

REMUNERATION POLICY FOR THE BOARD OF DIRECTORS AND THE EXECUTIVE BOARD OF ØRSTED A/S (THE "COMPANY")

1. Purpose and remuneration principles

This remuneration policy describes the principles for payment of remuneration to the Board of Directors and the Executive Board. The Executive Board means the executive officers registered with the Danish Business Authority as Executive Officers of the Company.

The overall objective of this remuneration policy is to attract, motivate and retain qualified members of the Board of Directors and the Executive Board and to align the interests of the Board of Directors and the Executive Board with the interests of the shareholders.

Furthermore, the purpose of this remuneration policy is to fulfil the requirement of section 139 of the Danish Companies Act that a listed company must define general guidelines for the company's incentive pay to its board of directors and executive board prior to entering into any specific agreements in this respect with individual members of the board of directors or the executive board.

While the Board of Directors only receives a fixed annual fee, the remuneration of the Executive Board also includes incentive-based remuneration, which is designed to support the long-term value creation of the Company as further described below.

2. The Board of Directors

2.1 General comments

The remuneration for the Board of Directors for each financial year is to be approved at the Annual General Meeting each year under a separate item on the agenda. The proposal for remuneration of the Board of Directors must be included in the notice convening the Annual General Meeting.

The remuneration for the Board of Directors should be competitive, but not market-leading, compared to the remuneration paid in other major Danish listed companies with international activities.

2.2 Fixed annual remuneration

Each member of the Board of Directors will receive a fixed annual fee, while the Chairmanship will receive a multiple thereof. The Chairman of the Board of Directors will receive 3 times the fixed annual fee. The Deputy Chairman of the Board of Directors will receive 2 times the fixed annual fee.

Each member of the Audit and Risk Committee will receive an additional annual fee for being a member of the Audit and Risk Committee. For ordinary members of the Audit and Risk Committee the additional annual fee will amount to 0.3 times the fixed annual fee. For the Chairman of Audit and Risk Committee the additional annual fee will amount to 0.6 times the fixed annual fee.

Each member of the Nomination and Remuneration Committee will receive an additional annual fee for being a member of the Nomination and Remuneration Committee. For ordinary members of the Nomination and Remuneration Committee the additional annual fee will amount to 0.25 times the fixed annual fee. For the Chairman of Nomination and Remuneration Committee the additional annual fee will amount to 0.40 times the fixed annual fee.

2.3 Incentive-based remuneration

The remuneration of the Board of Directors does not include any incentive-based remuneration. However, employee-elected members of the Board of Directors may due to their employment be covered by general incentive schemes applicable to employees of the Group.

3. The Executive Board

3.1 General comments

The Nomination and Remuneration Committee will make proposals for remuneration of the Executive Board, which will be subject to approval by the Board of Directors.

The remuneration level should be competitive, but not market-leading, compared to the remuneration level in similar major Danish listed companies with international activities.

The remuneration serves the purpose of ensuring an appropriate balance between (i) fixed remuneration and (ii) incentive-based remuneration, which in turn aims at rewarding the creation of value as well as the performance of the individual member of the Executive Board.

The remuneration consists of (i) a fixed annual remuneration, (ii) cash-based incentive schemes, (iii) a long-term share-based incentive scheme and (iv) other benefits in kind.

The members of the Executive Board will receive no remuneration for executive board positions or directorships held in the Company's subsidiaries or associated companies.

The individual remuneration components are described in further detail below.

3.2 Incentive schemes

3.2.1 Cash-based incentive schemes

3.2.1.1 Short-term incentive scheme

The short-term incentive scheme for the Executive Board is a variable cash-based incentive scheme with a term of 12 months ("STI"). The STI will be assessed, paid and renewed on an annual basis.

The performance targets of the STI consist of 2 different elements: (i) the Company's creation of value and (ii) the performance of the individual member of the Executive Board within strategic areas of responsibility and/or specific projects.

The payment under the STI is subject to the full or partial achievement of the above-mentioned performance targets. The Remuneration Committee of the Board of Directors sets the performance targets for and determines the performance of the Chief Executive Officer, while the Chairman of the Board of Directors and the Chief Executive Officer set the performance targets for and determine the performance of the other members of the Executive Board.

The target bonus under the STI amounts to 15% of the fixed annual remuneration of each individual member of the Executive Board whereas the maximum bonus amounts to 30% of the fixed annual remuneration of each individual member of the Executive Board. Maximum bonus will be paid in case of full achievement of all performance targets.

3.2.1.2 IPO Executive Retention Bonus

In connection with the Initial Public Offering in 2016, the Company introduced a one-off IPO Executive Retention Bonus. Members of the Executive Board were granted an IPO Retention Bonus, to be paid out in two instalments, each corresponding to 20% of the relevant member's

annual fixed remuneration. The first instalment was paid out in October 2017, and the second instalment will be paid out in October 2018.

Payment of each instalment of the retention bonus is conditional upon continued employment. If a member of the Executive Board leaves the Company as a bad leaver, he/she will forfeit his/her right to upcoming instalments.

3.2.1.3 Other cash-based incentive schemes

At the discretion of the Board of Directors, the individual member of the Executive Board may in very extraordinary circumstances be eligible for further cash variable pay schemes of up to an additional 20% of his/her fixed annual remuneration. Such cash variable pay schemes will be tied to specific performance targets.

3.2.2 Share-based incentive scheme

In connection with the Initial Public Offering of the Company in June 2016, a new share programme was established covering also members of the Executive Board.

The aim of the share-based incentive scheme is to support the long-term value creation of the Company. The relevant goals for the long-term value creation are considered to be total shareholder return in absolute value as well as total shareholder return relative to peers in the energy industry.

Under the Ørsted share programme ("ØSP"), each member of the Executive Board has the opportunity to be granted restricted performance share units ("PSUs") each year. The use of PSUs rewards an absolute increase in total shareholder return as well as a target of best possible ranking among peers and is thereby incentivising the Executive Board to support the long-term value creation.

It is a requirement for participating in the ØSP that each member of the Executive Board holds a certain minimum amount of shares in the Company at the time of each grant. The Chief Executive Officer must hold shares with a value equal to 75% of the Chief Executive Officer's annual fixed remuneration, and the Chief Financial Officer must hold shares with a value equal to 50% of the Chief Financial Officer's annual fixed remuneration. The shares are subject to lock-up.

The members of the Executive Board do not have to fulfil the shareholding requirement at the time of the first and the second grants but will be offered the opportunity to invest over two

years. The members of the Executive Board can fulfil the shareholding requirement by using shares already held by them or by buying new shares in the market.

The shareholding requirement will be assessed once every year. In case the shareholding is below the shareholding requirement, the relevant member of the Executive Board must add shares acquired in the market in order to be eligible for new PSU grants, and in case the shareholding is above the shareholding requirement, the surplus shares will be released from the lock-up and may be sold by the relevant member of the Executive Board. Shares fulfilling the shareholding requirement will be subject to lock-up in the following year and then the shareholding requirement will be assessed again.

Conditional upon fulfilment of the shareholding requirement at the time of the grant of the PSUs, each individual member of the Executive Board will each year be granted a target number of PSUs representing a value of 20 % of the individual member's annual fixed remuneration at the time of the grant. Each PSU will represent a right to receive one share upon vesting. The PSUs will be granted free of charge.

In case of any dividend payments from the Company before the granted PSUs have vested, each individual member of the Executive Board will be granted a number of PSUs ("Dividend PSUs") to compensate for such dividend payments. Dividend PSUs will be granted on the basis of the total number of PSUs held by each individual member of the Executive Board (including already granted Dividend PSUs). The Dividend PSUs will vest at the same time as the PSUs that they relate to

The PSUs granted will vest after 3 years, although the first grant under the ØSP is expected to vest after 2 years and approximately 7 months. The final number of PSUs that can be exercised by each member of the Executive Board upon vesting will be determined based on the financial performance of the Company compared to a number of European energy companies. The exercise rate will vary from 0% to maximum 200% of the target number of PSUs granted, which means that the maximum value of the grant (excluding share price developments) will be 40% of the individual member's annual fixed remuneration at the time of the grant.

Upon vesting, the Company will deliver shares to the members of the Executive Board. The shares will be delivered free of charge. The Company reserves the right to settle in cash instead.

Vesting of PSUs will be conditional upon continued employment of the relevant member of the Executive Board at the time of vesting. If a member of the Executive Board leaves the

Company as a bad leaver before the time of vesting, such member will forfeit his/her right to PSUs that have not vested at the termination date. If a member of the Executive Board leaves the Company as a good leaver before the time of vesting, such member will keep his/her right to PSUs already granted, which will vest in accordance with the programme.

3.3 Pension

The members of the Executive Board are not entitled to any pension contributions in addition to the fixed annual remuneration. The members of the Executive Board have the option of participating in the Company's employer-operated pension scheme, which has been set up as a defined contribution scheme.

3.4 Staff benefits/personal benefits

A number of work-related benefits are available to the members of the Executive Board, including company car, free telephone, domestic broadband access and relevant business magazines. Moreover, the members of the Executive Board are covered by the Company's insurance schemes.

Dependants of the Chief Executive Officer, defined as cohabiting spouse/cohabitant registered at the same address of registered residence, alternatively children under the age of 25, are furthermore guaranteed 12 months' post-service salary in aggregate in the event that the Chief Executive Officer dies during his/her employment.

3.5 Termination

The Company is entitled to terminate the employment of a member of the Executive Board on 12 months' notice. Each member of the Executive Board is entitled to terminate his/her employment with the Company on 6 months' notice.

3.6 Severance pay

The service agreements of members of the Executive Board include a severance pay scheme providing payment of an amount equal to 12 months' fixed remuneration in the event of dismissal by the Company without breach of contract by the relevant member of the Executive Board.

4. Expenses

Expenses, for example for travelling and accommodation in connection with meetings, will be reimbursed upon submission of valid receipts only.

5. Disclosure of the remuneration policy

The total remuneration granted to each member of the Board of Directors and the Executive Board by the Company and other companies in the Group, including information on the most important elements of retention and retirement/resignation schemes, will be disclosed in the Company's annual report.

6. Material changes to and review of the remuneration policy

The remuneration policy shall be reviewed annually by the Board of Directors. If the Board of Directors proposes material changes to the remuneration policy, these changes shall be presented to the general meeting for approval. In any event, the Board of Directors shall at least every four years present the remuneration policy to the general meeting for approval.

Approved at the annual general meeting of the Company on 8 March 2018.