



Hafnia Remuneration Policy

We are Hafnia

Putting **people-first** and **challenging the industry of today**
to deliver **a better tomorrow**

Hafnia Remuneration Policy

Correct as of **November 2023**

CONTENTS

Contents	Pg
Policy Purpose	3
Process To Determine And Implement Remuneration	3
Remuneration Of The Executive Management Team	4
1. FIXED REMUNERATION	
2. VARIABLE REMUNERATION	
3. PENSION AND INSURANCE SCHEMES	
4. OTHER EMPLOYMENT-RELATED BENEFITS	
5. TERMINATION	
6. EXCEPTIONAL ONE-OFF BONUS GRANTED IN SPECIAL CASES	
7. INFORMATION ON EXECUTIVE MANAGEMENT REMUNERATION	

POLICY PURPOSE

Remuneration policy at Hafnia is driven by the Company's strategic mission, values, and in particular by the Company's objective to attract, retain and develop market-leading talent.

Remuneration in broad terms – considering not only salary, benefits and performance incentives, but also working environment, recognition of achievements, and learning and development – is designed to attract and retain the people best suited to support achievement of the organization's goals in the long run.

As such, executive remuneration is structured to:

- Support achievement of Hafnia's corporate strategy;
- Contribute to sustainable development;
- Comply with applicable regulations and reflect standards of corporate governance in the markets in which we operate;
- Take into account the global and local market conditions generically, and specific to the industry in which we operate;
- Reflect and strengthen the common interests of Hafnia's employees and shareholders;
- Be, and be seen to be, fair, transparent and non-discriminatory;
- Reward both delivery of results and the way in which those results are achieved;
- Differentiate appropriately between varying roles, responsibilities and competencies;
- Reward both short and long-term contributions and results;
- Consider market and peer levels; and
- Make compensation sufficiently attractive to retain talent.

PROCESS TO DETERMINE AND IMPLEMENT REMUNERATION

The Remuneration Committee is in charge of reviewing the Remuneration Policy and amending it if necessary for the Board of Directors' approval. When reviewing the Remuneration Policy, the Remuneration Committee may consult with the Executive Management, but the Executive Management have no decision-making power in terms of the policy.

The Remuneration Committee reviews the Company's compensation strategy and proposal for adjustments to compensation taking into account the Remuneration Policy. This includes a review of annual adjustments to compensation for the business in aggregate, and for the executive management team individually. A recommendation is shared with the Board of Directors who approve the remuneration proposal.

REMUNERATION OF THE EXECUTIVE MANAGEMENT TEAM

Hafnia's Board defines the Executive Management Team (EMT) as including the most senior management in each functional area – presently the Chief Executive Officer ('CEO'), Chief Financial Officer ('CFO'), Executive Vice President - Commercial, Executive Vice President - Asset & Pool

Management, IT & Innovation, Executive Vice President – Technical and Vice President – People, Culture & Strategy.

The remuneration structure for the EMT incorporates any of the following elements:

- Fixed remuneration;
- Variable remuneration (short-term and long-term incentives);
- Pension and insurance schemes
- Other employment-related benefits;
- Termination; and
- Exceptional one-off bonus granted in special cases.

The intention is for total compensation to be competitive in the market in which we operate (geographical and industrial) and in relation to each individual's role and capabilities.

1. FIXED REMUNERATION

Fixed remuneration comprises base salaries and allowances paid to executives.

Base salaries are designed to compensate employees for the roles, responsibilities undertaken in their roles, and the required competencies. Base salaries are normally reviewed once a year.

Fixed allowances designed to cover housing and transportation costs are paid to eligible members of the EMT.

2. VARIABLE REMUNERATION

Variable pay includes a short-term component, the Annual Performance Bonus; and a long-term component, the Long Term Incentive Plan.

Annual performance Bonus

Annual Performance Bonuses are awarded early each calendar year in relation to the performance of each employee against performance targets established at the beginning of the preceding year. The aggregate bonus pool available for payment is determined with close reference to the Company's profitability and shareholder value creation. The allocation of bonuses from that pool is closely related to annual performance against pre-determined performance targets.

Performance targets for the EMT are reviewed with the Remuneration Committee prior to establishment. The CEO's performance against performance targets is determined by the Remuneration Committee in consultation with the full Board of Directors.

Long-Term Incentive Plan (LTIP)

The Long-Term Incentive Plan (LTIP) allows for additional earnings via an equity-linked program.

The purpose of the LTIP is to attract and retain a strong EMT, and to align the interests of that team with the shareholders. Under the LTIP, the EMT will be awarded equity linked incentives. These awards will typically be on an annual basis to be approved annually by the board.

The LTIP will be awarded in connection with the publication of the quarterly report for Q4 of the preceding year.

In case of options, the strike price shall be equal to the Market Value per share defined as the Volume-Weighted Average Price (VWAP) over a period of five trading days before the relevant date. The options will have a vesting period of three years from being awarded, and may then be exercised from the Vesting Date of the relevant Options until the Expiry Date for the same Options. The options are non-tradable and conditional upon the option holder being employed by the Company or its subsidiaries and not having resigned or being terminated for cause prior to the vesting date.

Clawback/Recoupment Policy

Grants made under the LTIP awarded in 2022 and onwards are subject to Hafnia's Clawback Policy.

Hafnia may reclaim the full amount awarded or paid if earned on the basis of data subsequently proven to be manifestly misstated.

Hafnia may recoup the full amount awarded or paid if, within two years from the grant or payment date of such incentive, the holder is found to have engaged in fraudulent, intentional or gross negligent misconduct.

3. PENSION AND INSURANCE SCHEMES

Pensions may be paid to employees and commensurate with local practice in the location of employment.

Hafnia makes the mandatory and standard contribution required to the Central Provident Fund (CPF) for eligible members of the Executive Management located in Singapore.

Members of the Executive Management located in Denmark are part of a general pension scheme in accordance with Danish Law. In addition to the gross salary, the Company pays an amount corresponding to 10% of the Employee's salary, via Hafnia's pension fund, including insurances.

Insurances are instituted for employees in line with local practice in the location of employment. All members of the EMT benefit from medical insurance in line with Company practice, and are protected by Directors' and Officers' insurance in relation to their service on subsidiary boards of the Group.

4. OTHER EMPLOYMENT-RELATED BENEFITS

Hafnia's employees are provided employment-related benefits commensurate with normal local practice in the location of employment. These benefits extend to members of the EMT. Employment-related benefits beyond the compensation explicitly set out in these guidelines are not significant in relation to base salary for any member of the EMT.

5. TERMINATION

Members of the EMT are employed on individual contracts, which are generally entered into on an indefinite term with a mutual right of termination. There are no enhanced termination payment provisions except for any payments required to be paid in accordance with local laws and regulations. The severance payments will deviate by position on a case-by-case basis.

6. EXCEPTIONAL ONE-OFF BONUS GRANTED IN SPECIAL CASES

The Remuneration Committee may under exceptional circumstances award or grant to a member of Executive Management a one-off payment or other extraordinary remuneration, e.g. retention bonus, severance payment, sign-on bonus or other schemes in connection with retention, appointment or departure.

Such extraordinary awards or grants may consist of cash and/or share-based remuneration or a mix thereof.

7. INFORMATION ON EXECUTIVE MANAGEMENT REMUNERATION

Remuneration of the CEO is presented under the Corporate Governance section of the Hafnia Annual Report.

----- End of Document -----