

Corporate governance report 2023



Corporate governance report for 2023

Wilh. Wilhelmsen Holding ASA

Wilhelmsen believes sound corporate governance is important because it:

- contributes to the greatest possible value creation over time in the best interests of the company's shareholders, employees, and other stakeholders,
- reduces risk,
- ensures fair treatment of all our stakeholders,
- ensures easy access to timely, accurate and relevant information about the company's business, and
- strengthens the confidence in the company and increases the company's attractiveness.

The Corporate governance report for 2023 is, inter alia, based on the requirements of the Norwegian Accounting Act and the recommendations of the Norwegian Code of Practice for Corporate Governance. Any deviation from the Code of Practice is described under the relevant section below.

The Wilhelmsen board discussed and approved the Corporate governance report on 20 March 2024.

1. IMPLEMENTATION AND REPORTING ON CORPORATE GOVERNANCE

Wilh. Wilhelmsen Holding ASA (Wilhelmsen) is a public limited company organised under Norwegian law. Listed on a regulated market (Oslo Børs), the company is subject to general Norwegian securities' legislation and Oslo Børs' regulations.

This Corporate governance report follows the requirements of the Norwegian Accounting Act (§3-3b) and the recommendations in the Norwegian Code of Practice for Corporate Governance (Code of Practice, dated 14 October 2021). The Code of Practice includes provisions and guidance that in part elaborate on existing legislation and in part cover areas not addressed by legislation. The structure of this report is aligned with the structure of the Code of Practice.

The Corporate governance report is available on the company's website wilhelmsen.com.

Comply or explain principle

The Corporate governance report follows the “comply or explain” principle. Where Wilhelmsen does not fully comply with the Code of Practice, an explanation of the reason for the deviation and what solution the company has selected has been included.

Deviations from the Code of Practice: None

2. BUSINESS

Business activities

According to Wilhelmsen's Articles of association, the company's objective is to engage in shipping, maritime services, aviation, industry, commerce, finance business, brokerage, agencies and forwarding, to own or manage real estate, and to run business related thereto or associated therewith. While present business activities and strategic investments mainly are within maritime services, offshore energy services, and shipping and related logistics services, the board finds it appropriate to maintain a broad objective to allow for a wider range of activities and investments.

Strategy and risk

The board conducts a yearly strategy review of the business portfolio and the ownership strategy for main activities and investments. This is supplemented by selective business reviews and topic related “deep dives” on a regular basis. The board further evaluates the group's risk profile on a quarterly basis. The strategy and risk profile are defined with the aim to create long term value for shareholders in a sustainable manner.

A summary of the strategic direction and a risk review is included in the Directors' report for 2023, which is part of the Annual report 2023 and available on the company's website wilhelmsen.com.

Deviations from the Code of Practice: None

3. EQUITY AND DIVIDENDS

Capital structure

The board considers it appropriate for the parent company to maintain a net liquidity reserve of minimum USD 200 million, with group business activities primarily financed on a non-recourse basis by the relevant subsidiary. This is consistent with the strategy and risk profile of the group and the parent company.

Dividend

The dividend policy states that “Our goal is to provide shareholders with a high return over time through a combination of rising value for the company's shares and payment of dividend. The objective is to have consistent yearly dividend paid twice annually, targeting an annual dividend yield of 3 – 5% over time.”

Wilhelmsen has a history of paying dividend twice a year. If adjusting for the cancellation of the second dividend in 2020 and the related extraordinary dividend paid the year after, annual dividend has varied between NOK 5.00 and NOK 10.00 per share for the ten-year period 2013-23. To achieve the objective of consistent yearly dividend paid twice annually, the board is proposing to the Annual Shareholder Meeting scheduled 2 May 2024 a first dividend of NOK 10.00, and that the board is authorised to distribute additional dividend of up to NOK 8.00 per share.

Share buybacks

At the 27 April 2023 Annual General Meeting, the board proposed and was granted, on behalf of the company, authorisation to acquire shares in the company with a nominal value of up to NOK 89,160,000, equivalent to 10% of the current share capital. Shares acquired may be used either in connection with acquisitions, in connection with employee share programs, for subsequent deletion of such shares, or in a combination of these purposes. The authorisation is valid until the company's Annual General Meeting 2024, but no longer than until 30 June 2024.

In May 2023, the company conducted a share buyback programme acquiring 400,000 own shares, split on 300,000 Class A-shares and 100,000 Class B-shares. In September 2023, the company conducted a share program for employees, selling a total of 13,700 Class A-shares. As per the date of this report, Wilh. Wilhelmsen Holding ASA owns 386,300 own shares, split on 286,300 Class A-shares and 100,000 Class B-shares.

The board will make a proposal to the next Annual General Meeting to be held on 2 May 2024 for a renewed mandate to buy up to 10% of the company's shares, valid for one year. Shares acquired may be used either in connection with acquisitions, in connection with employee share programs, for subsequent deletion of such shares, or in a combination of these purposes.

Deviations from the code: None

4. EQUAL TREATMENT OF SHAREHOLDERS

Transactions in own shares

Any transactions the company carries out in its own shares are carried out through the stock exchange and at prevailing stock exchange prices, or in such other ways which will ensure equal treatment of all shareholders.

Deviations from the Code of Practice: None

5. SHARES AND NEGOTIABILITY

Listed on Oslo Børs with the tickers "WWI" and "WWIB" for the Class A and Class B shares respectively, all shares are freely negotiable. There are no restrictions on negotiability in the company's Articles of associations.

Deviations from the Code of Practice: None

6. GENERAL MEETINGS

Matters to be dealt with and decided by the annual general meeting and procedures related to general meetings are outlined in article 8 of the Articles of associations. The annual general meeting is normally held late April or early May. In addition, extraordinary general meetings may be convened if required.

Shareholders registered in Euronext Securities Oslo are notified electronically or by postal mail no later than 21 days prior to a general meeting.

Proposed resolutions, together with relevant supporting documents are published on the company's website wilhelmsen.com no later than 21 days prior to the general meeting. For annual general meetings, this includes the Annual report (including the Directors' report, the annual accounts, and the auditor's report), the Remuneration guideline for senior executives (minimum every four year), the Remuneration report, this Corporate governance report, and the proposal from the nomination committee.

General meetings are held as fully digital meetings, allowing shareholders to both attend and vote through electronic communication. Shareholders may also nominate a proxy or vote in advance. The deadline for electronic registration of advance votes, proxy, and instructions, together with the deadline for advance votes, proxies and instructions submitted by post or e-mail are stated in the notice of the general meeting. According to the Articles of association, the notice of a general meeting may state that those shareholders wishing to participate in the general meeting have to report to the company by a certain deadline which shall not be less than 2 working days prior to the general meeting. Shareholders may vote on each individual matter, including individual candidates nominated for election.

The board chair, group CEO, group CFO, auditor, nomination committee chair and board members will have the possibility to attend general meetings and will participate based on requirement and availability.

The general meeting elects the chair for the general meeting.

The signed minutes in Norwegian of general meetings are published on the Oslo Børs news service, together with an office translation of the minutes in English. The office translation in English is also available on the company's website wilhelmsen.com.

Deviations from the Code of Practice: None.

7. NOMINATION COMMITTEE

According to article 7 of the Article of association, Wilhelmsen shall have a nomination committee made up of two to four members.

The work of the Wilhelmsen nomination committee follows the "Guidelines for the nomination committee" approved by the Annual General Meeting on 30 April 2019.

The nomination committee consists of the following members:

Nomination committee member	Elected	Period	Elected to
Jan Gunnar Hartvig (chair)	27.04.2022	2 years	2024
Frederik Selvaag	27.04.2022	2 years	2024
Silvija Seres	27.04.2022	2 years	2024

All nomination committee members are independent of the board of directors and the executive personnel.

As part of the nomination process, the committee has contact with relevant stakeholders, including shareholders, the board

of directors, and the company's executive personnel. Input and proposals to the nomination committee may also be sent to the nomination committee secretary, with contact details available on the company's website wilhelmsen.com. The company's website also includes information on the background of the nomination committee members, and deadline for providing input and proposals to the next annual general meeting.

The nomination committee provides its proposal to the annual general meeting in form of a report, which among other includes justification of individual candidates.

Deviations from the Code of Practice: None

8. BOARD OF DIRECTORS: COMPOSITION AND INDEPENDENCE

According to article 5 of the Articles of association, the company's board is made up of five to seven members and up to three deputy members. The chair, members, and deputy members of the board are elected by the general meeting.

The composition of the board is made to ensure it meets the company's need for expertise, capacity, and diversity. Focus is also on ensuring that the board can function effectively as a collegiate body. Information on the background and experience of the individual board members are available on the company's website wilhelmsen.com.

During 2023, the board consisted of the following members:

Board member	Elected	Period	Elected to
Carl E Steen (chair)*	27.04.2023	2 years	2025
Morten Borge*	27.04.2023	2 years	2025
Rebekka Glasser Herlofsen	27.04.2022	2 years	2024
Ulrika Laurin	27.04.2022	2 years	2024
Trond Westli	27.04.2022	2 years	2024

*Elected for two years at the 22 April 2021 Annual General Meeting and re-elected at the 27 April 2023 Annual General Meeting

The board does not include executive personnel, and all board members are independent of the executive personnel, material business contacts, and the main shareholder.

The board had nine meetings in 2023 with a 95.6% meeting attendance. In addition, the board had a full strategy day with management, and one board trip.

The board instruction encourages board members to own shares in the company. The nomination committee recommends that board members use 20% of their net annual board remuneration to buy shares in Wilh. Wilhelmsen Holding ASA up until the accumulated value of their shareholding in Wilh. Wilhelmsen Holding ASA is equal to, or exceeds, the gross annual remuneration received by the board member from the company.

Deviations from the Code of Practice: None.

9. THE WORK OF THE BOARD OF DIRECTORS

Board instruction and work of the board

The board has issued a Board instruction for its own work. The instruction reflects the role, responsibilities, and work procedures of the board as laid down in the Norwegian Public Companies Act. This includes procedures for how to handle any situations where a board member has a personal or financial interest related to a board matter, and how to handle agreements with related parties.

The board evaluates its performance and expertise on an annual basis. A summary of the evaluation is provided as input to the nomination committee.

The group CEO and group CFO are normally present at board meetings, as are other executives depending on agenda and issues to be discussed.

Board committees

The board audit committee consists of all five board members and is chaired by board member Trond Westlie. The committee held five meetings in 2023. The work of the board audit committee is governed by a mandate set by the board.

In 2022, the board established a remuneration and people committee. The committee is chaired by board chair Carl E Steen and includes board members Morten Borge and Ulrika Laurin. The committee held five meetings in 2023. The work of the board remuneration and people committee is governed by a mandate set by the board.

Executive management instructions

The board has issued instructions defining the duties, responsibilities and authority of executive management related to those of the board. The board has also issued an Owners statement outlining expectations related to how Wilhelmsen acts as an owner, how it will execute its ownership, and requirements expected of companies in which Wilhelmsen has a shareholding.

Deviations from the Code of Practice: All board members sit on the board audit committee.

10. RISK MANAGEMENT AND INTERNAL CONTROL

The board believes that the company's internal control and systems for risk management are sound and appropriate given the extent and nature of the company's activities. The system contributes to sound control characterised by integrity and ethical attitudes throughout the organisation.

Governing documents, the code of conduct, policies, policy descriptions, frameworks, and procedures are documented and electronically available to the company's employees through the company's global integrated management system. Various internal control activities give management assurance that the internal control of financial systems, group policies and subsidiary boards are working adequately and according to management's expectations.

The group has a global whistleblowing system including procedures and channels for giving notice to the company about potential noncompliance. The whistleblowing channel is available for internal and external parties.

The board reviews the company's risk matrix on a quarterly basis and the internal control arrangements at least once a year.

Deviations from the Code of Practice: None

11. REMUNERATION OF THE BOARD OF DIRECTORS

Remuneration of the board of directors is determined by the annual general meeting and is not dependent upon the company's results. The fee reflects the responsibilities of the board, its expertise, the amount of time devoted to its work and the complexity of the company's businesses. No board member holds share options in the company.

In 2023, none of the board members performed assignments for the company other than serving on the board of the company.

An overview of the remuneration of the board of directors is specified in the Remuneration report, available on the company's website wilhelmsen.com.

Deviations from the Code of Practice: None

12. REMUNERATION OF EXECUTIVE PERSONNEL

Pursuant the Norwegian Public Limited Liability Companies Act, the board shall prepare remuneration guidelines for senior executives. The guidelines shall be approved by the general meeting in the event of any significant amendment, and at least every four years. The Remuneration guideline for senior executives in Wilhelmsen was last approved by the Annual General Meeting on 27 April 2023, and is available on wilhelmsen.com. The board will prepare an amended guideline to be presented to the Annual General Meeting on 2 May 2024 for approval. The board considers the guideline to contribute to the company's commercial strategy, long-term interests, and financial viability.

In addition to base salary, senior executives have annual variable pay and they participate in long-term incentive schemes running for four years. The long-term incentive schemes aim at strengthening the alignment of the senior executives' and shareholders' long-term interests. Maximum opportunity for the long-term incentive schemes is capped at six to 12 months of annual salary per year, depending on role, while maximum opportunity for annual variable pay is capped at four to six months' salary, depending on role.

The Remuneration report for senior executives for 2023 is available on the company's website wilhelmsen.com.

Deviations from the Code of Practice: None

13. INFORMATION AND COMMUNICATION

Wilhelmsen has established an investor relations policy which is published on the company's website wilhelmsen.com. The policy is based on the Oslo Børs Code of Practice for IR.

According to the policy, Wilhelmsen will publish interim reports each quarter in addition to half-year and annual reports. In 2023, two of the quarterly reports were covered through webcast presentations which included a Q&A session.

The investor relations policy further states that the main source of information about the Wilhelmsen group is the company's website wilhelmsen.com, including among other financial information, governing elements, and company news.

Deviations from the Code of Practice: None

14. TAKEOVERS

The Board instruction includes guiding principles for how the board will act in the event of a take-over bid. In all material aspects, the guiding principles follow the recommendations outlined in the Code of Practice.

Deviations from the Code of Practice: None.

15. AUDITOR

The auditor of Wilhelmsen is PricewaterhouseCoopers AS.

The key features of the external audit plan are reviewed by the board audit committee on an annual basis, with the auditor being present if deemed required.

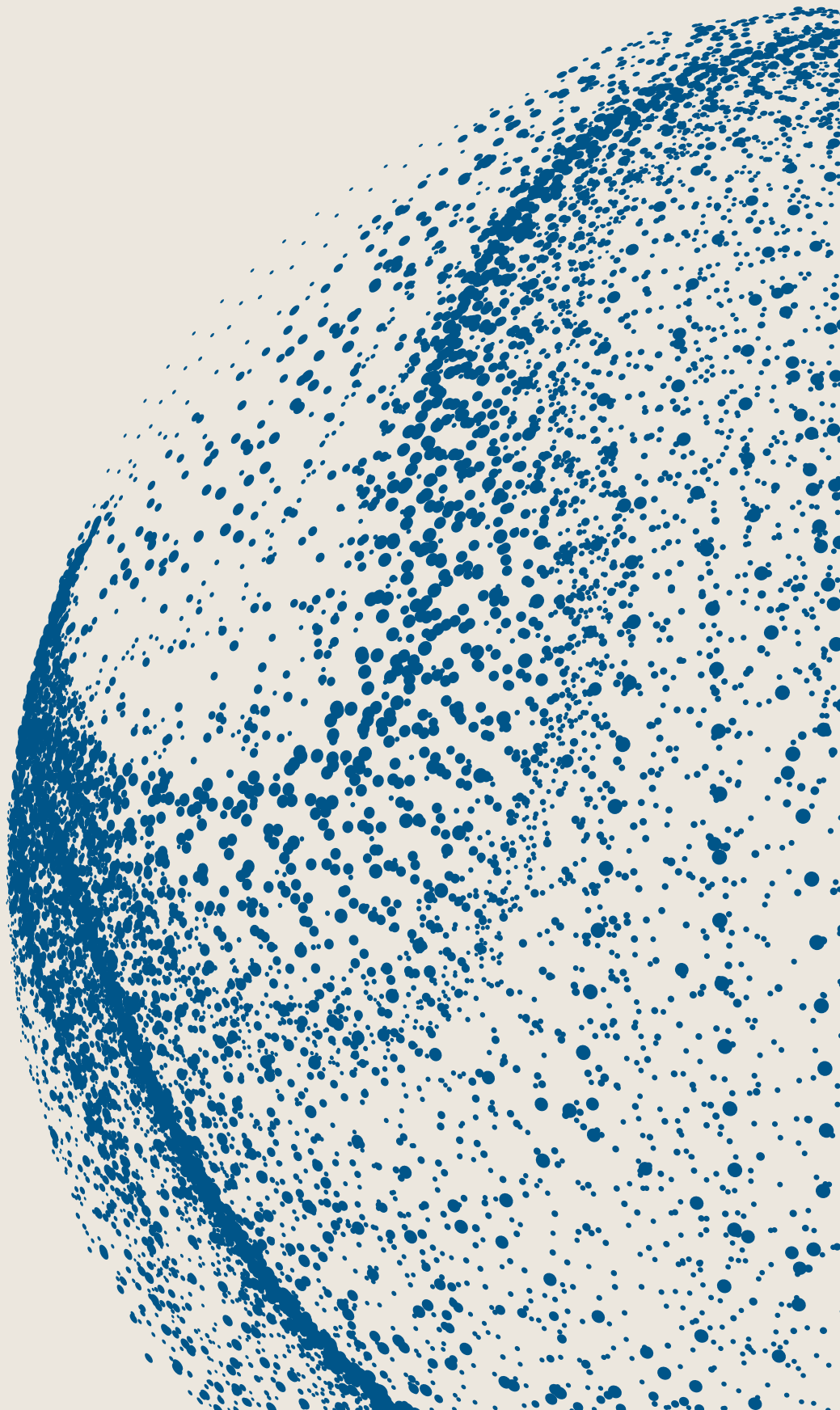
The auditor is also invited to attend the meeting where the board deals with the annual accounts (preliminary and/or final accounts), and at other occasions where the board so requests. The annual meeting with the auditor includes a review of the company's internal control procedure.

Finally, the board has a yearly meeting with the auditor without the presence of management.

The board has established the principle that use of the auditor for services other than audit shall be limited.

The fee to external auditors, broken down on statutory work, other assurance services, tax services, and other assistance, is specified in note 6 to the Wilhelmsen group accounts and note 2 to the parent company accounts.

Deviations from the Code of Practice: None



Wilh. Wilhelmsen Holding ASA
Phone: (+47) 67 58 40 00

Postal address:
PO Box 33, NO-1324
Lysaker, Norway

Visiting address:
Strandveien 20, NO-1366
Lysaker, Norway

Follow us on [Twitter](#) | [Facebook](#) | [LinkedIn](#) | [Instagram](#)