

Remuneration Report 2022



DSV

Global Transport and Logistics

Introduction

This Report provides a summary of the remuneration of the Board of Directors and Executive Board of DSV A/S for 2022. Remuneration of the Boards has been awarded in accordance with the DSV Remuneration Policy.

Basis of preparation

This Remuneration Report has been prepared in accordance with the Danish Companies Act and the latest Recommendations on Corporate Governance of 2 December 2020 by the Danish Committee on Corporate Governance.

Last year's 2021 Remuneration Report was presented and approved without any reservations at the DSV Annual General Meeting on 17 March 2022.

Remuneration policy

The latest Remuneration Policy as adopted at the Extraordinary General Meeting held on 8 September 2021 is available on DSV's corporate website at: <https://www.dsv.com/en/remuneration-policy>.

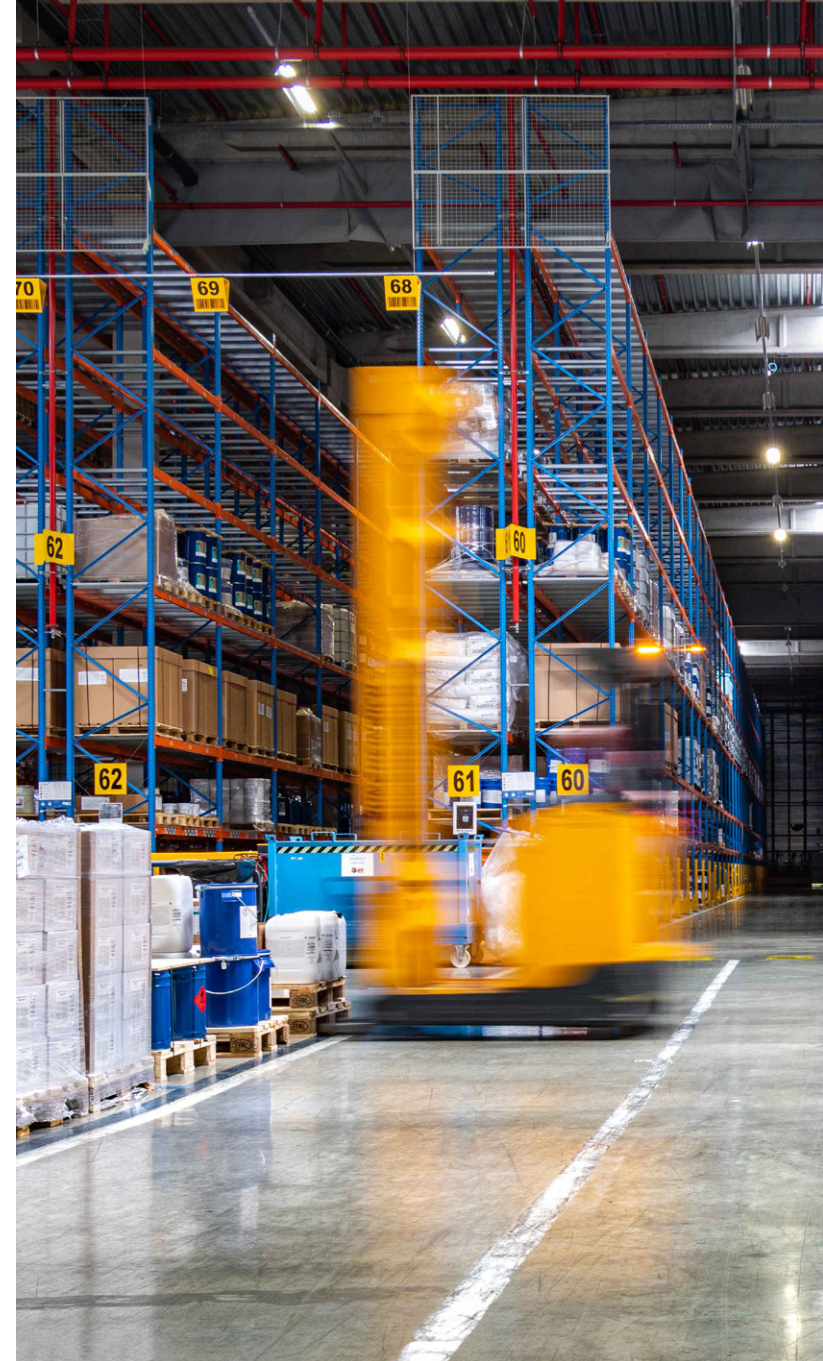
Since adoption, the Policy has been applied consistently throughout the year. No amendments to the Policy have been suggested for the 2023 Annual General Meeting.

Remuneration objectives

The overall objective of the DSV Remuneration Policy is twofold, focusing partly on attracting and retaining qualified members of the Board of Directors and Executive Board, and partly on aligning the interests of the Boards with those of our investors and other stakeholders.

The purpose of this is ultimately to incentivise the creation of long-term value for our shareholders while also executing on other goals set by the Board of Directors, e.g., within sustainability or other strategic business initiatives.

To achieve these objectives, competitive remuneration packages are offered to the Board of Directors and Executive Board taking into account the strategic development and positioning of the Company compared to our peers as well as financial, share price and ESG related performance achieved by the company.



Remuneration 2022

Performance of the company

In 2022, DSV realised an EBIT result of DKK 25,204 million (2021: DKK 16,223 million), constituting an EBIT growth of 55.4% since last year.

This achievement was the result of delivering on a number of key objectives, including a strong turnover growth supported by favourable market conditions and a dedicated cost focus, enabling us to improve on both our gross- and operating margins, while simultaneously continuing our efforts in optimising our business processes and IT infrastructure.

Furthermore, the successful completion of the GIL integration in 2022 also contributed strongly to the overall results, through increased force of scale and a growing logistics network.

The DSV share price ended the year at DKK 1,096.5 (2021: 1,527.5), down 28% compared to last year. This development was driven by a number of external factors impacting the global stock markets rather than the actual performance of the company. These included rising global inflation, the energy crisis partly derived by the war in Ukraine and the concerns on a potential global economic downturn materialising into 2023 as a result.

Overall development in management remuneration

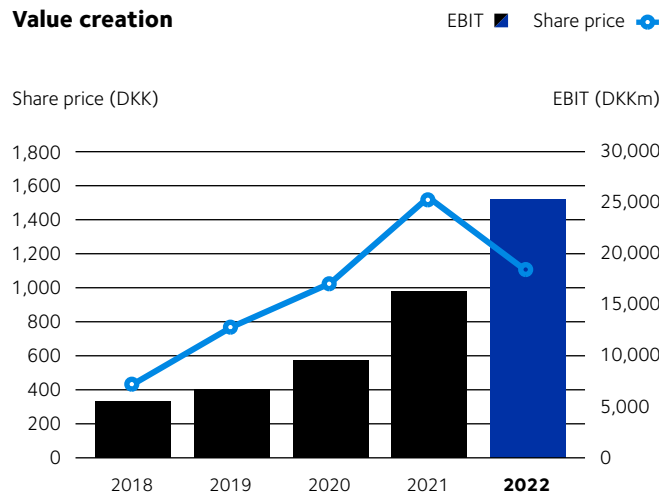
Total remuneration of the Board of Directors and Executive Board dropped by 0.8% and increased by 40.0% respectively since last year.

The slightly lower remuneration of the Board of Directors was mainly caused by one member waiving receiving fees for his position on the Board. Furthermore, no adjustment was made to the Board base fee in 2022.

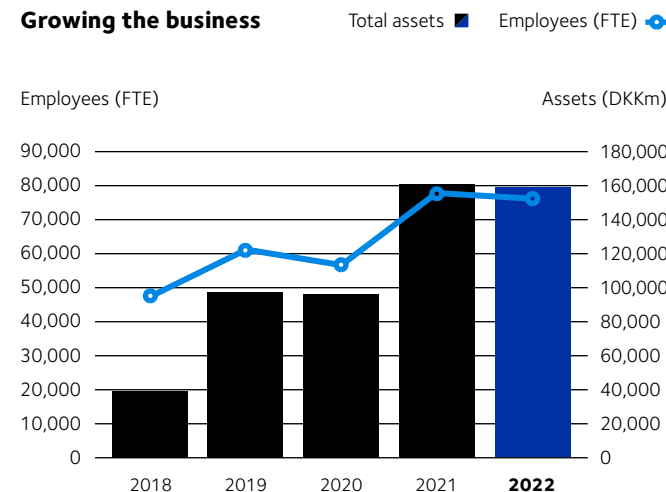
The increase in remuneration of the Executive Board was mainly the result of the Board expansion in late October 2021, when Michael Ebbe joined as new CFO of the Group. In 2022, this expansion has now had full-year effect.

Total remuneration of the existing Executive Board (CEO Jens Bjørn Andersen and COO Jens H. Lund) increased by 15.5%, of which two thirds of the increase was driven by the technical valuation of share options granted which had a slightly higher Black-Scholes value in 2022 compared to last year. As such, the number of share options granted to CEO Jens Bjørn Andersen and COO Jens H. Lund remained largely unchanged from 2021. The remainder of the increase mainly related to an ordinary fixed salary adjustment of 5% (2021: 0%).

Value creation



Growing the business



Board of Directors

Basis of remuneration

Board and Committee fees

Members of the Board of Directors are remunerated for services rendered as Chairman, Deputy Chairman or Member of the Board and the Audit, Remuneration or Nomination Committee.

Remuneration of each member is based on Board and Committee positions held, as illustrated in the following table:

(DKKt)	Chairman	Deputy Chairman	Member
Board	1,500	750	500
Committees:			
– Audit	500	n.a.	250
– Nomination	250	n.a.	125
– Remuneration	250	n.a.	125

Fees associated with each Board and Committee positions are determined in accordance with the DSV Remuneration Policy by applying a varying multiplier on a base fee of DKK 500 thousand (2021: DKK 500 thousand). The base fee was last adjusted in 2020. The multiplier takes into consideration the work and responsibilities associated with each position.

The base fee is assessed on a yearly basis to ensure that remuneration of the Board of Directors is on par with other corporations of similar size and complexity. The assessment is addressed by the Remuneration Committee based on publicly available peer group remuneration analyses.

Any changes to the base fee or multiplier must be approved by the Annual General Meeting.

Other remuneration

In addition to the ordinary Board and Committee fees, members may be remunerated for ad-hoc tasks carried out outside the scope of their normal Board and Committees work. Remuneration of members does not include incentives such as cash bonuses or share-based payment in any form.

Remuneration 2022

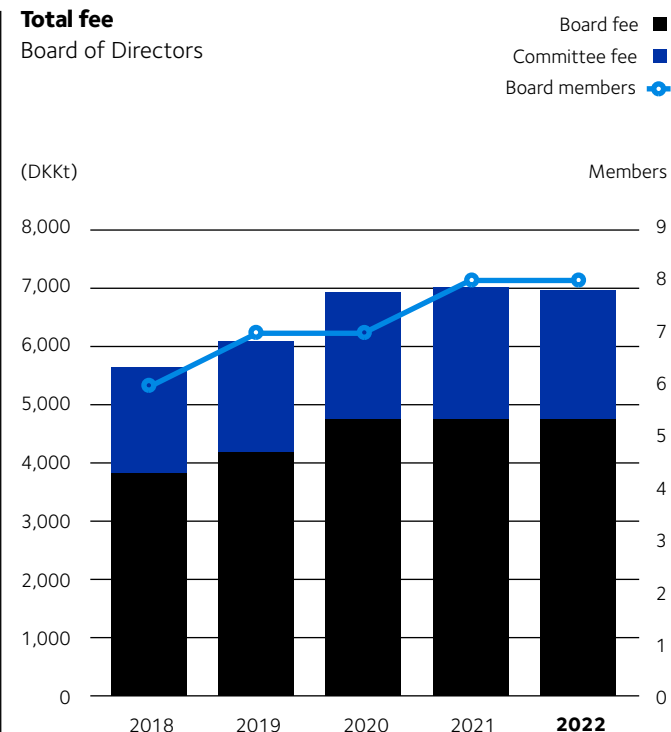
Total remuneration of the Board of Directors amounted to DKK 6,946 thousand in 2022 (2021: DKK 7,000 thousand), a small drop of 0.8% compared to last year.

The drop was mainly caused by one member (Tarek Sultan Al-Essa) waiving receiving any fees for his position as member of the Board of Directors. The total fee for the Board would otherwise have been DKK 500 thousand higher.

No members have been remunerated for additional ad-hoc tasks performed in 2022.

5-year remuneration overview

Detailed 5-year overview of remuneration components for current and former members of the Board is presented in the Appendix, [page 8](#).



Board composition

	Board of Directors	Audit Committee	Nomination Committee	Remuneration Committee
Thomas Plenborg	Chairman	Member	Chairman	Chairman
Jørgen Møller	Deputy Chairman	–	Member	Member
Birgit W. Nørgaard	Member	–	Member	–
Marie-Louise Aamund	Member	Member	–	–
Beat R. Walti	Member	–	–	Member
Niels Smedegaard	Member	Member	–	–
Tarek Sultan Al-Essa	Member	–	–	–
Benedikte Leroy	Member	Chairman	–	–

Executive Board

Basis of remuneration

The Executive Board comprises CEO Jens Bjørn Andersen, COO and Vice CEO Jens H. Lund and CFO Michael Ebbe.

Remuneration of the Executive Board is based on a combination of fixed and variable elements composed to incentivise and support the short as well as long-term retention of executive members by ensuring that the remuneration made reflects the size and complexity of the DSV business, thereby retaining a remuneration level on par with industry peers.

Publicly available peer group remuneration analyses and salary indexes are applied in making this assessment.

Fixed remuneration

Salary

Salary paid to members of the Executive Board is based on individual employment contracts negotiated with the Chairman of the Board of Directors. Salaries may be adjusted as part of the annual salary negotiations based on recommendations by the Remuneration Committee.

Pension

Pension paid to members of the Executive Board is based on individual employment contracts negotiated with the Chairman of the Board of Directors and is an integral part of the base salary package. Pension contributions are in line with the Company's ordinary pension scheme for Danish employees.

Other benefits

In addition to the base salary and pension, members of the Executive Board are entitled to a company car or a cash compensation equivalent to the value of a company car as well as other minor benefits.

Variable remuneration

Cash bonus

Cash bonuses are not available as a variable remuneration option to members of the Executive Board.

Share options

Share options granted to members of the Executive Board are determined as part of the yearly salary negotiations and approval by the Chairman of the Board of Directors.

The intention of the share options grant is to provide a long-term incentive for growing the business, improving the financial performance of the Company and to align the interests of the Executive Board with those of the Company's shareholders and other societal stakeholders.

As part of determining the yearly share options grant the Remuneration Committee applies a composite grant model consisting of both fixed and variable grant elements. The variable elements implies that additional share options can be either added or subtracted from a fixed grant baseline depending on whether certain performance conditions have been met as determined by the Board of Directors.

Application of the variable grant element is intended to provide further incentives for the Executive Board to create shareholder value, while at the same time achieving on ESG-related targets in context of DSV's business operations.

Performance conditions on share options up for grant in 2023 based on DSV Group performance in 2022 include as follows:

Target	Weight	Conditions
EBIT	40%	Adjustment to baseline grant may be applied if EBIT before special items is more than +/- 5% above/below the average 2022 Outlook published in the 2021 Annual Report.
Share price	40%	Adjustment to baseline grant may be applied if the full-year development in the DSV share price is more than +/- 5%-points above/below the development in a defined peer group share index (Kuehne+Nagel, Expeditors International).
ESG	20%	Adjustment to baseline grant may be applied if management in 2022 succeeds in developing new CO ₂ baseline and 2030 targets.

Based on achievements on the performance conditions set, the variable grant range on share options that can be awarded to the Executive Board in 2023 is as follows:

Variable grant scenarios		Low	Baseline	High
Jens Bjørn Andersen	Number	74,250	82,500	90,750
	Black-Scholes value (DKKm)*	8.7	9.7	10.7
Jens H. Lund	Number	58,500	65,000	71,500
	Black-Scholes value (DKKm)*	6.9	7.7	8.4
Michael Ebbe	Number	36,000	40,000	44,000
	Black-Scholes value (DKKm)*	4.2	4.7	5.2

* Based on Black-Scholes value of the 2022 DSV Share Options grant determined in March 2022.

Share options granted are equity settled and entail a three-year vesting period from the date of grant during which the entitled members must perform in accordance with their employment contracts. No other performance conditions apply during the vesting period.

Share options granted to the Executive Board cannot exceed 10% of the total number of options granted under the annual DSV share options scheme. Similarly, the Black-Scholes value of the share options granted at the date of grant cannot exceed 150% of the individual member's fixed annual salary.

Claw back

In the event that any member of the Executive Board has received incentive-based variable remuneration within the past two years in the form of share options granted based on information that turns out to be incorrect, resulting in either a stock exchange announcement or a significant negative correction in the DSV share price, and assuming that the relevant member of the Executive Board was aware or should have been aware of the circumstances, the Company may reclaim such payments in part or in full for a period of up to two years.

Reclaim may also be applied if any member of the Executive Board has acted in bad faith in respect of other matters, directly resulting in unwarranted granting of incentive-based compensation.

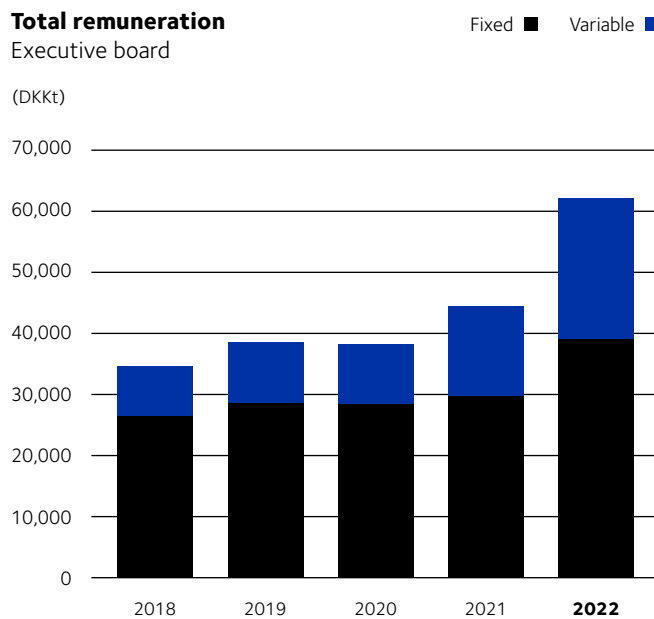
Severance terms

Members of the Executive Board are subject to a termination notice period of up to 24 months. Members are not entitled to termination severance payments in addition to their contractual notice period.

Remuneration 2022

In 2022 total remuneration of the Executive Board amounted to DKK 62.3 million (2021: DKK 44.5 million). Of the total remuneration, 62.6% was granted as fixed remuneration and 37.4% as variable remuneration – a fixed-to-variable ratio similar to last year.

Total remuneration was DKK 17.8 million higher than in 2021, implying an increase of 40.0%. The increase was caused by a number of factors including CFO Michael Ebbe joining and expanding the Executive Board from two to three members in October 2021, the additional remuneration now having effect for the full financial year of 2022.



The expansion of the Board aside, total remuneration of the existing Board members (CEO Jens Bjørn Andersen and COO Jens H. Lund) increased by 15.5% in total, of which 5% related to the ordinary yearly remuneration adjustment of fixed salaries and pensions. In comparison, change in the average salary base of DSV A/S amounted to 2.0%. No fixed salary adjustment was provided to the Executive Board in 2021.

The remainder of the increase was mainly the result of the technical valuation of share options granted in 2022 as the Black-Scholes value per option was DKK 24.2 higher than in 2021.

The overall remuneration of the Executive Board in 2022 ties in with the objectives of the Remuneration Policy, warranted by the financial performance achieved and the positioning of the Company compared to our peers. Furthermore, the combination of a market conform remuneration including a competitive share options grant to each of the members of the Executive Board with a retention period of up to three years ensures that the remuneration contributes to the long-term performance of the company.

Fixed remuneration

In 2022, salaries and pensions were adjusted by 5% for Jens Bjørn Andersen and Jens H. Lund (2021: 0%), the latter also receiving an additional adjustment for taking up the position as Vice CEO. The remuneration of Michael Ebbe was adjusted by 27% as of July 2022, reflecting his new position as Group CFO. In addition, all members of the Executive Board either had company car or received company car compensation, included as a salary component.

Variable remuneration

A total of 198,250 share options were granted to the Executive Board in 2022 as specified on [page 10](#).

The share options were awarded in accordance with the DSV Remuneration Policy and determined based on negotiations with the Chairman of the Board of Directors, taking into consideration achievements on the variable performance conditions set by the Board of Directors for the benchmark year 2021 as described in last year's Remuneration Report.

The performance conditions for the 2022 grant were based on the EBIT performance of the Group, the DSV share price performance compared to a peer group share index and achieving on launching DSV Green Logistics in 2021. The principles applied on the EBIT and share price performance targets for 2022 were similar to those applied on the 2023 grant, as detailed on [page 5](#).

All performance conditions were met for the 2022 grant triggering the high grant scenario as detailed in last years Remuneration Report. In addition Jens H. Lund was awarded an additional grant of 5,500 share options for taking up additional responsibilities as Vice CEO.

The total fair value of share options granted at the date of grant base on a Black-Scholes valuation amounted to DKK 23.3 million constituting 37.4% of the total remuneration of the Executive Board for the year.

The exercise price of share options granted amounts to DKK 1,485 and has been determined based on the average quoted market price

of the DSV share for the last five trading days leading up to the date of grant at 31 March 2022, plus a strike premium of 12.7%.

Claw back

No claw backs on incentive-based variable remuneration was initiated in 2022.

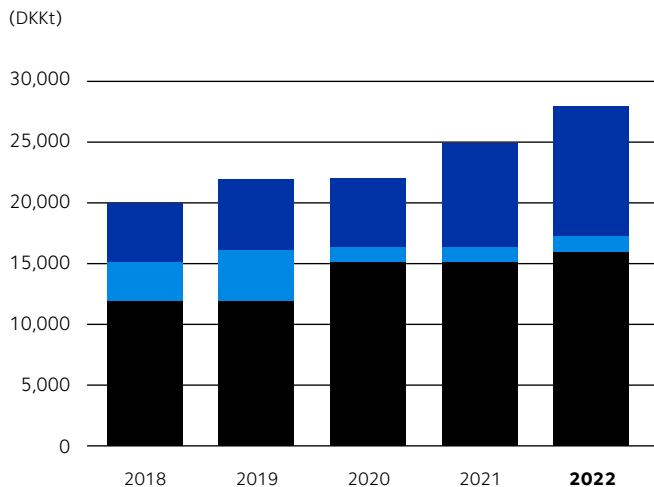
5-year remuneration overview

Detailed 5-year overview of remuneration components of each individual member of the Executive Board is provided in the Appendix on [page 9](#) and [10](#) to which is referred.

Total remuneration

CEO Jens Bjørn Andersen

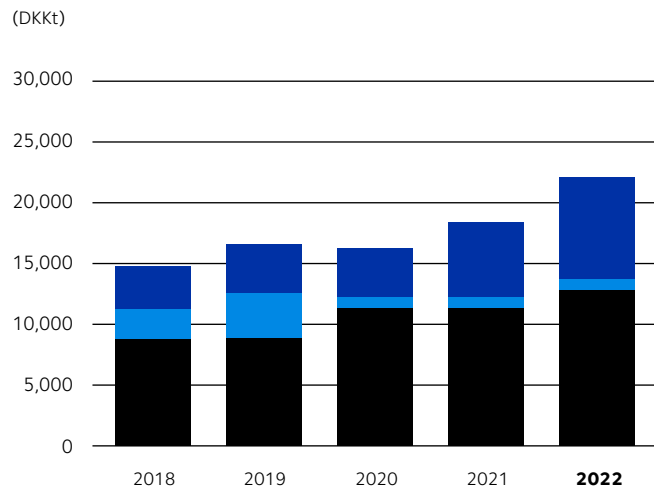
Salary ■ Pension ■ Share-based payment ■



Total remuneration

COO Jens H. Lund

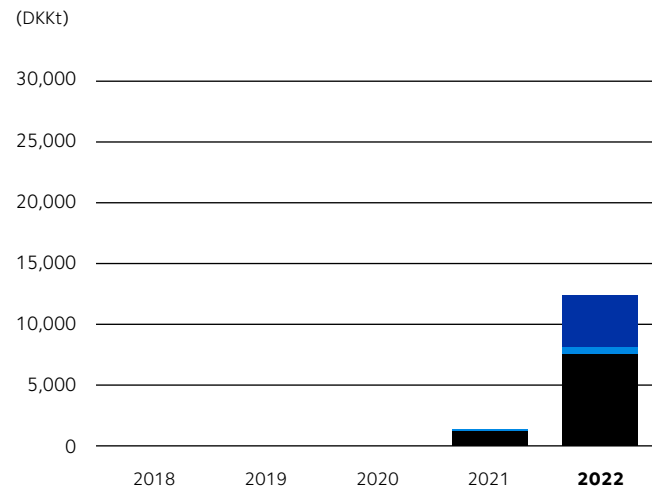
Salary ■ Pension ■ Share-based payment ■



Total remuneration

CFO Michael Ebbe

Salary ■ Pension ■ Share-based payment ■



Appendix

Board of Directors — Remuneration components

The below table provides a 5-year overview of remuneration components of the Board of Directors. Development in Company performance is presented on [page 9](#).

		2022			2021			2020			2019			2018		
Fees (DKKt)		Board	Com- mittees	Total	Board	Com- mittees	Total	Board	Com- mittees	Total	Board	Com- mittees	Total	Board	Com- mittees	Total
		Current members	Elected													
	Thomas Plenborg	1.500	750	2.250	1.500	750	2.250	1.500	750	2.250	844	590	1.434	675	563	1.238
	Jørgen Møller	750	250	1.000	750	250	1.000	750	250	1.000	506	141	647	450	113	563
	Birgit W. Nørgaard	500	125	625	500	125	625	500	125	625	450	113	563	450	113	563
	Marie-Louise Aamund	500	250	750	500	250	750	500	250	750	356	150	506	-	-	-
	Beat R. Walti	500	125	625	500	125	625	500	84	584	113	-	113	-	-	-
	Niels Smedegaard	500	250	750	500	250	750	397	168	565	-	-	-	-	-	-
	Tarek Sultan Al-Essa*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Benedikte Leroy	394	340	734	-	-	-	-	-	-	-	-	-	-	-	-
Former members	Resigned															
	Kurt K. Larsen	-	-	-	-	-	-	-	-	0	1.013	506	1.519	1.353	675	2.028
	Robert S. Kledal	-	-	-	-	-	-	104	26	130	450	75	525	450	-	450
	Annette Sadolin	106	106	212	500	500	1.000	500	500	1.000	450	319	769	450	337	787
Total remuneration		4.750	2.196	6.946	4.750	2.250	7.000	4.751	2.153	6.904	4.182	1.894	6.076	3.828	1.801	5.629
	Base fee			500			500			500			450			450
	Change in base fee since last year			0,0%			0,0%			11,1%			0,0%			0,0%
	Change in average salary base (DSV A/S)			2,0%			7,3%			3,4%			3,2%			2,0%
	Change in base fee - 3 year average			0,0%			-			-			-			-

* Tarek Sultan Al-Essa has waived receiving any fees for his position as member of the Board of Directors.

Executive board — Remuneration components

The tables below provide a 5-year overview of remuneration components of the Executive Board:

Fees (DKKm)	2022	2021	2020	2019	**2018
CEO - Jens Bjørn Andersen					
Salary	15.9	15.2	15.2	11.9	11.9
Pension	1.3	1.2	1.2	4.3	3.3
Fixed remuneration	17.2	16.4	16.4	16.2	15.2
Share-based payments	10.7	8.5	5.6	5.7	4.8
Variable remuneration	10.7	8.5	5.6	5.7	4.8
Total remuneration	27.9	24.9	22.0	21.9	20.0
Share-based payments - vesting adjustment*	-2.6	-1.8	-0.4	-1.1	-1.0
Total remuneration - Annual Report reconciliation	25.3	23.1	21.6	20.8	19.0
Fixed share of total remuneration	61.6%	65.9%	74.5%	74.0%	76.0%
Variable share of total remuneration	38.4%	34.1%	25.5%	26.0%	24.0%
Change in total remuneration	12.0%	13.2%	0.5%	9.5%	9.9%
Change in average salary base (DSV A/S)	2.0%	7.3%	3.4%	3.2%	2.0%

CFO - Michael Ebbe***

Salary	7.5	1.1	-	-	-
Pension	0.6	0.1	-	-	-
Fixed remuneration	8.1	1.2	-	-	-
Share-based payments	4.2	-	-	-	-
Variable remuneration	4.2	-	-	-	-
Total remuneration	12.3	1.2	-	-	-
Share-based payments - vesting adjustment*	-2.5	0.1	-	-	-
Total remuneration - Annual Report reconciliation	9.8	1.3	-	-	-
Fixed share of total remuneration	65.9%	100.0%	-	-	-
Variable share of total remuneration	34.1%	0.0%	-	-	-
Change in total remuneration	n.a.	-	-	-	-
Change in average salary base (DSV A/S)	2.0%	7.3%	-	-	-

Fees (DKKm)	2022	2021	2020	2019	**2018
COO - Jens H. Lund					
Salary	12.7	11.3	11.3	8.8	8.7
Pension	1.0	0.9	0.9	3.7	2.5
Fixed remuneration	13.7	12.2	12.2	12.5	11.2
Share-based payments	8.4	6.2	4.0	4.1	3.5
Variable remuneration	8.4	6.2	4.0	4.1	3.5
Total remuneration	22.1	18.4	16.2	16.6	14.7
Share-based payments - vesting adjustment*	-2.4	-1.3	-0.2	-0.7	-0.8
Total remuneration - Annual Report reconciliation	19.7	17.1	16.0	15.9	13.9
Fixed share of total remuneration	62.0%	66.3%	75.3%	75.3%	76.2%
Variable share of total remuneration	38.0%	33.7%	24.7%	24.7%	23.8%
Change in total remuneration	20.1%	13.6%	-2.4%	12.9%	8.9%
Change in average salary base (DSV A/S)	2.0%	7.3%	3.4%	3.2%	2.0%

* Difference between the Black-Scholes value of share options granted for the year and the Black-Scholes value of share options expensed over the three year vesting period as disclosed in the DSV Annual Report in accordance with IFRS 2.

** Included bonus-element in 2018 considered part of fixed salary.

*** Michael Ebbe joined the Executive Board as Group CFO on 26 October 2021.

Company performance	2022	Change	2021	Change	2020	Change	2019	Change	2018	Change
Shareprice (DKK)										
- DSV A/S	1,096.5	-28.2%	1,527.5	49.8%	1,020.0	32.8%	767.8	78.9%	429.2	-12.2%
EBIT before special items (DKKm)										
- DSV Group	25,204	55.4%	16,223	70.4%	9,520	43.1%	6,654	22.1%	5,450	11.7%
EBIT before special items (DKKm)										
- DSV A/S	-122	45.2%	-84	31.3%	-64	-17.9%	-78	2.6%	-76	5.6%

Shares and share option held by members of the Boards of Directors and Executive Board

The tables below provide an overview of shares and share options held by the Board of Directors and Executive Board at 31 December 2022:

Share options held	Jens Bjørn Andersen	Jens H. Lund	Michael Ebbe*	Total	Exercise date
Holding at 31 December 2017	420,000	300,000	n.a.	720,000	
Granted (2018 scheme)	110,000	80,000	n.a.	190,000	
Exercised (2014 scheme)	-100,000	-70,000	n.a.	-170,000	19 February 2018
Holding at 31 December 2018	430,000	310,000	n.a.	740,000	
Granted (2019 scheme)	110,000	80,000	n.a.	190,000	
Exercised (2015 scheme)	-100,000	-70,000	n.a.	-170,000	3 May 2019
Holding at 31 December 2019	440,000	320,000	n.a.	760,000	
Granted (2020 scheme)	110,000	80,000	n.a.	190,000	
Exercised (2016 scheme)	-110,000	-80,000	n.a.	-190,000	14 February 2020
Holding at 31 December 2020	440,000	320,000	n.a.	760,000	
Granted (2021 scheme)	90,750	66,000	n.a.	156,750	
Transferred*	-	-	36,000	36,000	
Exercised (2017 scheme)	-110,000	-80,000	n.a.	-190,000	15 February 2021
Holding at 31 December 2021	420,750	306,000	36,000	762,750	
Granted (2022 scheme)	90,750	71,500	36,000	198,250	
Exercised (2019 scheme)	-	-	-12,000	-12,000	18 November 2022
Holding at 31 December 2022	511,500	377,500	60,000	949,000	

* Michael Ebbe joined the Executive Board on 26 October 2021. At the time of joining, Michael Ebbe held 36,000 share options granted as remuneration from a previous position held in DSV A/S.

Scheme overview	Jens Bjørn Andersen	Jens H. Lund	Michael Ebbe*	Total	Exercise price per option (DKK)
Share options scheme 2018 (exercisable)	110,000	80,000	-	190,000	477.5
Share options scheme 2019 (exercisable)	110,000	80,000	-	190,000	545.0
Share options scheme 2020 (vesting)	110,000	80,000	12,000	202,000	560.0
Share options scheme 2021 (vesting)	90,750	66,000	12,000	168,750	1,325.0
Share options scheme 2022 (vesting)	90,750	71,500	36,000	198,250	1,485.0
Holding at 31 December 2022	511,500	377,500	60,000	949,000	-

At 31 December 2022 the DSV share price amounted to DKK 1,096.5 implying that the 2018, 2019 and 2020 share options schemes were in the money and the 2021 to 2022 schemes were not.

Shares held	Shares held at 1 January 2022	Shares purchased or other additions	Shares sold or other disposals	Shares held at 31 December 2022	Market value (DKKm)
Jens Bjørn Andersen ¹	50,000	-	-	50,000	54.8
Jens H. Lund ²	38,935	-	-400	38,535	42.3
Michael Ebbe	-	12,000	-12,000	-	-
Thomas Plenborg	5,099	-	-	5,099	5.6
Jørgen Møller	2,197	251	-	2,448	2.7
Birgit W. Nørgaard	2,033	-	-	2,033	2.2
Marie-Louise Aamund	800	-	-	800	0.9
Beat Walti	800	-	-	800	0.9
Niels Smedegaard	1,490	-	-	1,490	1.6
Tarek Sultan Al-Essa	-	-	-	-	-
Benedikte Leroy	-	800	-	800	0.9
Total	101,354	13,051	-12,400	102,005	111.9

¹ Of which 50,000 shares are held in a custody account in the name of a related party at 31 December 2022.

² Of which 30,400 shares are held in a custody account in the name of a related party at 31 December 2022.

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