Wallenius Wilhelmsen in June 2017 and stepped down as CEO in March 2021

⁵ Rebekka Herlofsen joined Wallenius Wilhelmsen in March 2017 and resigned from the position as CFO in August 2020

⁶ Anne Lise Hjelseth joined Wallenius Wilhelmsen in March 2020 and stepped down as CHRO in August 2021

2021 has been a year with strong financial results and this is also reflected in the total remuneration of the executive team. This is driven heavily by the variable pay programs with a pay out at target for the short-term incentive, and the long-term incentive program 2019-2021 coming out close to maximum.

Torbjørn Wist was hired in October 2020. On top of his base salary as CFO Torbjørn Wist also received a compensation for taking up the role as acting CEO in 2021.

Erik Noeklebye entered the executive team in April 2017, and this is reflected in the change in total remuneration from 2017 to 2018. Over the last five years bonus payments have fluctuated and this is the main driver for changes in remuneration in the same period. In 2021 the effects of the incentive programs are reflected in an increase in total remuneration.

Michael Hynekamp benefits decreases from 2018 to 2019 and this influences his total remuneration in 2019, and in 2020 the bonus payment decreases his total remuneration. As for the other executives Michael Hynekamp's total remuneration increases in 2021 primarily driven by the incentive programs.

Simon White enters the executive team in 2019 and this is reflected in his salary development. The increase in 2020 is driven by the long-term incentive program and an increase in pension. Simons change in remuneration in 2021 follows the same pattern as for the other executives.

Craig Jasienski was CEO from 2017 and the change in his remuneration is primarily driven by years with bonuses followed by years without bonus. The short- and long-term incentives in 2021 as well as the severance agreement has a positive impact on his remuneration in 2021.

Anne Lise Hjelseth entered Wallenius Wilhelmsen in 2020 and stepped down in 2021, and this is reflected in her remuneration development. The severance agreement has also had a positive impact on her remuneration in 2021.

Rebekka Herlofsen resigned in 2020. Her decrease in remuneration is primarily driven by a high bonus in 2017 and lower bonuses in subsequent years. 2020 is the year she resigned, and this is reflected in the remuneration for this year.

Changes in performance key figures of Wallenius Wilhelmsen

	2017-2018	2018-2019	2019-2020	2020-2021
Revenue	34%	-4%	-24%	31%
EBITDA	5%	34%	-41%	75%

Changes in overall company remuneration

The table below outlines the average base salary for all employees in Wallenius Wilhelmsen including management. The table also outlines the change in salary from 2018 and forward.

	2017	2018	2019	2020	2021
Average Base Salary (t USD)	78.5 ¹	42.9	42.9	41.8	47.2
Change in average base salary	-	-45% ¹	0%	-2.6%	12.9%

¹ Data for 2017 has been prepared on a basis that is not comparable with 2018

Lysaker, March 23, 2022

The board of directors of Wallenius Wilhelmsen ASA

Name	Method	Signed at
Kerstin Margareta Alestig Johnson	BANKID	2022-03-23 13:40 GMT+01
Bjerke, Rune	BANKID_MOBILE	2022-03-23 12:46 GMT+01
JONAS KLEBERG	BANKID	2022-03-23 12:12 GMT+01
Wilhelmsen, Thomas	BANKID_MOBILE	2022-03-23 12:08 GMT+01
Wist, Torbjørn Mogård	BANKID_MOBILE	2022-03-23 11:47 GMT+01
Anna Elsa Felländer	BANKID	2022-03-23 14:30 GMT+01
Lie, Marianne	BANKID_MOBILE	2022-03-23 13:47 GMT+01



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To the General Meeting of Wallenius Wilhelmsen ASA

Independent auditor's assurance report on report on salary and other remuneration to directors

Opinion

We have performed an assurance engagement to obtain reasonable assurance that Wallenius Wilhelmsen ASA report on salary and other remuneration to directors (the remuneration report) for the financial year ended 31 December 2021 has been prepared in accordance with section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation.

In our opinion, the remuneration report has been prepared, in all material respects, in accordance with section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation.

Board of directors' responsibilities

The board of directors is responsible for the preparation of the remuneration report and that it contains the information required in section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation and for such internal control as the board of directors determines is necessary for the preparation of a remuneration report that is free from material misstatements, whether due to fraud or error.

Our independence and quality control

We are independent of the company as required by laws and regulations and the International Ethics Standards Board for Accountants' Code of International Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. Our firm applies International Standard on Quality Control 1 (ISQC 1) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor's responsibilities

Our responsibility is to express an opinion on whether the remuneration report contains the information required in section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation and that the information in the remuneration report is free from material misstatements. We conducted our work in accordance with the International Standard for Assurance Engagements (ISAE) 3000 – "Assurance engagements other than audits or reviews of historical financial information".

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We obtained an understanding of the remuneration policy approved by the general meeting. Our procedures included obtaining an understanding of the internal control relevant to the preparation of the remuneration report in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. Further we performed procedures to ensure completeness and accuracy of the information provided in the remuneration report, including whether it contains the information required by the law and accompanying regulation. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Oslo, 23 March 2022
PricewaterhouseCoopers AS

Bjørn Lund
State Authorised Public Accountant

(This document is signed electronically)

(2)

 Securely signed with Brevio

Revisjonsberetning

Signers:

<i>Name</i>	<i>Method</i>	<i>Date</i>
Lund, Bjørn	BANKID_MOBILE	2022-03-23 14:43



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