Remuneration Policy

MAERSK DRILLING

Table of contents

1. Introduction

1.1 This remuneration policy (the “Remuneration Policy”) of The Drilling Company of 1972 A/S (the “Company” or “Maersk Drilling”) has been prepared pursuant to sections 139 and 139a of the Danish Companies Act and based on the recommendations published by the Danish Committee on Corporate Governance and implemented by Nasdaq Copenhagen A/S. The Remuneration Policy comprises principles for provision of remuneration to the Board of Directors and to Executive Management. “Executive Management” consists of the members of executive management of the Company registered with the Danish Business Authority. “Group” refers to the Company as well as its subsidiaries and affiliates.

1.2 This Remuneration Policy fundamentally continues our existing policy principles, and any changes from the text of the previous version hereof primarily reflect developments in the corporate governance framework for the policy rather than a change in underlying principles of the policy. It is intended that this new Remuneration Policy will apply at least until the Annual General Meeting in 2024, although the Board of Directors may seek approval for a new policy at an earlier point if it is considered appropriate.

1.3 The Company provides remuneration to the Board of Directors and Executive Management to align interests of the Board of Directors, Executive Management and shareholders. This is achieved by ensuring that we attract and retain qualified members of the Board of Directors and Executive Management, and constantly maintaining the motivation of both the Board of Directors and Executive Management to achieve the Group’s strategic long-term and short-term targets while promoting sustainable value creation for the benefit of the shareholders.

1.4 The Remuneration Policy is reviewed once a year by the Board of Directors based on recommendations from its Remuneration Committee. In making its recommendations, the Remuneration Committee will among other things take into account Maersk Drilling’s short-term and long-term strategic opportunities and challenges in the offshore drilling industry, the external corporate governance environment, feedback from Executive Management, insights from the talent market, engagement with shareholders and proxy advisory bodies as well as the general alignment with employee remuneration across the Group.

1.5 The process of preparing, reviewing and implementing the Remuneration Policy is subject to effective measures to manage potential conflicts of interests, including the involvement of independent board members, external advisors and relevant market benchmarks. Any material changes to the Remuneration Policy will be submitted for approval by the shareholders at a general meeting. The Remuneration Policy will in any case be submitted for approval at a general meeting every fourth year.

1.6 The Board of Directors may decide to deviate from the specific requirements of the Remuneration Policy as set out in paragraph 6.1 below. The process for deviating from the Remuneration Policy is that the Remuneration Committee will evaluate and submit a recommendation for the Board of Directors’ consideration and approval, if deemed appropriate in order to meet the overall objectives of the Remuneration Policy. In such case, the Board of Directors must explain the reasons for such deviation at the subsequent Annual General Meeting.

1.7 The actual remuneration paid to the Board of Directors and Executive Management in a financial year is decided by the Board of Directors based on recommendations from the Remuneration Committee meant to ensure that the remuneration does not exceed what is considered usual taking into account the nature and extent of the work, and what is considered reasonable with regard to the Company’s financial position.

2. Remuneration of the Board of Directors

2.1 The key elements of the policy for remuneration of the Board of Directors are set out below.

Purpose and Link to Strategy

- To provide compensation that reflects the experience and knowledge of high calibre individuals required to represent the shareholders' interests effectively in their oversight of the Company.

Operation

- Fee levels are reviewed periodically taking into account independent advice (on comparisons with other large companies of similar size and complexity based in Denmark and Europe, supplemented by a perspective based on global drilling industry remuneration levels for industry specific expertise) and the time commitment required of the board members.
- As set out in the table below, each ordinary member of the Board of Directors receives a fixed annual base fee, while the Chairman and Vice Chairman receive fixed multiples thereof. Participation in a board committee entitles a board member to an additional fixed annual fee based on an individually determined proportion of the fixed annual base fee, depending on the committee and any committee chairmanship duties assumed by the board member in question.

Role	Board	Audit & Risk Committee	Nomination Committee	Remuneration Committee	Safety & Sustainability Committee
Chair	3.0x	0.67x	0.0x	0.33x	0.33x
Vice Chair	2.0x	N/A	N/A	N/A	N/A
Member	1.0x	0.33x	0.0x	0.25x	0.25x

- Employee representatives on the Board of Directors receive the same fees as board members elected by shareholders.
- Should a board member, including the Chairman or Vice Chairman, assume specific ad-hoc tasks beyond the normal work as member of the Board of Directors, the Board of Directors will decide on a fixed fee for such tasks. Any such fees will be disclosed in the Annual Remuneration Report and submitted for approval at the subsequent Annual General Meeting.
- Expenses such as travel and accommodation relating to board and committee meetings and relevant training are reimbursed in accordance with the Group's travel policy applicable at executive level.
- In addition to the fixed annual fee, the Company pays social security contributions within the EU to the extent imposed by foreign national authorities in relation to fixed fees and reimbursable expenses.

Maximum opportunity

- Any increase in board fees may be above the level awarded in that particular year to employees of the Group, given that board fees may only be reviewed periodically and may need to reflect any changes to time commitments or responsibilities.

Performance measures and assessment	• Board members' fees are not performance related. • Board members do not receive any variable remuneration element. • The Chairman and ordinary board members are subject to re-election by the shareholders annually at the Annual General Meeting. The Vice Chairman is elected by the Board of Directors among its members.
Share Ownership Requirements	
Purpose and Link to Strategy	• The "Share Ownership Requirement" requires board members to hold a minimum level of Maersk Drilling shares to emphasise their connection and commitment to Maersk Drilling.
Operation	• Board members do not receive share-based remuneration, but will be required to purchase (if relevant) and hold Maersk Drilling shares to meet the Share Ownership Requirement as long as they serve on the Board of Directors. • With effect from the AGM in 2020, the Share Ownership Requirement for each individual member of the Board of Directors is set at: – 25% x Annual Fee[1] after the 1st year of continuous service on the Board from the date of introduction – 50% x Annual Fee after the 2nd year of continuous service on the Board from the date of introduction[2]

1 The Annual Fee for this purpose is the fixed annual base fee (including multiples thereof for the Chair and Vice Chair) but not including any committee fees.
2 The requirement is introduced from the date of the 2020 AGM.

3. Remuneration of Executive Management

3.1 The remuneration package consists of fixed pay, a short-term cash incentive opportunity, long-term share-based incentive schemes, certain non-monetary benefits and severance pay. The key elements of the policy for remuneration of Executive Management are set out below.

Fixed Pay	
Purpose and Link to Strategy	• "Fixed Pay" consists of a fixed annual cash salary, as a simple competitive alternative to the separate provision of salary, car benefits and pension. From this salary, members of Executive Management will be deducted any contribution made by the Company towards their own pension or company car elections (as no separate company contributions are made to pension or in respect of a company car, and such amounts are considered to be included in the Fixed Pay). • Fixed Pay supports the recruitment and retention of Executive Management of the calibre required to implement our strategy, and thereby deliver long-term shareholder value. • Individual Fixed Pay levels reflect the individual's skills, experience, performance and role within the Group.
Operation	• Fixed Pay is set by the Board of Directors on the recommendation of the Remuneration Committee and generally reviewed once a year (although changes may be made at any other time if the Board of Directors considers it appropriate). • When determining the Fixed Pay of Executive Management, the Board of Directors takes into consideration: – our policy generally to provide a total reward opportunity at around the median for similar positions with comparable status, responsibility and skills, in organisations of broadly similar size and complexity in Denmark and Europe; – a perspective based on global drilling industry remuneration levels for industry-specific expertise – the performance of the Group in the financial year just ended; – the performance, experience and responsibilities of the individual member of Executive Management; – any pay conditions (such as salary increases previously awarded that have been deferred) made at the start of the financial year just ended; and – pay and conditions throughout the organisation, including the level of salary increases awarded to other employees.
Maximum opportunity	• Annual percentage increases are generally consistent with the range of increases awarded to other employees in the Group. • Increases may be above this level or applied more frequently in certain circumstances, such as: – our policy generally to provide a total reward opportunity at around the median for similar positions with comparable status, responsibility and skills, in organisations of broadly similar size and complexity in Denmark and Europe; – where there is a significant change in a member of Executive Management's scope or role, or in the Group's size or complexity; – where a new member of Executive Management has been appointed at a level of remuneration that is lower than the typical market level for such a role and becomes established in the role; and – where it is considered necessary to reflect significant changes in market practice.

Fixed Pay	
Performance measures and assessment	• A broad assessment of individual and business performance is used as part of the review. • No recovery provisions apply to Fixed Pay.

Other Benefits	
Purpose and Link to Strategy	• Providing other "Benefits" on a cost-effective basis aids attraction and retention of Executive Management.
Operation	• Executive Management may receive non-monetary benefits, such as phone, insurance coverage, annual health check, newspaper subscriptions, training/education, and similar benefits that are generally made available to other employees. Expenses incurred by Executive Management in the interest of the Company relating to travel, conferences, necessary training and similar are reimbursed in accordance with policies applicable from time to time. • Other Benefits may be provided in the future, where it is considered necessary by the Board of Directors and/or required by legislation and/or aligned to the benefits available to other staff. *Relocation allowances:* • In the event that an existing or new member of Executive Management is to relocate, the Board of Directors may approve appropriate relocation allowances for a specified time period. This may cover costs such as (but not limited to) relocation, cost of living, housing benefit, home leave, tax and social security equalisation and education assistance.
Maximum opportunity	• Based on the cost to the Group of providing the Benefit and dependent on individual circumstances. • Benefits or awards under all-employee programmes may be up to tax-approved limits. • The only change in the value of the current Benefits (for disclosure purposes) will reflect changes in the costs of providing those Benefits. • The nature of the Benefits provided means that Benefits are not intended to constitute a significant proportion of the annual remuneration value (i.e. no more than 2.5% of total regular annual reward), and therefore we do not include a Benefits value in the illustrative pay mix set out in section 4.2. *Relocation allowances:* • The level of such Benefits would be set at an appropriate level by the Board of Directors, taking into account the circumstances of the individual and typical market practice.
Performance measures and assessment	• No performance or recovery provisions apply to Benefits.

Short-term Incentive	
Purpose and Link to Strategy	• The Board of Directors will operate the Short-term Incentive programme in accordance with the plan rules and the discretions contained therein. • The "Short-term Incentive" programme is primarily cash-based and designed to incentivise and encourage the members of Executive Management to high performance and promote achievement of the Group's short-term objectives on a basis that is consistent with other bonus eligible employees within the Group. • This promotes a pay-for-performance culture by incentivising year-on-year delivery of short-term financial, strategic and operational objectives selected to support our annual business strategy and the ongoing enhancement of shareholder value. • The ability to recognise performance through an annual Short-term Incentive enables us to manage our cost base flexibly and react to events and market circumstances.
Operation	• Each year, Executive Management has the opportunity to participate in the Short-term Incentive. A target opportunity is set at the start of the "Performance Period" (being the financial year) and assessed at the end of the Performance Period. • The size of the annual Short-term Incentive pay-out will be decided by the Board of Directors upon recommendation from the Remuneration Committee based on achievement against a range of performance indicators – the "MD Scorecard" result. The MD Scorecard result in the range 0-200% (0% being "Threshold"; 100% being "Target"; and 200% being "Maximum" performance) is applied to the target opportunity at the end of the Performance Period. The annual Short-term Incentive pay-out will generally be made once a year following the Board of Directors' approval of the Annual Report. • As well as determining the performance indicators and targets, the Board of Directors will also determine the weighting of the various measures to ensure that they support the business strategy and objectives for the relevant Performance Period. Except in circumstances where elements remain commercially sensitive, the performance indicators and weightings adopted for the Performance Period, as well as the actual targets and outcomes will be disclosed in the Annual Remuneration Report.
Maximum opportunity	• The maximum annual Short-term Incentive opportunity is 100% x Fixed Pay, being the maximum MD Scorecard result (200%) times the maximum Target annual Short-term Incentive (50% x Fixed Pay). • If performance does not meet Threshold, then the MD Scorecard result will be 0%. The achievement of Target performance results in an MD Scorecard result of 100% and a pay-out equal to the Target Short-term Incentive opportunity. If performance meets or exceeds Maximum, the MD Scorecard result is 200% and a pay-out equal to the maximum Short-term Incentive opportunity. • The Board of Directors has discretion to limit the cash payment of Short-term Incentive to an individual member of Executive Management to their Target Short-term Incentive and to provide that any Short-term Incentive payable in excess of the Target Short-term Incentive (i.e. that part of the Short-term Incentive resulting from an MD Scorecard result in excess of 100%), after deduction of appropriate taxes, is invested in the Company's shares with a holding period of two years from the scheduled Short-term Incentive payment date.
Performance measures and assessment	• The MD Scorecard result is based on a range of (financial and non-financial) business measures set by the Board of Directors on an annual basis to ensure that they are appropriately stretching for the delivery of Threshold, Target and Maximum performance. These performance measures may include metrics within safety; absolute and relative financial performance metrics; operational performance metrics; and commercial performance metrics. • The Board of Directors may introduce further non-financial measures in the future subject to the targets for the Short-term Incentive programme overall being predominantly financial in nature. Performance is measured over the Performance Period (which is normally the financial year). • The Board of Directors has the discretion to adjust targets or performance measures for any exceptional events that may occur during the year. This includes a discretionary power to adjust, upwards or downwards, the annual STI pay-out if the Board of Directors determines that exceptional circumstances exist such that the formulaic scorecard outcome does not reflect underlying business or individual performance. The use of any discretion will be disclosed in the Annual Remuneration Report. • Claw-back and malus provisions apply to the Short-term Incentive programme as set out in Section 4.5.

Long-term Incentive	
Purpose and Link to Strategy	• The "Long-term Incentive" programme is primarily designed to incentivise performance over a five year term, to ensure the commitment and retention of Executive Management, as well as to promote alignment of their interests with those of the shareholders. • The form of the Long-term Incentive avoids disproportionate windfall gains or rewards for short-term performance that is not sustained.
Operation	• Long-term share-based incentives may be granted annually at the Board of Directors' discretion and a full grant will not necessarily be made every year. • All Long-term Incentives shall have a vesting or maturity period of at least three years from the relevant date of grant until the time they vest or mature. The vesting or maturity period shall be determined by the Board of Directors prior to grant. During a further two year holding period after vesting, Executive Management cannot sell the vested shares – hence a total five year vesting and holding period. • The Company intends to use treasury shares to meet its obligations in relation to Long-term Incentives. The Board of Directors may decide to satisfy a grant in cash. *Time-vested restricted share units ("RSUs"):* • The Company's current restricted share unit programme is designed to further align Executive Management compensation with the long-term interests of our shareholders and the performance of the Company by linking a high proportion of annual pay to the share price development of the Company. The programme is revolving and neither grant nor vesting of RSUs depend on the achievement of specific performance goals. The Board of Directors believes that the simplicity of RSUs in combination with a shareholding requirement (as further described below) provides a superior alignment of interests with shareholders as well as promotion of long-term value creation. However, the Board of Directors may decide to make up to half of the total fair value of the annual Long-term Incentive grant in the form of performance-vested restricted share units (as further described below), if found beneficial to obtain the overall objectives of the Remuneration Policy. • After vesting, subject to the Share Ownership and Share Holding Period Requirements (as described below), the participant can sell the vested shares, subject to applicable laws and the Company's internal rules for the trading in Maersk Drilling securities. The number of restricted share units granted to members of Executive Management will be stated in the Company's Annual Report and Annual Remuneration Report. *Performance-vested restricted share units ("PSUs"):* • If the Board of Directors considers it appropriate (as outlined above) to provide any of the annual Long-term Incentive grant in the form of PSUs, then that portion of the award will vest with a multiplier of 0-200% based on performance against specific targets, aligned with the Group's long-term strategy. • As well as determining the measures and targets, the Board of Directors will also determine the weighting of the various measures to ensure that they support the business strategy and objectives for the relevant Performance Period. Except in circumstances where elements remain commercially sensitive, the performance indicators and weightings adopted for the Performance Period, along with the actual targets and outcomes will be disclosed in the Annual Remuneration Report.
Maximum opportunity	• The target and maximum fair value at grant of the Long-term Incentives granted is 100% x Fixed Pay for the participant. • Any significant assumptions required for the fair valuation (in accordance with applicable International Financial Reporting Standards) at grant of the Long-term Incentives are described in the Company's Annual Remuneration Report.

Long-term Incentive	
Performance measures and assessment	• The vesting (full or partial) of Long-term Incentives will be decided by the Board of Directors upon recommendation from the Remuneration Committee based on the applicable criteria. • Performance is measured over the Performance Period (which is normally the three financial years from the beginning of the financial year in which the grant is made). • The Board of Directors has the discretion to adjust targets or performance measures for any exceptional events that may occur during the vesting period; • Any revisions to the metrics and/or weightings will take place if it is necessary as a result of developments in the Group's strategy. • In addition, for PSUs, the Remuneration Committee's recommendation as to the vesting percentage will primarily be dependent on the achievement of the specific financial, commercial and/or operational goals established at the time of grant. The Board of Directors will review performance measures annually, in terms of the range of targets, the measures themselves and weightings applied to each element of the Long-term Incentive programme. • Claw-back and malus provisions apply to the Long-term Incentive programme as set out in Section 4.5.

Share Holding Period and Share Ownership Requirements	
Purpose and Link to Strategy	• The "Share Holding Period Requirement" ensures that Executive Management's interests are aligned with those of shareholders over a longer time period. • The "Share Ownership Requirement" requires that Executive Management build up and maintain a significant amount of their personal wealth invested in the Company - ensuring that Executive Management acts in the long-term interests of shareholders. • Together with the design of the incentive arrangements overall, these mechanisms ensure that the value realised by Executive Management (from the incentive arrangements) is directly linked to long-term sustainable business performance, with appropriate regard to internal and external risk factors.
Operation	*Share Holding Period Requirement:* • Executive Management will not be able to sell any vested shares until the total period from grant (inclusive of the vesting period) is at least five years, i.e. an additional holding period of two years in addition to the three-year vesting period that applies to the annual Long-term Incentive. • The holding period applies irrespective of termination of employment. *Share Ownership Requirement:* • Executive Management is restricted from selling any vested shares (except for sales for payment of taxes triggered by grants vested or shares sold under the Long-term Incentive) unless the Share Ownership Requirement continues to be met after the sale. • Executive Management will not be required to purchase additional shares to meet the Share Ownership Requirement, but will face restrictions on the sale of vested shares under the Long-term Incentive (as set out above). • The Share Ownership Requirement for each individual is set at 2x the annual Long-term Incentive grant level applicable (as a percentage of Fixed Pay) – i.e. 200% x Fixed Pay for a participant who receives an annual Long-term Incentive award at the maximum level of 100% x Fixed Pay. • The Share Ownership Requirement continues to apply for a period of up to two years after end of employment — at 100% for the first year, and reduced by 50% for the second year.

3.2 Performance measures and targets

The rationale for the performance measures chosen in respect of the Short-term and Long-term Incentive programmes is set out below.

Short-term Incentive	
Performance measures	• Safety remains our absolute priority and a key element of performance assessment. • Financial performance targets will typically include profitability metrics such as EBITDA and cash-flow metrics such as Free Cash Flow. • Commercial targets will include consideration of the appropriate level of revenue backlog. • Other metrics may include, but are not limited to, delivery of the business transformation to support our strategic ambition ("Smarter Drilling for Better Value"), as well as operational metrics.
Rationale	• Our approach to safety metrics is to focus on leading indicators of future events that drive and measure activities carried out to prevent and control safety incidents. • The Board of Directors selects financial measures as key performance metrics that determine our ability to fund growth, return cash to investors and repay our debt. • A strong revenue backlog provides financial visibility and flexibility. • Smarter Drilling for Better Value is about delivering operational excellence while exploring new business models and innovative technologies – increasing the profits and returns generated through new business models and services. Our long-term goal is to improve safety and efficiency and reduce cost and complexity, ultimately making offshore oil and gas more competitive. Over the short term of the Performance Period, metrics should relate to improvements in coordination, simplification of interfaces, alignment of incentives and use of innovative new approaches across the supply chain, to reduce overall non-productive time ("NPT"), increase efficiency and improve safety for our customers.
How targets are set	• The performance targets are determined annually by the Board of Directors taking into account market conditions and internal and external forecasts.

Long-term Incentive	
Performance measures	• Development in the share price for RSUs.
Rationale	• The Board of Directors considers that the key measure of long-term performance that aligns the interests of Executive Management and shareholders is development in the share price. Therefore, the Long-term Incentive is designed and structured around the concept of Executive Management having a significant interest in the share price development – which manifests in an annual share grant under the Long-term Incentive that is greater than the cash payment for Target achievement under the Short-term Incentive. Each annual Long-term Incentive grant must also be held after vesting (through the Share Holding Period and Share Ownership Requirements). • The Board of Directors also has the flexibility to decide that up to half of the annual Long-term Incentive grant is in the form of PSUs with vesting based on performance against targets aligned with the delivery of the Group's long-term strategy.
How targets are set	• If PSUs are selected, targets are set in reference to the Group's strategy, market conditions, internal business plans and external forecasts.

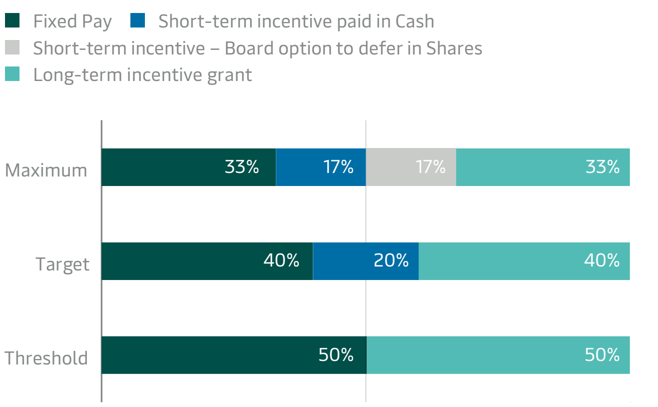
4. Sustainable Performance

Aligning Executive Management with the long-term interests of shareholders

4.1 The Company uses incentive arrangements for Executive Management to secure a high degree of alignment of interests between Executive Management and shareholders, to strengthen attraction/retention and to promote and support sustainable value creation both in the short and long term.

4.2 The Board of Directors typically reviews, at least on an annual basis, the impact of different performance scenarios on the potential reward opportunity and pay-outs to be received by members of Executive Management and the alignment of these with the returns that might be received by shareholders. The Board of Directors believes that the level of remuneration that can be delivered in the various scenarios is appropriate for the level of performance delivered and the value that would be delivered to shareholders. The chart below shows the pay mix in the annual remuneration package (for a member of Executive Management receiving Short-term Incentive and Long-term Incentive awards at the highest target levels allowed under the Remuneration Policy) under three assumed performance scenarios for the Short-term Incentive. Under all scenarios a significant portion of the annual remuneration is linked to the development of the share price over the long-term.

Total Annual Reward



4.3 The Long-term Incentive grant is not considered an award for work already performed, but is intended solely for rewarding Executive Management's anticipated future performance and their contribution to future share price increases to the benefit of the Company, its shareholders and other stakeholders during the vesting period. Therefore, the full value of the long-term incentive illustrated in the table above will be earned out over the executive's service period – and the leaver terms and conditions set out in section 5.2 below should be considered as an integral part of the design.

4.4 Adjustment and repayment of incentive-based remuneration
In case of extraordinary events, the Board of Directors may lay down or exercise specific terms for incentive-based remuneration governing the lapsing, repayment, capping of ultimate gains or other adjustments, including accelerated vesting or exercise and adjustment to the grant price or the performance targets. Such extraordinary event may include, but is not limited to, significant divestiture of activities, change in capital structure, demerger, merger or other business combination involving the Company or material parts of the Group, a member of Executive Management resigning/being dismissed or other material events that would otherwise influence positively or negatively the value or effect of the incentive-based remuneration.

4.5 Claw-back and Malus

The Company has the option of reclaiming, in full or in part, granted incentive remuneration in certain situations ("claw-back"), including where incentive remuneration was awarded or paid out on the basis of information subsequently proved to be incorrect.

The Company also reserves the discretionary power to reclaim or claw-back some or all of the value of any incentives granted to Executive Management in the event of a significant downward restatement of the Group's financial results. This claw-back may be effected up to two years from the payment date of the incentive by reducing outstanding awards and payments or requiring the return to the Company of the net value of the incentives paid.

Further, any variable components of remuneration under any incentive scheme – whether cash, share-based or otherwise – may lapse without compensation ("malus") and/or be subject to reclaim by the Company ("claw-back"), if, during employment or after the termination of the employment while there remains any unvested or deferred grants under any incentive scheme, the member of Executive Management (i) violates non-competition and/or non-solicitation clauses or otherwise breaches the duty of loyalty towards the Group, (ii) discloses or otherwise misuses any confidential information, (iii) wilfully violates the Group's compliance policies, (iv) wilfully violates the Group's accounting and finance rules, or (v) engages in other conduct which results in significant losses or serious reputation damage to the Group.

5. Service Agreements

5.1 Company notice period and severance pay

The period of notice applicable to Executive Management is 12 months for the employer and six months for the executive. In addition to company notice, Executive Management are entitled to a severance payment of up to six months' fixed pay at the time of termination. Therefore, the total payment relating to the notice period shall in any event not exceed two years' total remuneration, including all remuneration components, in line with the recommendations on Corporate Governance. The notice period and severance pay granted is considered to be in line with market practice for larger listed companies in Denmark. Likewise, in the event members of Executive Management leave the Company, they may be enrolled in outplacement programs paid for by the Company. In the event of death of a member of Executive Management during the term of employment, the family and/or estate may receive an amount equivalent to no more than three months' compensation in addition to the value of Long-term Incentives held. No other retirement benefit plans apply to the Company's Executive Management.

5.2 Loss of office – treatment under incentive programmes

Payments for loss of office under the Company's incentive programmes may be made in line with the respective programme rules as summarised below.

Short-term Incentive	
Cessation of employment	• Where an award is made, the payment may be delivered fully in cash. No award will be made in these circumstances in the event of gross misconduct. • If the participant is a good leaver (as described below) during the Performance Period (or after the Performance Period but before the Short-term Incentive payment is made), a Short-term Incentive will normally be awarded at the end of the Performance Period pro-rated for length of service and the achievement of performance targets measured over the full Performance Period. • The Board of Directors has the discretion to determine that a Short-term Incentive award may be paid in cash at the date of cessation and/or that the deferred share Short-term Incentive awards will vest early, and/or in exceptional circumstances whether to pro-rate the award for time served in the Group. • By way of example, a member of Executive Management is a 'good leaver' if ceasing to be employed by reason of death, ill-health, injury, disability, redundancy, retirement, the company employing the participant ceasing to be a member of the Group, the participant's employing business being sold out of the Group or at the Board of Directors' discretion. • Anyone who is not a good leaver will be a bad leaver. For a bad leaver, there will be no bonus pay-out.
Change of control	• No specific change of control provisions.

Long-term Incentive	
Cessation of employment	• For good leavers, unvested awards will vest on the normal vesting date subject to: (i) the extent any applicable performance targets have been satisfied at the end of the Performance Period; and (ii) pro-rating to reflect the period of time actively worked between grant and cessation of employment. • In exceptional circumstances, the Board of Directors has the discretion to determine that the end of the Performance Period is to be considered the date of cessation for pay-out purposes and whether to pro-rate the number of vested awards to reflect the vesting period completed. • A 'good leaver' is defined as above for the Short-term Incentive. • Anyone who is not a good leaver will be a bad leaver. Bad leavers will forfeit all unvested awards.
Change of control	• The Board of Directors has discretion to choose from a range of appropriate options, including: (i) continuing the programme with appropriate adjustments; (ii) accelerating vesting, including by cash settlement if considered appropriate, of the programme pro-rating to reflect the period of time between the grant date and the date of change in control; and (iii) replacing the unvested shares with entitlements under a new programme in the continuing entity.

5.3 Existing agreements

The service agreements of the members of Executive Management are subject to the principles set out in this Remuneration Policy. Any change of existing agreements will be subject to the principles set out in this Remuneration Policy.

6. Other types of remuneration

6.1 Derogation from this Remuneration Policy – Extraordinary incentives

The Remuneration Committee may consider to recommend other types of remuneration to meet the overall aims and objectives of the Company, including remuneration of a one-off or extraordinary nature – for example when an individual is first hired or takes up an Executive Management position. In such circumstances, the Board of Directors may grant one-off bonuses or other extraordinary incentives, e.g. retention bonus, severance payment, sign-on bonus or other similar arrangements, provided that such extraordinary incentive is deemed necessary in order to meet the overall objectives of the Remuneration Policy and Maersk Drilling's long-term interests.

The process for the demerger of A.P. Møller - Mærsk and the listing of the Company in 2019 provided an example of the circumstances in which the Board of Directors has considered it appropriate to provide extraordinary incentives to Executive Management. Further details in this regard are disclosed in the Annual Remuneration Report for 2019.

The value of such extraordinary incentives may not exceed an amount corresponding to 2x the annual value of incentive awards under the Remuneration Policy at the date of the extraordinary award, thereby possibly derogating from the maximum limits for the Short-term and Long-term Incentive set out in section 3.1 and the pay mix illustrated in section 4.2 of this Remuneration Policy. In any other regard such grant shall be consistent with this Remuneration Policy, and, in particular, have regard to the overall alignment between the level of the annual grant of Long-term Incentive, the Share Holding Period and Share Ownership Requirements.

6.2 Directors' and officers' liability insurance and indemnification

The Company has taken out customary directors' and officers' liability insurance covering the members of the Board of Directors and the Executive Management. To the extent such insurance proves insufficient, the Company will indemnify members of the Board of Directors and the Executive Management in accordance with the indemnity scheme in force as approved by the general meeting from time to time.

7. Adoption and publication

7.1 The Remuneration Policy has been adopted by the Board of Directors and approved by the Annual General Meeting on 6 April 2022 and is available on the Company's website.

The Drilling Company of 1972 A/S
Lyngby Hovedgade 85
2800 Kgs. Lyngby
Denmark

Registration no. 40404716

maerskdrilling.com

MAERSK DRILLING