

## Notice of Annual General Meeting in American Shipping Company ASA

Notice is hereby provided of the annual general meeting of American Shipping Company ASA on Tuesday 20 April 2021 at 10 a.m. (Oslo time) at Advokatfirmaet BAHR AS, Tjuvholmen Allé 16, 0252 Oslo, Norway. Ballots will be distributed at the meeting venue from 9:30 a.m. to 10 a.m. on the day of the annual general meeting.

**Important notice:** Due to the current situation of the corona virus Covid-19, shareholders are encouraged to abstain from appearing in person at the general meeting, but rather participate by means of prior voting or granting a proxy.

The annual general meeting will be held for the purposes stated below:

1. **Opening of the annual general meeting of American Shipping Company ASA, including approval of the notice and agenda.**
2. **Election of a person to co-sign the meeting minutes along with the meeting chair.**
3. **Presentation of business activities (no voting).**
4. **Approval of the 2020 annual accounts of American Shipping Company ASA, group consolidated accounts and the Board of Directors' report.**
5. **Approval of the policy for salary and other remuneration to executive management of the Company.**
6. **Consideration of the statement of corporate governance (no voting).**
7. **Determination of the board members' remuneration.**
8. **Determination of the remuneration to the members of the Nomination Committee.**
9. **Approval of remuneration to the auditor for 2020.**
10. **Election of members to the Board of Directors.**
11. **Authorization to the Board of Directors for payment of dividends.**
12. **Authorization to the Board of Directors to acquire treasury shares in connection with incentive scheme for employees.**
13. **Authorization to the Board of Directors to acquire treasury shares for investment purposes or subsequent sale or deletion or such shares.**
14. **Authorization to the Board of Directors to acquire treasury shares in connection with acquisitions, mergers, de-mergers or other transactions.**
15. **Authorization to the Board of Directors to increase the share capital in connection with future investments etc.**

### **The shares of the company and the right to vote for shares**

The Company's share capital is NOK 606,165,050 divided into 60,616,505 shares, each having a face value of NOK 10. Each share carries one vote. However, voting and ownership restrictions apply to Shipping Operators, as set out in the Articles of Association section 8.

Each shareholder has, subject to the above mentioned restrictions for Shipping Operators as defined in the Articles of Association section 8, the right to vote for the number of shares owned by the actual shareholder and registered in the shareholder's register with the Norwegian Central Securities Depository (VPS) at the time of the general meeting. If a share acquisition has not been registered with the Norwegian Central Securities Depository (VPS) at the time of the general meeting, voting rights for the acquired shares may only be exercised if the acquisition is reported to the Norwegian Central Securities Depository (VPS) and proven at the general meeting. In a share transfer, the parties may agree that the seller can exercise the rights as holder of the shares until the shares have been transferred to the acquirer.

According to the company's assessment, neither the actual owner nor the agent has the right to vote for shares registered on nominee accounts with the Norwegian Central Securities Depository (VPS), cf. the Norwegian Public Limited Liability Companies Act section 4-10. The actual owner may, however, vote for the shares in the event all necessary steps are taken to terminate the custodian registration of the shares, and the shares are transferred to an ordinary account registered with the Norwegian Central Securities Depository (VPS), in the owner's name. Provided that the owner can document such conduct, and he has an actual ownership interest in the company, he may, in the company's opinion, vote for the shares, even though they are not yet registered on an ordinary VPS-account.

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can if desirable, be given to the chairperson of the board or the person she appoints.

### **The shareholders' rights**

A shareholder cannot demand that new items are added to the agenda now, as the deadline for such request has expired, cf. Norwegian Public Limited Liability Companies Act section 5-11 second sentence. A shareholder has the right to make proposals for a resolution regarding the items which will be discussed by the general meeting.

A shareholder has the right to request board members and CEO to provide necessary information to the general meeting that may influence the approval of the annual accounts and the Board of Directors' report; items brought before the general meeting for approval; the company's financial state, including information on other businesses the company may have interest in, and other items to be discussed at the general meeting, unless the information requested may not be disclosed without disproportionate damage to the company.

If additional information is necessary, and an answer not will be given at the general meeting, a written answer shall be prepared within two weeks from the date of the general meeting. Such answer shall be available at the company's office and sent to shareholders requesting the information. If the answer is considered material for evaluation of the circumstances mentioned in the previous paragraph, the answer should be sent to all shareholders with known address.

### **Registration of attendance to the general meeting**

Shareholders who wish to participate the annual general meeting either in person or by proxy, must notify the company of their attendance no later than 16 April 2021 at 12:00 noon (CEST). Notification of attendance can be given via the company's website [www.americanshippingco.com](http://www.americanshippingco.com) or via VPS Investor Services, a service offered by most registrars in Norway, or by completing and returning the enclosed attendance form scanned by email to [genf@dnb.no](mailto:genf@dnb.no), or alternatively by post to DNB Bank ASA, Registrar's Department, P.O. Box 1600 Sentrum, 0021 Oslo.

Notification of attendance must be sent electronically or received no later than the deadline stated above. Shareholders who fail to register by this deadline may be denied access to the annual general meeting and denied the right to vote. Proxy with or without voting instructions,

### **Voting by means of electronic communication prior to the general meeting**

A shareholder, not present himself at the general meeting, may prior to the general meeting cast vote on each agenda item via the company's website, [www.americanshippingco.com](http://www.americanshippingco.com), or via VPS Investor Services (PIN-code and reference number from the notice of attendance is required). The deadline for prior voting is 16 April 2021 at 12:00 noon (CEST). Up until the deadline; votes already cast may be changed or withdrawn. If a shareholder choose to attend the general meeting in person or by proxy, votes already cast prior to the general meeting will be considered withdrawn.

The following documents will be available on [www.americanshippingco.com](http://www.americanshippingco.com):

- This notice and the enclosed form for notice of attendance/proxy
- The Board of Directors' proposed resolutions for the annual general meeting for the items listed above
- The Board of Directors' proposed 2020 financial statements and annual accounts, annual report and auditor's report
- The policy for salary and other remuneration to the Management of the Company, in accordance with section 6-16a of the Norwegian Public Limited Liability Companies Act
- The recommendations from the Nomination Committee

Pursuant to section 10 of American Shipping Company ASA's Articles of Association and Section 5-12 (1) of the Norwegian Public Limited Liability Companies Act, the Chairperson of the Board, Annette Malm Justad, will open and chair the general meeting.

Any shareholder, who wants to receive the documents, can contact [IR@amshipco.com](mailto:IR@amshipco.com) or regular mail to American Shipping Company ASA, P.O. Box 230, 1326 Lysaker, Norway.

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26 March 2021

American Shipping Company ASA  
Board of Directors

Enclosure: Notice of attendance/Proxy

Ref no:

PIN code:

**Notice of annual General Meeting**

Meeting in American Shipping Company ASA will be held on 20 April 2021 at 10.00 a.m. Address: Advokatfirmaet BAHR AS, Tjuvholmen Allé 16, 0252 Oslo, Norway

The undersigned will attend the annual general meeting on Tuesday 20 April 2021 and vote for the following number of shares owned per Record Date 16 April 2021: \_\_\_\_\_

**IMPORTANT MESSAGE:**

*Due to the outbreak of the corona virus Covid-19 shareholders are encouraged to abstain from appearing in person at the general meeting, but rather participate by means of advance votes or by granting a proxy. Shareholders not enrolled by the set registration deadline, may be denied attendance. Shareholders should note that additional information on proceedings of the meeting may be given on short notice and announced on the Company's profile on [www.newsweb.no](http://www.newsweb.no) and the Company's website.*

**Deadline for registration of attendance, advance votes, proxy or instructions: 16 April 2021 at 12:00 p.m (CEST)**

**Advance votes**

Advance votes may only be executed electronically, through the Company's website [www.americanshippingco.com](http://www.americanshippingco.com) (use ref.nr and pin code above) or through VPS Investor Services. In Investor Services chose *Corporate Actions - General Meeting, click on ISIN*.

**Notice of attendance**

**Notice of attendance should be registered through the Company's website [www.americanshippingco.com](http://www.americanshippingco.com) or through VPS Investor Services.**

For notification of attendance through the Company's website, the above mentioned reference number and pin code must be stated. In VPS Investor Services chose *Corporate Actions - General Meeting, click on ISIN*.

If you are not able to register this electronically, you may send by e-mail to [genf@dnb.no](mailto:genf@dnb.no), or by regular Mail to DNB Bank ASA, Registrars Department, P.O.Box 1600 Centrum, 0021 Oslo, Norway.

If the shareholder is a Company, please state the name of the individual who will be representing the Company: \_\_\_\_\_  
The Undersigned will attend the Annual General Meeting on 20 April 2021

Place	Date	Shareholder's signature
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**Proxy without voting instructions** for Annual General Meeting of American Shipping Company ASA

*If you are unable to attend the meeting, you may grant proxy to another individual.*

Ref no:

PIN code:

**Proxy should be registered through the Company's website [www.americanshippingco.com](http://www.americanshippingco.com) or through VPS Investor Services.**

For granting proxy through the Company's website, the abovementioned reference number and pin code must be stated. In VPS Investor Services chose *Corporate Actions - General Meeting, click on ISIN*

If you are not able to register this electronically, you may send by E-mail to [genf@dnb.no](mailto:genf@dnb.no), or by regular Mail to DNB Bank ASA, Registrars Department, P.O.Box 1600 Centrum, 0021 Oslo, Norway. If the shareholder is a Company, the Company's Certificate of Registration must be attached to the proxy.

**The undersigned**

hereby grants (if you do not state the name of the proxy holder, the proxy will be given to the Chair of the Board of Directors)

the Chair of the Board of Directors (or a person authorised by him or her), or

\_\_\_\_\_  
(Name of proxy holder in capital letters)

proxy to attend and vote for my/our shares at the Annual General Meeting of American Shipping Company ASA on 20 April 2021.

Place	Date	Shareholder's signature (only for granting proxy)
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**Proxy with voting instructions** for Annual General Meeting in American Shipping Company ASA

If you are unable to attend the meeting in person, you may use this proxy form to give voting instructions to Chair of the Board of Directors or the person authorised by him or her. (Alternatively, you may vote electronically in advance, see separate section above.) Instruction to other than Chair of the Board should be agreed directly with the proxy holder.

Proxies with voting instructions can only be registered by DNB, and must be sent to [genf@dnb.no](mailto:genf@dnb.no) (scanned form) or by regular Mail to DNB Bank ASA, Registrars' Department, P.O.Box 1600 Centrum, 0021 Oslo, Norway. The form must be received by DNB Bank ASA, Registrars' Department no later than **16 April 2021 at 12:00 p.m.** If the shareholder is a Company, the Company's Certificate of Registration must be attached to the proxy.

**Proxies with voting instructions must be dated and signed in order to be valid.**

**The undersigned:**

**Ref no:**

hereby grants the Chair of the Board of Directors (or the person authorised by him or her) proxy to attend and vote for my/our shares at the Annual General Meeting of American Shipping Company ASA on 20 April 2021.

The votes shall be exercised in accordance to the instructions below. If the sections for voting are left blank, this will be counted as an instruction to vote in accordance with the Board's and Nomination Committee's recommendations. However, if any motions are made from the attendees in addition to or in replacement of the proposals in the Notice, the proxy holder may vote at his or her discretion. If there is any doubt as to how the instructions should be understood, the proxy holder may abstain from voting.

Agenda for the Annual General Meeting 2021	For	Against	Abstention
1. Opening of the annual general meeting of American Shipping Company ASA, including approval of the notice and agenda.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Election of a person to co-sign the meeting minutes along with the meeting chair.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Presentation of business activities (no voting).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Approval of the 2020 annual accounts of American Shipping Company ASA, group consolidated accounts and the Board of Directors' report.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Approval of policy for determination of salary and other remuneration to the executive management of the Company.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Consideration of the statement of corporate governance (no voting).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Determination of the board members' remuneration.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Determination of the remuneration to the members of the Nomination Committee.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Approval of remuneration to the auditor for 2020.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Election of members to the Board of Directors.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Authorization to the Board of Directors for payment of dividends.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Authorization to the Board of Directors to acquire treasury shares in connection with incentive scheme for employees.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. Authorization to the Board of Directors to acquire treasury shares for investment purposes or subsequent sale or deletion or such shares.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. Authorization to the Board of Directors to acquire treasury shares in connection with acquisitions, mergers, de-mergers or other transactions.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. Authorization to the Board of Directors to increase the share capital in connection with future investments etc.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Place	Date	Shareholder's signature (Only for granting proxy with voting instructions)
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With regard to rights of attendance and voting, reference is made to the Norwegian Public Limited Liability Companies Act, in particular chapter 5. If the shareholder is a company, the company's certificate of registration must be attached to the proxy.

## THE BOARD OF DIRECTORS' REASONING AND PROPOSAL FOR THE RESOLUTIONS TO BE PASSED

**Item 4 Approval of the 2020 annual accounts of American Shipping Company ASA, group consolidated accounts and the Board of Director's report.**

The annual report which comprises the annual accounts, the Board of Directors' report and the audit opinion for 2020, is available at the Company's website: [www.americanshippingco.com](http://www.americanshippingco.com).

The Board of Directors proposes that the General Meeting passes the following resolution:

*"The General Meeting approves the annual accounts for 2020 for American Shipping Company ASA, group consolidated accounts and the Board of Director's Report."*

**Item 5 Approval of policy for determining salary and other remuneration to the executive management of the Company.**

In accordance with section 6-16a of the Norwegian Public Limited Liability Companies Act, the Board of Directors has established a policy for determining salary and other remuneration to the executive management of the Company. The policy is available at the Company's website.

The policy is subject to approval by the general meeting upon any material changes and in any event every 4<sup>th</sup> year. As of and starting from the annual general meeting in 2022, the Board of Directors will prepare a report on salary and other remuneration to executive management based on the policy, that will be subject to the advisory vote by the general meeting in accordance with section 6-16b of the Norwegian Public Limited Liability Companies Act.

The Board of Directors proposes that the General Meeting passes the following resolution with regard to the policy:

*"The General Meeting approves the policy for determining salary and other remuneration to executive management pursuant to the Norwegian Public Limited Liability Companies Act section 6-16a."*

**Item 7 Determination of the board members' remuneration.**

The recommendations from the Nomination Committee are available at the Company's website.

The Nomination Committee proposes that the General Meeting passes the following resolution:

*"In accordance with the proposal from the Nomination Committee, the General Meeting approves that the remuneration rates for members of the Board of Directors for the period from the 2020 Annual General Meeting up to the 2021 Annual General Meeting shall be as follows:*

- NOK 520,000 to the Chairperson of the board
- NOK 410,000 to each of the other board members.

*The above fees include remuneration for audit committee-related work.”*

**Item 8 Determination of the remuneration to the members of the Nomination Committee.**

The recommendations from the Nomination Committee are available at the Company’s website.

The Nomination Committee proposes that the General Meeting passes the following resolution:

*”In accordance with the proposal from the Nomination Committee, the General Meeting approves that the remuneration rate for members of the Nomination Committee for the period from the 2020 Annual General Meeting up to the 2021 Annual General Meeting shall be NOK 25,000 for each member.”*

**Item 9 Approval of the remuneration to the auditor for 2020.**

The Board of Directors proposes that the General Meeting passes the following resolution:

*”The remuneration to the auditor of NOK 735,000 ex. VAT for the audit of the Company’s 2020 annual accounts is approved. In addition, the Group has paid fees to KPMG of NOK 303,184 ex. VAT for services other than audit.”*

**Item 10 Election of members to the Board of Directors.**

The recommendations from the Nomination Committee are available at the Company’s website.

The Nomination Committee proposes that the General Meeting passes the following resolution:

*”In accordance with the proposal from the Nomination Committee, Annette Malm Justad is re-elected as chairperson of the Board of Directors for a period of two years.*

*The Board of Directors of American Shipping Company ASA will then consist of the following members:*

*Annette Malm Justad (Chairperson)*

*Peter Ditlef Knudsen*

*Kristian Røkke.”*

**Item 11 Authorization to the Board of Directors for payment of dividends.**

To facilitate for payment of dividend on an on-going basis, the Board of Directors proposes that the General Meeting passes the following resolution:

*”The General Meeting grants the Board of Directors authorization to resolve payment of dividends based on the Company's annual accounts for 2020. The authorization is valid up to the Annual General Meeting in 2022.”*

**Item 12 Authorization to the Board of Directors to acquire treasury shares in connection with incentive scheme for employees.**

The Board of Directors proposes that the General Meeting passes the following resolution:

- 1. The Board of Directors is authorized to acquire treasury shares with a total nominal value of NOK 2,500,000.*
- 2. The authorization is valid up to the Annual General Meeting in 2022, but no longer than June 30, 2022.*
- 3. Treasury shares shall be acquired for a consideration of minimum NOK 1 and maximum NOK 300 per share.*
- 4. The Board of Directors is free to decide the method of acquisition and disposal of treasury shares. The authorization can be used in situations as described in the Securities Trading Act section 6-17.*
- 5. The authorization can only be used in connection with the incentive scheme for employees.*

**Item 13 Authorization to the Board of Directors to acquire treasury shares for investment purposes or subsequent sale or deletion of such shares.**

The Board of Directors proposes that the General Meeting passes the following resolution:

- 1. The Board of Directors is authorized to acquire treasury shares with a total nominal value of NOK 60,616,505.*
- 2. The authorization is valid up to the Annual General Meeting in 2022, but no longer than June 30, 2022.*
- 3. Treasury shares shall be acquired for a consideration of minimum NOK 1 and maximum NOK 300 per share.*
- 4. The Board of Directors is free to decide the method of acquisition and disposal of treasury shares. The authorization can be used in situations as described in the Securities Trading Act section 6-17.*
- 5. The authorization can only be used for investment purposes or subsequent sale or deletion of such shares.*

**Item 14 Authorization to the Board of Directors to acquire treasury shares in connection with acquisitions, mergers, de-mergers or other transactions.**

The Board of Directors proposes that the General Meeting passes the following resolution:

- 1. The Board of Directors is authorized to acquire treasury shares with a total nominal value of NOK 60,616,505.*
- 2. The authorization is valid up to the Annual General Meeting in 2022, but no longer than June 30, 2022.*
- 3. Treasury shares shall be acquired for a consideration of minimum NOK 1 and maximum NOK 300 per share.*
- 4. The Board of Directors is free to decide the method of acquisition and disposal of treasury shares. The authorization can be used in situations as described in the Securities Trading Act section 6-17.*
- 5. The authorization can only be used for the purpose of utilising the company's shares as transaction currency in acquisitions, mergers, de-mergers or other transactions.*

**Item 15 Authorization to the Board of Directors to increase the share capital in connection with future investments etc.**

The Board of Directors proposes that the General Meeting passes the following resolution:

- 1. The Board of Directors is authorized to increase the share capital by up to NOK 60,616,505.*
- 2. The authorization is valid up to the Annual General Meeting in 2022, but no longer than June 30, 2022.*
- 3. The pre-emptive rights of the existing shareholders pursuant to section 10-4 of the Public Limited Liability Company's Act may be derogated from.*
- 4. The authorization includes share capital increase against non-cash contributions, rights to assume special obligations on the Company in addition to resolution of merger and demerger, cf. the Public Limited Liability Company's Act section 13-5 and 14-6 (2). The authorization can be used in situations as described in the Securities Trading Act section 6-17.*
- 5. The authorization can only be used in connection with strengthening of the Company's equity capital, or to raise equity capital for future investments within the Company's scope of operations.*



## **Proposal from the nomination committee of American Shipping Company ASA to its annual general meeting to be held on 20 April 2021**

The nomination committee of American Shipping Company ASA (“AMSC”) comprises Ove Andre Taklo (chairman) and Ingebret G. Hisdal.

The nomination committee has held two meetings since the 2020 annual general meeting. The committee has, among other things, been presented a review of the board’s performance for 2020 and discussed the same separately with the chairperson of the board and the chief executive officer.

In connection with the annual general meeting of American Shipping Company ASA to be held 20 April 2021, the nomination committee submits the following unanimous proposal:

### **1. Election of members to the board**

Annette Malm Justad (chairperson) is up for election this year. The nomination committee recommends that she is re-elected in her position for a period of two years. The board will thereby comprise of Annette Malm Justad (chairperson), Kristian Røkke and Peter D. Knudsen.

### **2. Proposed fees to the members of the board**

The board remuneration has remained unchanged for several years, and the nomination committee therefore proposes that board remuneration is increased compared to the levels for the previous period. Hence, the nomination committee proposes the following fees for the board for the period from the 2020 annual general meeting until the 2021 annual general meeting: The fees includes remuneration for audit committee-related work.

Chairperson:	NOK 520,000
Board members	NOK 410,000

### **3. Proposed fees for the nomination committee**

The nomination committee proposes that the remuneration is maintained as per previous year. The following fees are proposed for the nomination committee for the period from the 2020 annual general meeting until the 2021 annual general meeting:

Chairperson and members: NOK 25,000 per member

As per normal practice of Aker companies, senior executives are not personally permitted to receive directors’ or nomination committee fees from other companies within Aker. The fees are in such cases paid directly to the company of which the relevant board member is an employee.

Consequently, the fees accruing to Kristian Røkke will be paid to Aker Horizons AS and the fees accruing to Ove A. Taklo will be paid to Aker ASA.

Lysaker, 1 March 2021

On behalf of the nomination committee of American Shipping Company ASA

Ove Andre Taklo  
Chairman

**POLICY FOR SALARY AND OTHER REMUNERATION OF EXECUTIVE MANAGEMENT OF  
AMERICAN SHIPPING COMPANY ASA**

Approved by the general meeting on 20 April 2021

In accordance with section 6-16a of the Norwegian Public Limited Liability Companies Act (the “Companies Act”), the Board of Directors (the “Board”) of American Shipping Company ASA (the “Company”) has prepared a policy for the determination of salary and other remuneration of executive management of the Company (the “Policy”). The General Meeting’s approval of the guidelines is of an advisory nature to the Board of Directors.

The Policy applies to the following executive management:

- Chief Executive Officer (CEO) - position currently held by Pål Lothe Magnussen
- Chief Financial Officer (CFO) - position currently held by Morten Bakke
- Controller - position currently held by Leigh Jaros

(Hereinafter collectively referred to as the “Executive Management” or separately as each “Executive”.)

This policy has been prepared by the Board based on the principles set out in the statement of remuneration approved in the annual general meeting in 2020 and the current employment agreement for Executive Management in effect as of the date hereof.

**1. DECISION-MAKING PROCESS**

The policy is subject to approval by the Company’s annual general meeting in 2021, and shall remain in effect until it is submitted to shareholders for re-approval every four years or sooner if material changes to the Policy are proposed, in accordance with section 5-6 (3), cf. section 6-16a (5) of the Companies Act.

The Board is responsible for adopting the Policy with elements to be included in the Executive Management’s compensation plans and guidelines for the determination of the actual annual compensation. The Board will consider any actual or potential conflict of interest in preparing and maintaining this policy, if and when relevant, and consider reasonable measures to be taken to mitigate any such conflicts of interest.

The Board shall assess each element of the compensation plan jointly as a whole. The Board shall receive an overview of the aggregate value of the agreed remuneration to the Executive Management on an annual basis. As a main rule, the performance for the past year and the determination of the new fixed salary for the coming year, is reviewed and managed no later than during the first quarter of the new fiscal year. The new fixed salary is valid from January 1st the same year.

Variable salary is based on an incentive scheme set by the Board every three years as part of each new award cycle. Variable salary elements for the Executive Management shall be linked to the Company’s financial performance and determined at the discretion of the Board.

## 2. PURPOSE FOR THE REMUNERATION

This Policy is designed to be in line with the Company's overall business strategy, long-term interests and financial sustainability.

The Company is dependent on being able to offer remuneration which can attract and retain high-quality persons for the Executive Management. Thus, the Company offer a remuneration comprising fixed and variable salary to attract and retain Executive Management members of the experience and quality required to deliver the Company's strategy, recognising the market value of an executive's role, skills, responsibilities, performance and experience.

This Policy is designed with this in mind and has been developed in order to create a performance-based system. The remuneration components for the Executive Management are structured to provide strong alignment between the interests of executives and shareholders, including a focus on delivering the Company's key strategic objectives, and to support the business strategy and long-term interests.

## 3. REMUNERATION FOR EXECUTIVE MANAGEMENT

The current remuneration package for our Executive Management includes both fixed and variable elements (the "**Remuneration Package**"). The fixed elements consist of a base salary, severance pay and a standard pension and insurance scheme, as explained below in section 3.1. The variable elements consist of a cash bonus based on synthetic shares and an offer to purchase shares in the Company to a reduced price, as explained below in section 3.2. The Remuneration Package for each of the Executive Management members is subject to a total monetary cap. Subject to such cap, the proportionate relationship between the fixed and variable elements may vary depending on various conditions and criteria.

The Company does not have any employee representatives on its Board of Directors.

### 3.1 Fixed salary

The Executives are offered standard employment contracts. Their contracts can be terminated on six months' notice, subject to customary termination conditions.

The members of the Executive Management are entitled to six months' severance payment. Except for this, the members of the management are not entitled to special benefits beyond ordinary severance pay during available termination notice periods. The members of the Executive Management participate in a standard pension and insurance scheme.

### 3.2 Variable salary

#### 3.2.1 Cash-based remuneration

The Company has implemented an incentive scheme pursuant to which members of the Executive Management receive a variable pay based on the award of synthetic shares in order to align performance payments with shareholder value creation. The system is based on awarding a certain number of synthetic shares to each member of the Executive Management.

#### (i) Dividend bonus

The holder of the synthetic shares receives cash payments equal to the dividend paid to the shareholders ("**Dividend Bonus**"). Dividend is deemed as all direct and indirect distributions from the Company to its shareholders, and includes but are not limited to, any distribution or repayment of any dividend or share premium; or redemption of its share capital. The dividend Bonus shall be

equivalent to the amount that is actually paid as dividend per share in the Company (“AMSC-Shares”), multiplied by the number of synthetic shares. The Dividend Bonus shall be due at the same date as the payment of dividends on the AMSC-Shares.

(ii) Index bonus

Further, if the annual share price increase, a cash bonus is paid at the end of the year (“Index Bonus”). The Index Bonus shall be calculated based on the difference between the closing price of the AMSC-Shares on the last day of trading in the calendar year in which the calculation of the bonus shall be calculated on the basis of, and the closing price on the last day of trading in the previous year, multiplied with the number of synthetic shares.

### 3.2.2 Purchase of shares

The Company also has an incentive scheme for the Executive Management, where the Company can offer the Executive Management to purchase shares in the Company, subject to lock-up restrictions, with a view to incentivize long-term value creation and performance by the management.

The purchase price for the AMSC-Shares shall be the share price as of the date the Company delivers the AMSC-shares, less a price reduction of maximum 20% to compensate for the Lock-Up Period. The AMSC-shares are subject to a lock-up period of three years, and during this period the shares cannot be sold, pledged or in any way transferred or disposed of.

The Company is in its sole discretion entitled to decide whether the AMSC-shares shall be granted by purchasing the Company’s own shares, and/ or by subscription of new shares in the Company, and/ or otherwise.

## 4. DEVIATIONS FROM THE POLICY

In case of exceptional circumstances, the Board may use its discretion after due consideration and discussions to temporarily deviate from the Policy and adjust the variable salary element to a reasonable level. Such adjustment may include granting a reasonable cash bonus to one or more Executives for an extraordinary performance, which could not be taken into account when setting the targets at the beginning of the year. It may also include granting extraordinary benefits and/or special exit conditions which is deemed necessary to serve the long-term interests of the Company for recruitment or retention purposes.