

# Demerger of A.P. Møller - Mærsk A/S

# Demerger plan

On 4 March 2019, the Board of Directors of A.P. Møller - Mærsk A/S, CVR no. 22 75 62 14 ("**APMM**" or the "**Contributing Company**"), has adopted this demerger plan for the demerger of APMM by transfer of APMM's drilling activities to a new company, The Drilling Company of 1972 A/S (the "**Receiving Company**"), which is established by way of the demerger.

## 1. Distribution of assets and liabilities in the demerger

Upon completion of the demerger, the following assets and liabilities will be transferred from APMM to the Receiving Company:

- I. the entire share capital of Maersk Drilling Holding A/S, CVR no. 34 73 17 21, ("**MDH**") including the subsidiaries of MDH;
- II. the real property located at Dyrekredsen 20A, DK-5700 Svendborg, including the related service agreement with Maersk Training A/S; and
- III. other assets and liabilities of APMM directly related to APMM's drilling activities.

An overview of the assets and liabilities transferred as part of the demerger is set out in **Appendix 1**.

Upon completion of the demerger, the Receiving Company further assumes, in respect of APMM, all obligations under parent company guarantees or similar guarantee liabilities provided by APMM in favour of MDH or its subsidiaries.

The transfer shall include what may, at the time of completion of the demerger, cf. clause 8, have replaced the assets and liabilities comprised by the demerger.

The assets and liabilities comprised by the demerger are transferred by APMM 'as is' and thus without any representations or warranties from APMM to the Receiving Company.

All income and expenses relating to the period from 1 January 2019 until completion of the demerger, cf. clause 8, and which relate to the comprised assets and liabilities, will accrue to the Receiving Company. However, any dividends from MDH which may be adopted or paid during the period from 1 January 2019 until completion of the demerger, shall be allocated to APMM.

Except for the assets and liabilities that will be transferred to the Receiving Company at completion of the Demerger as set out above, all of APMM's assets and liabilities will remain in APMM. The Contributing Company, APMM, will thus continue after the demerger.

## 2. Participating companies

The Receiving Company is established upon completion of the demerger and shall be registered with the Danish Business Authority. Draft articles of association for the Receiving Company are attached as **Appendix 2**.

The name of the Receiving Company shall be "The Drilling Company of 1972 A/S".

The Receiving Company will have its registered domicile in the Municipality of Lyngby-Taarbæk at Lyngby Hovedgade 50, DK-2800 Kgs. Lyngby.

The Contributing Company's name is "A.P. Møller - Mærsk A/S" and its secondary names are "Aktieselskabet Dampskibsselskabet Svendborg" and "Dampskibsselskabet af 1912, Aktieselskab".

In connection with the Demerger, the Receiving Company will not take over APMM's name or secondary names.

APMM's registered domicile is in the Municipality of Copenhagen at Esplanaden 50, DK-1263 Copenhagen K.

## 3. Consideration

Upon completion of the demerger, APMM's shareholders will receive shares in the Receiving Company ("**Consideration Shares**") as follows:

- a. Each APMM A share of nominally DKK 1,000 (ISIN DK0010244425) will receive two new shares of nominally DKK 10 in the Receiving Company;
- b. Each APMM B share of nominally DKK 1,000 (ISIN DK0010244508) will receive two new shares of nominally DKK 10 in the Receiving Company;
- c. Each APMM A share of nominally DKK 500 (ISIN DK0015996235) will receive one new share of nominally DKK 10 in the Receiving Company; and
- d. Each APMM B share of nominally DKK 500 (ISIN DK0015996318) will receive one new share of nominally DKK 10 in the Receiving Company.

The Consideration Shares shall be allocated equally based on the APMM shareholders' nominal shareholding in APMM, irrespective of share class. The consideration in connection with the demerger will thus be allocated among shareholders in the same proportion as dividends or other distributions from APMM.

The Consideration Shares will be allocated among the APMM shareholders based on registered ownership of APMM in VP Securities A/S as of 5 April 2019 at 5.59 p.m. (CEST) (the "**Demerger Record Date**").

The Demerger Record Date may be changed in which case a company announcement to this effect will be issued by APMM.

No Consideration Shares will be allocated on treasury shares held by APMM.

The demerger will not change the APMM shareholders' holding of shares in APMM.

#### **4. Rights attaching to the Consideration Shares**

The share capital of the Receiving Company will not be divided into share classes, and all Consideration Shares will thus carry the same shareholder rights in the Receiving Company.

The Consideration Shares will carry 1 vote per share of nominally DKK 10.

The Consideration Shares will carry the right to receive dividends and other shareholders' rights in the Receiving Company as from completion of the demerger, cf. clause 8.

The Consideration Shares will be issued and allocated through VP Securities A/S and will, following completion of the demerger, be admitted to trading and official listing on Nasdaq Copenhagen A/S.

Upon issue of the Consideration Shares, APMM shareholders registered by name will also be registered by name in the Receiving Company in respect of the Consideration Shares.

#### **5. Special privileges for the participating companies' management**

No special privileges will be given to any management member of APMM or the Receiving Company in connection with the demerger.

#### **6. Tax status of the demerger**

The demerger will be completed as a tax-exempt demerger with approval from the Danish Tax Authority, Skattestyrelsen, in accordance with the Danish Merger Tax Act.

The approval from Skattestyrelsen is granted subject to the condition that the participating companies must notify Skattestyrelsen if within the first three years following completion of the demerger there are material changes to the circumstances on which the approval is based. Skattestyrelsen may in such case revoke its approval, in which case the demerger would be treated as a taxable demerger.

#### **7. Effect for accounting purposes**

The demerger shall have effect for accounting purposes as from 1 January 2019 from which time the assets and liabilities comprised by the demerger will be considered transferred to the Receiving Company for accounting purposes.

#### **8. Approval and completion of the demerger**

Completion of the demerger is subject to approval by the general meeting of APMM. The Board of Directors of APMM expects to submit a proposal for approval of the demerger at APMM's annual general meeting expected to be held on 2 April 2019.

Any changes to the above will be announced through a company announcement from APMM.

The demerger is considered completed when it has been finally adopted by APMM's general meeting and other applicable conditions pursuant to Sections 268(1) and (2) of the Danish Companies Act have been satisfied.

#### **9. Board of Directors and auditor of the Receiving Company**

A proposal for election of members of the Board of Directors and auditor of the Receiving Company will be submitted for approval at the same general meeting in APMM, where the approval of the demerger is submitted for approval.

In connection with the completion of the demerger, a voluntary arrangement for employee board representation will be established for the Receiving Company.

#### **10. Documents**

The following documents have been prepared in connection with the demerger and will be available on APMM's website until completion of the demerger:

- Demerger statement from the APMM Board of Directors
- Valuation expert's statement on the contemplated demerger
- Valuation expert's declaration on the creditors' position

In accordance with the Danish Companies Act, no valuation report has been prepared.

**Copenhagen, 4 March 2019**

The Board of Directors of A.P. Møller - Mærsk A/S:

**Jim Hagemann Snabe**  
Chairman

**Ane Mærsk Mc Kinney Uggla**  
Vice Chairman

**Dorothee Blessing**

**Niels Bjørn Christiansen**

**Arne Karlsson**

**Jan Leschly**

**Thomas Lindegaard Madsen**

**Robert Routs**

**Jacob Andersen Sterling**

**Robert Maersk Uggla**

## Appendix 1

# Overview of assets and liabilities transferred as part of the demerger

This overview has been prepared for information purposes only and does not constitute a statutory demerger balance as set out in section 130 of the Danish Financial Statements Act.

Amounts in USD million

31 December 2018	A.P. Møller - Mærsk A/S	Remaining in A.P. Møller - Mærsk A/S	Transferred to The Drilling Company of 1972 A/S
Investments in subsidiaries	18,753	18,753	
Investments in associated companies	5	5	
Interest bearing receivables from subsidiaries, etc.	20,025	20,025	
Derivatives	133	133	
Other receivables	8	8	
<b>Financial non-current assets, etc.</b>	<b>38,924</b>	<b>38,924</b>	-
<b>Total non-current assets</b>	<b>38,924</b>	<b>38,924</b>	-
Trade receivables	6	6	
Interest bearing receivables from subsidiaries, etc.	3,144	3,144	
Derivatives	97	97	
Other receivables	107	107	
Other receivables from subsidiaries, etc.	251	251	
Prepayments	51	51	
<b>Receivables, etc.</b>	<b>3,656</b>	<b>3,656</b>	-
<b>Cash and bank balances</b>	<b>1,193</b>	<b>1,193</b>	-
<b>Assets held for sale</b>	<b>3,935</b>	-	<b>3,935</b> <sup>1</sup>
<b>Total current assets</b>	<b>8,784</b>	<b>4,849</b>	<b>3,935</b>
<b>Total assets</b>	<b>47,708</b>	<b>43,773</b>	<b>3,935</b>
Share capital	3,774	3,774	
Reserves	25,600	21,665	3,935
<b>Total equity</b>	<b>29,374</b>	<b>25,439</b>	<b>3,935</b>
<b>Borrowings, non-current</b>	<b>7,573</b>	<b>7,573</b>	-
Provisions	75	75	
Derivatives	244	244	
Deferred tax	1	1	
<b>Other non-current liabilities</b>	<b>320</b>	<b>320</b>	-
<b>Total non-current liabilities</b>	<b>7,893</b>	<b>7,893</b>	-
<b>Borrowings, current</b>	<b>1,173</b>	<b>1,173</b>	-
<b>Interest bearing debt to subsidiaries, etc.</b>	<b>8,743</b>	<b>8,743</b>	-
Trade payables	73	73	
Tax payables	158	158	
Derivatives	155	155	
Other payables	110	110	
Other payables to subsidiaries, etc.	18	18	
Deferred income	6	6	
<b>Other current liabilities</b>	<b>520</b>	<b>520</b>	-
<b>Liabilities associated with assets held for sale</b>	<b>5</b>	<b>5</b>	-
<b>Total current liabilities</b>	<b>10,441</b>	<b>10,441</b>	-
<b>Total liabilities</b>	<b>18,334</b>	<b>18,334</b>	-
<b>Total equity and liabilities</b>	<b>47,708</b>	<b>43,773</b>	<b>3,935</b>

<sup>1</sup> Consists of shareholding in Maersk Drilling Holding A/S and the real property located at Dyrekredsen 20A, DK-5700 Svendborg.

## Appendix 2

# Articles of association of The Drilling Company of 1972 A/S

### 1 Name and objects

- 1.1 The Company's name is The Drilling Company of 1972 A/S.
- 1.2 The object of the Company is, directly or indirectly, to carry on business within the offshore drilling services industry. In addition, the Company may, directly or indirectly, carry on commercial activities and any other activities related thereto, including through investments or holdings in other companies.

### 2 Share capital and shares

- 2.1 The Company's nominal share capital is DKK [-], divided into shares of DKK 10 each or multiples thereof.
- 2.2 The share capital has been fully paid up.
- 2.3 The shares shall be issued in the name of the holder and shall be recorded in the name of the holder in the Company's register of shareholders.
- 2.4 The register of shareholders is kept by Computershare A/S, CVR no. 27 08 88 99.
- 2.5 The shares are negotiable instruments. No restrictions shall apply to the transferability of the shares.
- 2.6 No shares shall carry special rights.
- 2.7 No shareholder shall be under an obligation to have his/her shares redeemed in full or in part by the Company or by any third party.
- 2.8 The shares are registered with and issued in dematerialised form through VP SECURITIES A/S, CVR no. 21 59 93 36. Dividend is paid out through VP SECURITIES A/S. Rights concerning the shares shall be notified to VP SECURITIES A/S in accordance with applicable rules.

### 3 Increase of share capital

- 3.1 In the period until 1 April 2024, the Board of Directors is authorised to increase the Company's share capital in one or more issues of new shares without pre-emption rights for the Company's existing shareholders by up to a nominal amount of DKK 20,816,000. The capital increase shall take place at or above market price and may be effected by cash

payment, conversion of debt or by contribution of assets other than cash.

- 3.2 In the period until 1 April 2024, the Board of Directors is authorised to increase the Company's share capital in one or more issues of new shares without pre-emption rights for the Company's existing shareholders by up to a nominal amount of DKK 12,490,000 in connection with the issue of new shares to executives and/or employees of the Company and/or of the Company's subsidiaries. The capital increase shall take place by cash payment at a subscription price to be determined by the Board of Directors, which may be below market price.
- 3.3 New shares issued pursuant to Articles 3.1 and 3.2 shall be paid in full, shall be issued in the name of the holder, shall be recorded in the name of the holder in the Company's register of shareholders, shall be negotiable instruments and shall in every respect carry the same rights as the existing shares. The Board of Directors is authorised to lay down the terms and conditions for capital increases pursuant to the above authorisations and to make any such amendments to the Company's articles of association as may be required as a result of the Board of Directors' exercise of said authorisations.

### 4 General meeting, venue and notice

- 4.1 The general meetings of the Company shall be held in the Capital Region of Denmark.
- 4.2 The annual general meeting of the Company shall be held before the end of April. The Company shall no later than eight weeks before the contemplated date of the annual general meeting publish the date of the general meeting and the deadline for submitting requests for specific proposals to be included on the agenda.
- 4.3 Extraordinary general meetings shall be held when determined by the Board of Directors or requested by the Company's auditor. Furthermore, an extraordinary general meeting shall be held when requested by shareholders possessing no less than five per cent of the share capital. Such request shall be submitted in writing to the Board of Directors and be accompanied by a specific proposal for the business to be transacted. The Board of Directors convenes

an extraordinary general meeting no later than two weeks after such request has been made.

4.4 General meetings shall be convened by the Board of Directors with at least three weeks' and not more than five weeks' notice. The notice shall be published on the Company's website. Furthermore, a notice of the general meeting shall be sent to all shareholders recorded in the Company's register of shareholders who have so requested.

4.5 For a period of at least three weeks prior to the general meeting, including the date of the general meeting, the following information shall be available on the Company's website:

- a. The notice convening the general meeting
- b. The aggregate number of shares and voting rights as at the date of the notice
- c. The documents to be presented at the general meeting
- d. The agenda and the complete proposals as well as, for annual general meetings, the audited annual report
- e. The forms to be used for voting by proxy or by postal vote

4.6 General meetings shall be held in English. The Board of Directors may decide to offer simultaneous interpretation into Danish. Documents prepared in connection with or following a general meeting shall be in English and, if decided by the Board of Directors or required by applicable law, in Danish.

4.7 The general meeting shall be presided over by a chairman elected by the Board of Directors.

## 5 Agenda for the annual general meeting

5.1 The agenda for the annual general meeting shall include the following:

- a. The Board of Directors' report on the Company's activities in the past financial year
- b. Presentation and adoption of the annual report
- c. Distribution of profit or covering of loss according to the adopted annual report
- d. Resolution to grant discharge of liability to the Board of Directors and the Executive Management
- e. Approval of remuneration of the Board of Directors for the current financial year

f. Election of Chairman of the Board of Directors

g. Election of other members to the Board of Directors

h. Election of auditor

i. Authorisation to acquire treasury shares, if relevant

j. Any proposals from the Board of Directors or shareholders

k. Any other business

5.2 Any shareholder shall be entitled to have a specific matter considered at the annual general meeting. Any request must be submitted in writing to the Board of Directors not later than six weeks prior to the annual general meeting.

## 6 Shareholders' attendance and voting rights at the general meeting

6.1 The right of a shareholder to attend and vote at a general meeting is determined by the shares held by the shareholder at the record date. The record date is one week prior to the general meeting.

6.2 A shareholder who is entitled to attend the general meeting pursuant to Article 6.1 and who wants to attend the general meeting shall notify the Company of its attendance not later than three days prior to the date of the general meeting.

6.3 A shareholder may attend in person or by proxy, and the shareholder or the proxy may attend together with an adviser.

6.4 The right to vote may be exercised by a written and dated instrument of proxy in accordance with applicable law.

6.5 A shareholder who is entitled to participate in the general meeting pursuant to Article 6.1 may vote by postal vote in accordance with the provisions of the Danish Companies Act. Such postal votes shall be received by the Company not later than the business day before the general meeting. Postal votes cannot be withdrawn.

6.6 Each share of the nominal value of DKK 10 shall carry one vote.

## 7 Resolutions at general meetings

7.1 Resolutions by the general meeting shall be passed by a simple majority of votes cast unless otherwise prescribed by law or by these articles of association.

## **8 Board of Directors**

- 8.1 The Board of Directors consists of not less than four and not more than eight members elected by the general meeting for a term of one year. Re-election of board members may take place.
- 8.2 The general meeting shall elect a Chairman. The Board of Directors shall elect a Vice Chairman among its members. If the Chairman of the Board of Directors resigns during a term of election, the Vice Chairman shall take up the position as Chairman and the Board of Directors shall elect a new Vice Chairman among its members until the next general meeting.
- 8.3 The Company has established a voluntary arrangement for employee representation at group level on the Board of Directors of the Company. The voluntary arrangement shall continue to apply unless it lapses under the rules of the executive order on employee representation in force from time to time. This provision shall automatically lapse if the voluntary arrangement for employee representation lapses and can be deleted from the Articles of Association by the Board of Directors.
- 8.4 Resolutions of the Board of Directors are passed by simple majority. In the event of an equality of votes, the Chairman shall have a casting vote, or – in the Chairman's absence – the Vice Chairman shall have the casting vote.
- 8.5 The Board of Directors forms a quorum when more than half of its members are represented, including the Chairman or the Vice Chairman.
- 8.6 The Board of Directors is authorised to pass one or more resolutions to distribute interim dividends.

## **9 Executive Management**

- 9.1 The Board of Directors appoints an Executive Management consisting of one to three members to be in charge of the day-to-day management of the Company.

## **10 Rules of signature**

- 10.1 The Company shall be bound (i) by the joint signatures of the Chairman and the Vice Chairman, (ii) by the joint signatures of the Chairman and a member of the Executive Management, (iii) by the joint signatures of the Vice Chairman and a member of the Executive Management, (iv) by the joint signatures of two members of the Executive Management, or (v) by the entire Board of Directors.

## **11 Overall guidelines on incentive pay**

- 11.1 A remuneration policy, which includes overall guidelines on incentive pay for the Board of Directors and Executive Management, has been adopted and is available on the Company's website.

## **12 Electronic communication**

- 12.1 All communication from the Company to the individual shareholders, including notices convening general meetings, may take place electronically by posting on the Company's website or by email. General notices shall be published on the Company's website and in such other manner as may be prescribed by applicable law. The Company may as an alternative choose to send notices, etc. by ordinary post.
- 12.2 Communication from a shareholder to the Company may take place by email or by ordinary post.
- 12.3 Each shareholder is responsible for ensuring that the Company has the correct email address at all times. The Company is not obliged to verify such contact information or to send notices in any other way.
- 12.4 The Company's website contains information about system requirements and electronic communication procedures.
- 12.5 Company announcements shall be prepared in English and, if decided by the Board of Directors, in Danish.

## **13 Annual report**

- 13.1 The Company's annual accounts shall be audited by a state-authorised public accountant elected by the general meeting for a one-year term. Re-election may take place to the extent permitted under applicable law.
- 13.2 Annual reports shall be prepared in English.

## **14 Financial year**

- 14.1 The Company's financial year is the calendar year.

As adopted on 2 April 2019.



# Demerger statement

The Board of Directors of A.P. Møller - Mærsk A/S, CVR no. 22 75 62 14 ("**APMM**" or the "**Contributing Company**"), has on 4 March 2019 prepared a demerger plan (the "**Demerger Plan**") as basis for a demerger under which a part of APMM's assets and liabilities will be transferred to a new company, The Drilling Company of 1972 A/S, to be established by way of the demerger (the "**Receiving Company**").

This demerger statement has been prepared by the Board of Directors of APMM pursuant to Section 256 of the Danish Companies Act.

## 1. Reasons for the demerger

The purpose of the demerger is to achieve a separation of APMM's drilling activities from APMM's other activities and to obtain a separate listing of these activities on Nasdaq Copenhagen A/S.

Following the demerger, APMM's drilling activities will have been transferred to the Receiving Company, while the other activities of APMM will remain in APMM. The demerger plan sets out the assets and liabilities proposed to be separated to the Receiving Company at completion of the demerger.

Concurrently with the publication of this demerger statement, a listing document will be published to form basis for the admission to trading on Nasdaq Copenhagen A/S of the shares in the Receiving Company. The listing document has been prepared by Maersk Drilling Holding A/S in order to comply with applicable disclosure requirements for such a document and inter alia contains a description of the Receiving Company and the activities transferred in connection with the demerger.

## 2. Consideration

Upon completion of the demerger, APMM shareholders will receive shares in the Receiving Company ("**Consideration Shares**") as follows:

- a. Each APMM A share of nominally DKK 1,000 (ISIN DK0010244425) will receive two new shares of nominally DKK 10 in the Receiving Company;
- b. Each APMM B share of nominally DKK 1,000 (ISIN DK0010244508) will receive two new shares of nominally DKK 10 in the Receiving Company;
- c. Each APMM A share of nominally DKK 500 (ISIN DK0015996235) will receive one new share of nominally DKK 10 in the Receiving Company; and
- d. Each APMM B share of nominally DKK 500 (ISIN DK0015996318) will receive one new share of nominally DKK 10 in the Receiving Company.

The Consideration Shares will be allocated among the APMM shareholders based on the registered ownership of APMM in VP Securities A/S as of 5 April 2019 at 5.59 p.m. (CEST) (the "**Demerger Record Date**").

The Demerger Record Date may be changed in which case a company announcement to this effect will be issued.

No Consideration Shares will be allocated on treasury shares held by APMM.

The Receiving Company is established upon completion of the demerger and will at the time hold no other assets or liabilities than those transferred in the demerger. The Consideration Shares comprise the total share capital of the Receiving Company after completion of the demerger, and the Consideration Shares thus represent the full value of the assets and liabilities transferred in the demerger.

The Consideration Shares shall be allocated equally based on the APMM shareholders' nominal shareholding in APMM, irrespective of share class. The consideration in connection with the demerger will thus be allocated among shareholders in the same proportion as dividends or other distributions from APMM.

The Receiving Company's share capital will not be divided into share classes and each share in the Receiving Company will carry one vote. The shareholders in APMM will consequently not receive voting rights in the Receiving Company in the same proportion as they have in APMM. For this reason, adoption of the completion of the demerger will require approval by at least 9/10 of the votes cast and of the A share capital represented at the general meeting of APMM on which the proposal for completion of the demerger is submitted.

Based on the foregoing, the Board of Directors of APMM considers that the demerger consideration is fair and reasonable.

In this connection, the Board of Directors confirms that there have been no particular difficulties relating to such determination.

PricewaterhouseCoopers, Statsautoriseret Revisionspartnerselskab, has been appointed as valuation expert and has prepared a statement on the contemplated demerger and a declaration on the creditors' position. The valuation expert's statement confirms the Board of Directors' assessment of the consideration. No valuation report will be prepared.

**Copenhagen, 4 March 2019**

The Board of Directors of A.P. Møller - Mærsk A/S:

**Jim Hagemann Snabe**  
Chairman

**Ane Mærsk Mc Kinney Uggla**  
Vice Chairman

**Dorothee Blessing**

**Niels Bjørn Christiansen**

**Arne Karlsson**

**Jan Leschly**

**Thomas Lindegaard Madsen**

**Robert Routs**

**Jacob Andersen Sterling**

**Robert Maersk Uggla**