DFDS Remuneration Policy 2025

DFDS

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1. Introduction

This Remuneration Policy ("Policy") has been prepared in accordance with §139 and §139a of the Danish Companies Act (in Danish: *Selskabsloven*) and the Recommendations on Corporate Governance (in Danish: *Anbefalinger for god Selskabsledelse*) issued by the Danish Committee of Corporate Governance (in Danish: *Komitéen for god Selskabsledelse*).

The Policy sets out the remuneration principles and frameworks for members of the Board of Directors ("Board") and the Executive Board of DFDS A/S ("DFDS"). The "Executive Board" means the employees who are registered as executives of DFDS with the Danish Business Authority (in Danish: *Erhvervsstyrelsen*).

2. Policy updates

In reviewing the previous remuneration policy, feedback given by shareholders and other relevant stakeholders was considered. The review process gave the opportunity to align the structure and nature of the contents with best practice standards. The only material Policy amendments that have been made are as follows:

Board Fees

As the fees to be paid to the Board are proposed for approval at the annual general meeting, the base fee multiples applicable to the various board duties are removed from the Policy.

Shareholding Requirements

To further align the interests of the Executive Board members with DFDS's shareholders, the Chief Executive Officer's shareholding requirement increases from 6 to 12 months of base salary. The Policy now confirms that once the required shareholding level has been reached, Executive Board members must maintain it for the duration of their employment, unless the Board in exceptional circumstances allows a lower shareholding requirement.

Variable Pay

DFDS is committed to fostering a strong performance culture, maintaining good governance and driving its sustainability agenda, accordingly a range of policy changes have been made which address one or more of these ambitions:

- the caps applicable to the award of short-term incentive award and long-term incentive grants rise from 80% to 100% of annual base salary
- at least 20% of the target short-term incentive award is linked to ESG goals
- Performance Share Units ("PSUs") are a permitted instrument for use in the long-term incentive, tied to strategic goals measured over a period of at least 36 months
- if shares cannot be granted under the long-term incentive, by exception the grant can be made using phantom equity
- if restricted share units ("RSUs") are used as a form of award in the long-term incentive, they will account for no more than 40% of the CEO's annual base salary and 30% of the annual base salary for other Executive Board members, as at the grant date
- unless there is a legacy contractual commitment in place, Executive Board members will forfeit any unvested and/or unexercised long-term incentive for employment termination by reason of resignation
- in the case of specified trigger events, the existing malus and clawback policy provisions are strengthened via the right to off-set other employment remuneration to recoup the amount(s) to be recovered.

Recruitment Remuneration

The Policy now includes a section describing the treatment of recruitment remuneration in the case of an external appointment to the Executive Board, where such remuneration is deemed necessary, clarifying the purpose of recruitment remuneration, forms of award, limits and key terms.

3. General policy principles

DFDS is a shipping and logistics group providing vital infrastructure services in and around Europe. Its operating environment is increasingly complex and dynamic, requiring the appointment of high calibre individuals to the Board and Executive Board. This Policy is therefore designed to attract, engage and retain those individuals in the long-term interests of DFDS and its shareholders.

The remuneration frameworks, as described in this Policy, are intended to underpin the effective setting and execution of strategy. They reference the prevailing good corporate and remuneration governance standards applicable to DFDS. In setting the frameworks, consideration was given to the context of the remuneration of DFDS's employees and in the context of the wider stakeholder environment.

4. Remuneration of the Board of Directors

4.1 Fee structure

All members of the Board are paid a fixed annual fee (a "Base Fee"). A multiplier of the Base Fee is awarded to Board members reflecting the different duties and time commitment associated with their appointments, i.e. serving as Board Chair, Vice Chair and chairing or attending a Board committee.

No retirement benefits, incentive-based remuneration, transaction or retention bonuses apply to Board members, unless they are employee representatives where they may be in receipt of such arrangements.

All fees are paid in the form of cash. A required shareholding guideline does not apply to Board members.

4.2 Additional remuneration

Board members may receive additional remuneration to recognise ad hoc additional duties, or if exceptional circumstances determine that their time commitment materially exceeds the normal expectation.

Additional remuneration is in the form of a fixed cash payment, the value of which is determined on a case-by-case basis with reference to the Base Fee. If applied, any additional remuneration is disclosed in the Remuneration Report and is subject to shareholder approval.

4.3 Expenses, insurances and other items

Board members may claim reasonable expenses in connection with discharging their duties to shareholders for example, travel, subsistence, accommodation and training costs. DFDS may offer discounts to Board members on its products and/or services at a level consistent with its employees and in accordance with company policy.

DFDS may agree to pay mandatory employer social security contributions on board fees in countries where these are required.

Directors' and Officers' Liability Insurance ("D&O") is provided, in addition to coverage under other standard DFDS business insurances in accordance with its normal policies.

4.4 Reviewing and amending fees

Fee levels are set having reference to the board fees paid at stock-listed companies of a similar size, financial scale, complexity, geographic reach and operating location. The composition and level of fees are reviewed annually; increases are not automatically applied. The Board will exercise judgement before recommending any fee increase to DFDS's shareholders. The Base Fee, applicable multiples of it and any additional remuneration that is proposed to be paid, are tabled for shareholder approval each year at the company's Annual General Meeting.

5. Remuneration of Executive Board

5.1 Overview

Executive Board members receive base salary, employment benefits and incentives (short-term and long-term). The intention is to create a balanced total compensation package which:

- is appropriately market competitive in its composition and value
- is reflective of the Executive Board member's role and expertise
- links changes in value to company and individual performance
- has an appropriate focus on the short-term execution of strategy in combination with long-term sustainable value creation
- aligns the interests of the Executive Board member with those of DFDS's shareholders

The various remuneration elements are typically reviewed once a year, or at other intervals as appropriate. A range of inputs is considered in the review process to ensure that decisions taken by the Board, on the recommendation of the Committee, are balanced and fair. The inputs would usually include:

- the Executive Board member's duties, profile and performance
- key performance indicators, including DFDS's financial performance and shareholder returns
- benchmark data obtained from a reference peer group of companies
- levels of compensation being awarded elsewhere in the company
- market conditions, shareholder optics and other contextual factors that may be relevant.

5.2 Base salary

Base salary is the guaranteed annual cash amount that is paid to each Executive Board member. It recognises their respective duties and takes into account the value that the individual brings to DFDS. Base salary is a fixed remuneration element, meaning that the value of it does not fluctuate based on performance.

5.3 Benefits and pension

Executive Board members receive a range of employment-related benefits, intended to support them in undertaking their duties. Benefits can include, but are not limited to, a company car or cash allowance in lieu of it, insurances, mobile phone / other devices, domestic broadband access and subscriptions. They may also be covered by employee discount schemes, where these apply. The benefits provided to Executive Board members would typically follow the company's policies and practices in the location where the individual resides. The value of these employment benefits would usually not exceed **5%** of the annual base salary.

If required, relocation allowances and related benefits may be provided (for example, housing allowance, school fee allowance, taxation advice), based on the circumstances of the Executive Board member's appointment.

Executive Board members receive a company pension contribution, which can be paid into a DFDS pension scheme or alternatively a retirement arrangement of their choosing. For Executive Board members who are contracted in Denmark, the company pension contribution is **10%** of the annual base salary. The type of pension scheme on offer from DFDS, contribution levels and other terms would normally be consistent with those applicable to other senior level employees in the location where the Executive Board member is contracted.

5.4 Short-term incentive ("STI")

The STI is an integral part of DFDS's variable pay programme. It promotes focus on the annual goals required for the execution of the long-term strategy, which contributes to the organisation's continued health and performance.

The STI can provide a cash payment of up to **100%** of the Executive Board member's annual base salary. There is no automatic right for an Executive Board member to receive an award under the STI; all payments made under the plan are discretionary.

Performance is measured against a set of financial and non-financial metrics, including KPIs that are bespoke to the Executive Board member. The metrics and their targets are selected to reflect the specific business goals for the financial year, and therefore they can change depending on DFDS's priorities.

At least **60%** of the target bonus award is aligned to financial performance. This can include measures of revenue, profitability, cash flow, margin or other financial indicators. At least **20%** of the target bonus award is aligned to environmental, social and governance ("ESG") goals and the balance will cover other key performance indicators consistent with DFDS's operating plan. Non-financial measurement could include, for example, targets linked to transformation, customer engagement, infrastructure, employment culture (such as diversity, equity and inclusion) and operational excellence.

Following the end of the financial year, the Remuneration Committee ("Committee") will recommend to the Board the level of payouts to be made under the STI, if any, applicable to the Executive Board members. In doing so, it will take into account the extent that the STI's pre-set targets have been achieved across all areas of measurement. Formulaic calculations will be presented, in addition to the presentation of DFDS's audited results and other relevant data to ensure that the Board arrives at a balanced, fair and fact-based decision.

If an Executive Board member joins DFDS or is promoted to the Executive Board during the bonus performance period, any bonus award that might be due would be calculated on a pro-rata basis according to the period of service in the role. The Committee has the discretion to pro-rate awards for time and performance if an Executive Board member leaves DFDS during the performance period depending on the reason for leaving.

5.5 Long-term incentive (LTI)

DFDS's variable pay programme is a discretionary incentive intended to align the Executive Board members' remuneration to the sustained performance of DFDS (as reflected in the company's share price development) in shareholders' interests. Under normal circumstances, LTI grants occur annually and cover a vesting period of approximately 36 months.

Grants under the LTI are up to **100%** of the Executive Board members' annual base salary, as at the grant date; however, the normal maximum grant will be **50%** of the annual base salary if only PSUs are used. Grant levels are determined by the Board on an annual basis prior to the date of grant. In determining the grant levels, the Board reviews the Committee's recommendations, taking into account market best practices, the effect of the award on the individual's total compensation, the instrument(s) used and whether vesting is connected to the application of performance conditions.

The Board believes that the long-term alignment of interests between DFDS' shareholders and the Executive Board is served through the stock market's collective valuation of the DFDS share. Previous LTI grants have therefore comprised an equal weight, by value on grant, of premium-priced share options and RSUs. This version of the Remuneration Policy gives the Board the right to grant a range of instruments: share options, RSUs, and PSUs.

If PSUs are granted in an LTI cycle, vesting will be subject to the satisfaction of pre-agreed targets connected to multi-year financial and non-financial performance. The metrics would be selected consistent with DFDS's strategic priorities and cover, for example, measures of profitability, shareholder returns, capital efficiency or ESG. Financial performance would account for at least **60%** of the granted value of the PSUs. The maximum number of PSUs that can vest, if the performance conditions are met in full, is up to **2.0x** the number granted to the Executive Board member. Vesting of PSUs would occur in one amount (i.e. cliff vesting), ordinarily after a 36-month vesting period.

Since LTI cycles granted under this Policy can take the form of different equity instruments, if RSUs are used, they will account for no more than **40%** of the CEO's annual base salary and **30%** of the annual base salary for other Executive Board members, as at the grant date. If the granting of equity cannot be undertaken, by exception, the Board may determine that Executive Board members are granted a cash-based unit which is linked to DFDS's share price (i.e. a phantom share or phantom share option).

The number of RSUs and/or PSUs in an Executive Board member's LTI grant is determined with reference to his / her award level, calculated as an annual base salary percentage, divided by the grant price. The grant price is set as the volume weighted average price of a DFDS A/S share as quoted on NASDAQ Copenhagen during a period of **five (5)** trading days immediately following the publication of DFDS's annual financial results, or on such other date or over such other timeframe as may reasonably be determined by the Board.

The number of share options granted is calculated based on the percentage of the individual Executive Board member's annual base salary divided by the share option value derived from the Black Scholes valuation model where the grant price, as described above, is one of the input factors.

Any share options granted can only be exercised after the vesting period has elapsed. The share option exercise price is set as the grant price plus a premium, which is determined prior to the grant date. Vested share options must be exercised no later than 24 months after the vesting date otherwise they will expire. The company can put in place an automatic exercise clause to safeguard against the vested share options' expiry, e.g. in a blackout period due to M&A, if the Executive Board member is prevented from exercise.

For each LTI cycle, if the total market value of the instruments to vest is calculated to be higher than five times the Executive Board member's annual base salary as at the grant date (which, for share options, the value is determined to be the gain between the exercise price and the prevailing market price), the Board reserves the right to lapse sufficient of the granted instruments on or immediately prior to the vesting date to meet the valuation limit. This measure is in place primarily to safeguard against windfall gains.

In the case of employment termination, the treatment of awards granted under the LTI depends on the reason for leaving DFDS:

→ If the Executive Board member is a 'good leaver' (e.g. termination is initiated by DFDS without the Executive Board member having breached the service agreement or for reasons of death, disability, incapacity or retirement with the approval of the Board), he / she will be entitled to retain all LTI awards on the same terms and conditions under which they were granted. However, the Board has the right to pro-rate unvested LTI awards to the employment termination date within the relevant cycle period.

→ If the Executive Board member is not a 'good leaver' (e.g. resignation not caused by a material breach by DFDS, termination is initiated by DFDS due the Executive Board member having breached the service agreement), he/she will forfeit any unvested and/or unexercised LTI awards as of the date of release of the executive's work obligations.

→ Torben Carlsen has a legacy entitlement applicable to LTI awards if he resigns. In this event, he will be entitled to retain already vested LTI awards and a pro rata allocation of LTI awards for the period from commencement of the vesting period and until the expiry of the employment relationship.

Executive Board members who are under notice are excluded from receiving LTI grants unless to do so would breach local employment law or a contractual commitment.

5.6 Required shareholding guideline

To align management's interests with the company's shareholders, Executive Board members are required to accumulate a shareholding in DFDS and maintain it for the duration of their employment. The shareholding levels are:

Chief Executive Officer:
12 months of base salary

Other Executive Board Members:
6 months of base salary

Executive Board members have five years in which to acquire the holding level from their appointment date in role, unless the Board grants an extension. Until the holding level has been reached, no vested shares acquired via the LTI can be sold other than to meet any tax and other associated obligations, including statutory deductions, or other legally mandated transactions. In exceptional circumstances, the Board may permit the selling of shares for reasons connected to the personal circumstances of the individual.

If a material change in the company's share price occurs, meaning that that the holding level is no longer met, the Board will grant a reasonable timeframe for additional shares to be acquired.

The Executive Board members' shareholding levels are monitored annually, and the Committee is advised accordingly.

6. Malus, clawback and offsetting of remuneration

For short-term and long-term incentive awards provided as of 1 January 2021 or later, the Board can reduce the size of the awards before they are paid or vest (Malus) and up to 24 months after they have been paid or vested (Clawback). This is in the case of a triggering event that has resulted in a material financial or reputational loss for DFDS.

Under such provision, if an award is subsequently proven to be based on data or accounts that were materially and manifestly misstated or due to material misconduct, a mis-calculation or other error, DFDS has the right to reclaim/clawback remuneration that was awarded based partly or wholly on such information. The right to reclaim/clawback remuneration also applies in cases where bad faith or other matters on the part of an Executive Board member resulted in an excessive variable remuneration payment. In addition to the clawing back of remuneration, the Board also has the right to make proportionate adjustments by offsetting other remuneration including salary, bonuses yet to be paid and unvested LTI grants.

The recoupment or offsetting of remuneration that is paid and/or vested is subject to the application of any applicable legislation and contractual terms that are in place.

7. Impact of change of control or other significant corporate events on incentive plans

In the event of a change in control or other significant corporate events, the Board is at its sole discretion to amend the general terms and conditions of the incentive plans not limited to complying with local requirements or changes in statutory law. Such discretion may include but is not limited to the size and timing of awards, vesting conditions, vesting schedules, exercise dates and treatment of the unvested awards. Implementation of any such amendments will be documented and disclosed in the Remuneration Report for the respective financial year.

8. Recruitment remuneration

When recruiting new Executive Board members from outside the company, the Board may agree to grant a one-off award in cash or equity or include the executive in the LTI at a higher award level than may ordinarily be granted (up to the limits of this Policy). Any use of exceptional recruitment remuneration would be made on a case-by-case basis, taking into consideration losses that may be incurred by the individual on joining DFDS or other such material factors as the Board determines are relevant. Such arrangements, if used, would be subject to pre-determined conditions:

→ in the case of shares: a lock-up period prohibiting their sale, other than to cover statutory deductions

→ applying to all forms of award: forfeiture if a specified length of service is not met or a satisfactory level of personal performance is not observed.

There is no automatic right to recruitment remuneration. The use of recruitment remuneration and the rationale for it will be included in the relevant Remuneration Report.

9. Termination of employment

The Executive Board member can resign from DFDS by giving six months' notice, and DFDS may terminate the contract by giving the executive twelve months' notice. In the event of termination by DFDS, a severance payment may be paid, in addition to the notice period, equal to twelve months of the remuneration package (comprising base salary, employer pension contribution and target-level STI), capped at 24 months of base salary.

In the event of change of control in DFDS, the Chief Executive Officer may elect to trigger termination by DFDS, which is a legacy contractual right; the Chief Financial Officer does not have this contractual right. The Board envisages that only in exceptional circumstances would change of control benefits be provided in the future to newly appointed Executive Board members, e.g. prolongation of notice period or the right to termination as if terminated by the company. Full disclosure of such terms would be included in the Remuneration Report, as is the case for current Executive Board members.

Executive Board members have a non-competition clause in the service contract which restricts the individual from participating (directly or indirectly) in any business competing wholly or partly with DFDS within twelve months following the date of release from duty, unless otherwise approved by the Board.

10. Relationship to employees' remuneration

The duties, responsibilities, risks and oversight associated with Executive Board membership differs considerably from those of other DFDS employees. However, the remuneration reviews and decisions for the Executive Board follow the same remuneration principles as applied for the wider employee group:

→ Total target remuneration is based on the role, individual experience, skills, and sustained performance level.

→ The remuneration level and relative weight of the remuneration components reflect market practice for the roles and the fit to business needs and priorities.

→ The short-term incentive components are based on the annual business performance metrics, divided between financial, strategic, and sustainability related targets. These components also apply to senior business leaders to emphasize the organizational accountability and drive collaboration.

→ The long-term incentive components are designed according to the same principles for the Executive Board and for senior business leaders to emphasize the wider accountability of the sustained value creation for DFDS.

→ Benefits are tailored to the requirements to the position and the local market where the individuals are employed.

→ Remuneration is reviewed annually.

11. Governance and conflicts of interest

The Board has full oversight of this Policy. Remuneration decisions that fall under this Policy are considered by the Committee before being approved by the Board.

When the Committee is discharging its responsibility to shareholders under this Policy, measures are in place to handle conflicts of interest. No member of the Executive Board will be present during a committee meeting when his or her own terms are being discussed or where the discussion may otherwise trigger a conflict of interest. External, impartial third parties are used when appropriate.

The Committee's members, terms of reference and activities are disclosed in DFDS's Annual Report. A description of how the Policy has been applied is documented in the Remuneration Report, which is published annually and is subject to an advisory vote at the annual general meeting. Copies of the Annual Report and the Remuneration Report can be obtained at www.dfds.com.

12. Policy deviation

In exceptional circumstances, the Board may temporarily deviate from Section 5 of this Policy to serve and safeguard the long-term interests of DFDS. Deviations may take a variety of forms including, for example, additional extraordinary compensation / benefits or changes to contractual terms and conditions.

Specifically, regarding the STI and LTI, the Board may exercise its judgement in the case of extraordinary circumstances and/or unforeseen events which are assessed to have a significant impact on the incentive plans, for example, related to DFDS's financial performance, operating ability, employee safety or environmental risks. In such circumstances, the Board may take such steps as it deems reasonable and in shareholders' interests. This could apply to targets used, how such targets are defined or evaluated, or the application of other relevant performance conditions or metric(s). This could, for example, be in connection with the mitigation of windfall gains or losses.

Policy deviation will only occur linked to verifiable and objective criteria endorsed by the Committee and approved by the Board. Any such Policy deviation, including the rationale for it, will be described in DFDS's Remuneration Report for the respective financial year.

13. Adoption, Review, Amendments and Publication

This Policy was approved by the Board on 6 February 2025. It was adopted at the annual general meeting of DFDS held on [24 March 2025]. It applies from its date of adoption and is valid for a period not exceeding four (4) years. The Policy shall apply to any fixed or variable remuneration awarded from the time of the adoption.

The Committee will review the Policy on an annual basis to ensure that it remains current and fit for purpose. Any future changes to the Policy will be presented for shareholder approval except those that are minor and therefore do not materially affect the Policy or are mandatory changes in compliance with legislation or regulation.

A copy of this Policy is available at www.dfds.com.

Addresses of DFDS' subsidiaries, locations and offices are available from www.dfds.com
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