

On the following pages, the recommendations by the Committee on Corporate Governance are shown in the left column, while NORDEN's positions are stated in the right column. To facilitate the reading, NORDEN is using the following colour symbols: ▲ full compliance; ► partial compliance; ▼ other practice in NORDEN

1. COMMUNICATION AND INTERACTION BY THE COMPANY WITH ITS INVESTORS AND OTHER STAKEHOLDERS	
1.1 Dialogue between company, shareholders and other stakeholders	
<p>1.1.1. THE COMMITTEE RECOMMENDS that the board of directors ensure ongoing dialogue between the company and its shareholders in order for the shareholders to gain relevant insight into the company's potential and policies, and in order for the board of directors to be aware of the shareholders' views, interests and opinions on the company.</p>	<p>▲ On the Company's website, shareholders can find updated information on the Company and its activities. The website is primarily in English, but there are extensive excerpts of the website written in Danish. Parts of the contents can also be found in Chinese, Spanish, Portuguese and Japanese. Company announcements are published in both Danish and English. In addition, NORDEN web- and audio casts the annual general meeting and the Executive Management's presentation of the quarterly reports. Shareholders and other stakeholders can also receive company announcements and other information on an ongoing basis. Finally, NORDEN engages in various activities to promote dialogue with shareholders and other external stakeholders.</p>
<p>1.1.2. THE COMMITTEE RECOMMENDS that the board of directors adopt policies on the company's relationship with its stakeholders, including shareholders and other investors, and that the board ensures that the interests of the shareholders are respected in accordance with company policies.</p>	<p>▲ The Board of Directors has adopted a communication policy, according to which the Company's relationship with its stakeholders is also described. In addition to this policy, NORDEN has a specific investor relations policy which governs the communication to the stock market. NORDEN has drawn up procedures to ensure that the Company abides by the rules for issuers of shares according to NASDAQ OMX Copenhagen and keeps a high level of information. The policies are available on the Company's website.</p>
<p>1.1.3. THE COMMITTEE RECOMMENDS that the company publish quarterly reports.</p>	<p>▲ NORDEN publishes quarterly reports in English and Danish.</p>
1.2. General meeting	
<p>1.2.1. THE COMMITTEE RECOMMENDS that, when organising the company's general meeting, the board of directors plan the meeting to support active ownership.</p>	<p>▲ A dedicated section on the website facilitates the shareholders' ability to participate and/or have an influence at the general meeting. NORDEN carefully follows the development in conducting electronic general meetings, but so far, the Board of Directors has resolved that general meeting by physical attendance provides the best procedure.</p>

<p>1.2.2. THE COMMITTEE RECOMMENDS that proxies granted for the general meeting allow shareholders to consider each individual item on the agenda.</p>	<p>▲ Proxies are differentiated so that the shareholders may consider each individual item on the agenda.</p>
<p>1.3. Takeover bids</p>	
<p>1.3.1. THE COMMITTEE RECOMMENDS that the company set up contingency procedures in the event of takeover bids from the time that the board of directors has reason to believe that a takeover bid will be made. According to such contingency procedures, the board of directors should not without the acceptance of the general meeting, attempt to counter the takeover bid by making decisions which in reality prevent the shareholders from deciding on the takeover bid themselves.</p>	<p>▲ In the event of a takeover bid, the Board of Directors will act in the best interest of the shareholders. NORDEN has no limitations on voting rights and ownership.</p>
<p align="center">2. TASKS AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS</p>	
<p>2.1. Overall tasks and responsibilities</p>	
<p>2.1.1. THE COMMITTEE RECOMMENDS that at least once a year the board of directors take a position on the matters related to the board's performance of its responsibilities.</p>	<p>▲ The Board of Directors establishes annually its most important tasks in relation to strategy, goals, risk management, managerial and controlling matters as well as remuneration of the Executive Management. With a work calendar, the Board ensures that all relevant issues are treated during the year. The number of meetings, the meeting frequency and the most essential activities are described in the annual report. In addition, the Board of Directors assesses on an ongoing basis whether the Company possesses the necessary qualifications and whether the financial resources at any time are sound in order for the Company to operate and achieve its strategic goals. The Board of Directors reviews its Rules of Procedure on a regular basis and at least once a year.</p>
<p>2.1.2. THE COMMITTEE RECOMMENDS that at least once a year the board of directors take a position on the overall strategy of the company with a view to ensuring value creation in the company.</p>	<p>▲ During the year, the Board of Directors takes actively part in drafting the Company's overall strategy and its adoption. The Board also follows up on the strategy on an ongoing basis.</p>
<p>2.1.3. THE COMMITTEE RECOMMENDS that the board of directors ensure that the company has a capital and share structure ensuring that the strategy and long-term value creation of the company are in the</p>	<p>▲ The Board of Directors assesses the capital and share structure on a regular basis and always in connection with the preparation of the Company's strategy and budgets as well as the proposed distribution of</p>

<p>best interest of the shareholders and the company, and that the board of directors presents this in the management commentary on the company's annual report and/or on the company's website.</p>	<p>profit. The assessment is included in the annual report and the Chairman's report at the annual general meeting.</p>
<p>2.1.4. THE COMMITTEE RECOMMENDS that the board of directors annually review and approve guidelines for the executive board; this includes establishing requirements for the executive board on timely, accurate and adequate reporting to the board of directors.</p>	<p>▲ Rules of procedure for how the Executive Management reports to the Board of Directors have been established and are regularly assessed. In addition to material for board meetings, etc., the Board of Directors receives a monthly report presenting the financial and business-related status of the Company as well as a follow-up on goals and strategy. The Board of Directors is also kept informed on other matters that require this. In addition, NORDEN has a number of plans and procedures in order to manage commercial and financial risks as well as insurance conditions, security, etc. These plans and procedures are presented to and approved by the Board of Directors. The Executive Management reports on a regular basis to the Board of Directors on the development within the specific areas.</p>
<p>2.1.5. THE COMMITTEE RECOMMENDS that at least once a year the board of directors discuss the composition of the executive board, as well as developments, risks and succession plans.</p>	<p>▲ The Board of Directors discusses on a regular basis the composition of the Executive Management, as well as developments, risks and succession plans.</p>
<p>2.1.6. THE COMMITTEE RECOMMENDS that once a year the board of directors discuss the company's activities to ensure relevant diversity at management levels, including setting specific goals and accounting for its objectives and progress made in achieving the objectives in the management commentary on the company's annual report and/or on the website of the company.</p>	<p>▲ NORDEN strives for diversity in the Board of Directors, the Executive Management and at other management levels, and it is NORDEN's opinion that this is best facilitated by the members each possessing the competences and profiles required to optimally contribute to the development of the Company. The Board of Directors has, however, adopted a policy to increase the share of women at NORDEN's management levels and has set a target for the share of shareholder-elected women on the Board of Directors. Objectives and progress in achieving these are included in the annual report.</p>
<p>2.2. Corporate social responsibility</p>	
<p>2.2.1. THE COMMITTEE RECOMMENDS that the board of directors adopt policies on corporate social responsibility.</p>	<p>▲ The Board of Directors has adopted a CSR policy, which can be found on the Company's website and in the Company's CSR report.</p>

<p>2.3. Chairman and vice-chairman of the board of directors</p>	
<p>2.3.1. THE COMMITTEE RECOMMENDS appointing a vice-chairman of the board of directors who will assume the responsibilities of the chairman in the event of the chairman's absence, and who will also act as effective sparring partner for the chairman.</p>	<p>▲ The Board of Directors has a Vice Chairman. A description of the Chairman's and Vice Chairman's tasks, duties and responsibilities is included in the Rules of Procedure of the Board of Directors. The Vice Chairman assists the Chairman in carrying out his/her tasks. In the event of absence of the Chairman, the Vice Chairman manages the Chairman's duties and possesses his/her authorities.</p>
<p>2.3.2. THE COMMITTEE RECOMMENDS ensuring that, if the board of directors, in exceptional cases, asks the chairman of the board of directors to perform special operating activities for the company, including briefly participating in the day-to-day management, a board resolution to that effect be passed to ensure that the board of directors maintains its independent, overall management and control function. Resolutions on the chairman's participation in day-to-day management and the expected duration hereof should be published in a company announcement.</p>	<p>▲ If needed that the Chairman of the Board of Directors performs special tasks for the Company, a board resolution to that effect must be passed and precautions will be taken in order to ensure that the Board of Directors will maintain responsibility for the overall management and control function.</p>
<p>3. COMPOSITION AND ORGANISATION OF THE BOARD OF DIRECTORS</p>	
<p>3.1. Composition</p>	
<p>3.1.1. THE COMMITTEE RECOMMENDS that the board of directors annually accounts for</p> <ul style="list-style-type: none"> • the skills it must have to best perform its tasks, • the composition of the board of directors, and • the special skills of each member. 	<p>▲ The skills which the Board of Directors must have to best perform its tasks are reviewed annually in connection with the Rules of Procedure. The skills are described in the annual report available on the website. Proposals of members to the Board of Directors are submitted at the general meeting, and a description of the candidates as well as a motivation are sent out together with the notice of general meeting.</p>
<p>3.1.2. THE COMMITTEE RECOMMENDS that the selection and nomination of candidates for the board of directors be carried out through a thoroughly transparent process approved by the overall board of directors. When assessing its composition and nominating new candidates, the board of directors must take into consideration the need for integration of new talent and diversity in relation to age, international experience and gender.</p>	<p>▲ In relation to composition and nomination of new candidates for the Board of Directors, the need for new talent and diversity is taken into account. Though, the deciding factors will be the candidate's competences and experience.</p>

<p>3.1.3. THE COMMITTEE RECOMMENDS that a description of the nominated candidates' qualifications, be accompanied by the notice convening the general meeting when election of members to the board of directors is on the agenda, including information about the candidates'</p> <ul style="list-style-type: none"> • other executive functions, e.g. memberships in executive boards, boards of directors, and supervisory boards, including board committees in foreign enterprises, • demanding organisational tasks, and information • about whether candidates to the board of directors are considered independent. 	<p>▲ In relation to proposal for new election to the Board of Directors as well as re-election of current board members, a description of the candidates' occupational experience, age, education and significant memberships in Danish and foreign enterprises and organisations is enclosed with the notice of general meeting. When possible, new candidates present themselves from the platform at the general meeting. Disclosure of which board members are regarded as independent persons according to the definitions of the Committee takes place in connection with the annual general meeting.</p>
<p>3.1.4. THE COMMITTEE RECOMMENDS that the company's articles of association stipulate a retirement age for members of the board of directors.</p>	<p>▲ The retirement age for members of the Board of Directors is 72. The annual report states the birth year and age of every board member.</p>
<p>3.1.5. THE COMMITTEE RECOMMENDS that members of the board of directors elected by the general meeting be up for election every year at the annual general meeting.</p>	<p>▼ In NORDEN, 2 of the board members elected by the general meeting are up for re-election every year. NORDEN considers it of great importance to ensure necessary continuity.</p>
<p>3.2. Independence of the board of directors</p>	
<p>3.2.1. THE COMMITTEE RECOMMENDS that at least half of the members of the board of directors elected by the general meeting be independent persons, in order for the board of directors to be able to act independently of special interests.</p> <p>To be considered independent, this person may not:</p> <ul style="list-style-type: none"> • be or within the past five years have been member of the executive board, or senior staff member in the company, a subsidiary undertaking or an associate, • within the past five years, have received larger emoluments from the company/group, a subsidiary undertaking or an associate in another capacity than as member of the board of directors, • represent the interests of a controlling shareholder, • within the past year, have had significant business relations (e.g. personal or indirectly as partner or employee, shareholder, customer, 	<p>▲ No board members elected by the general meeting have previously been employed by NORDEN, received remuneration other than the board remuneration, had direct or indirect business relations to NORDEN or been employed by the Company's external auditor. 3 of the 6 board members elected by the general meeting cannot be regarded as independent according to the definitions set up by the Committee, as 2 members are associated with a major shareholder in NORDEN and all 3 members have been members of the Board of Directors for more than 12 years. NORDEN considers it of great importance that the Board of Directors as a whole has significant experience in managing the Company. This experience and the overall competences within shipping, economy and strategic management are important assets in managing a growing and ever more complex business.</p>

<p>supplier or member of the executive management in companies with corresponding connection) with the company, a subsidiary undertaking or an associate.</p> <ul style="list-style-type: none"> • be or within the past three years have been employed or partner at the external auditor, • have been chief executive in a company holding cross-memberships with the company, • have been member of the board of directors for more than 12 years, or • have been close relatives with persons who are not considered independent. 	
<p>3.3. Members of the board of directors and the number of other executive functions</p>	
<p>3.3.1. THE COMMITTEE RECOMMENDS that each member of the board of directors assesses the expected time commitment for each function in order that the member does not take on more functions than he/she can manage satisfactorily for the company.</p>	<p>▲ Each member of the Board of Directors is expected to assess how many functions he/she can manage in a satisfactory way.</p>
<p>3.3.2. THE COMMITTEE RECOMMENDS that the management commentary, in addition to the provisions laid down by legislation, includes the following information about the members of the board of directors:</p> <ul style="list-style-type: none"> • the position of the relevant person, • the age and gender of the relevant person, • whether the member is considered independent, • the date of appointment to the board of directors of the member, • expiry of the current election period, • other executive functions, e.g. memberships in executive boards, boards of directors, and supervisory boards, including board committees in foreign enterprises and • demanding organisational tasks, and • the number of shares, options, warrants and similar in the company, and other group companies of the company, owned by the member, as well as changes in the portfolio of the member of the securities mentioned which have occurred during the financial year. 	<p>▲ The annual report contains information about the board members' age, occupation, other executive functions, the number of shares held in the Company together with any changes in such holdings during the financial year. Photo is also available. The Board of Directors is not included under a share option programme. The directorships stated in the annual report exclude directorships within NORDEN and associated companies. In the annual report, it is stated when each board member joined the Board of Directors, when the member was most recently re-elected, and when his/her current term will expire. Disclosure of which board members are regarded as independent persons according to the definitions of the Committee takes place in connection with the annual general meeting.</p>

3.4. Board committees	
<p>3.4.1. THE COMMITTEE RECOMMENDS that the company publish the following on the company’s website:</p> <ul style="list-style-type: none"> • the terms of reference of the board committees, • the most important activities of the committees during the year, and the number of meetings held by each committee, and • the names of the members of each committee, including the chairmen of the committees, as well as information on which members are independent members and which members have special qualifications. 	<p>▲ The terms of reference for the board committees, important activities, number of meetings held during the year and the members of each committee are published on the Company’s website and in the annual report.</p>
<p>3.4.2. THE COMMITTEE RECOMMENDS that a majority of the members of a board committee be independent.</p>	<p>▼ The audit committee consists of the entire Board of Directors, of which 3 are independent, 3 are non-independent and 3 are employee-elected, who according to definitions by the Committee are also non-independent. The majority of the members of the remuneration committee are independent according to the definitions by the Committee.</p>
<p>3.4.3. THE COMMITTEE RECOMMENDS that the board of directors set up a formal <u>audit committee</u> composed such that</p> <ul style="list-style-type: none"> • the chairman of the board of directors is not chairman of the audit committee, and • between them, the members should possess such expertise and experience as to provide an updated insight into and experience in the financial, accounting and audit aspects of companies whose shares are admitted to trading on a regulated market. 	<p>► The Board of Directors has appointed an audit committee. The audit committee consists of the entire Board of Directors since considerations in the audit committee are too important to preclude board members and the rather small size of the Board will ensure smooth handling of issues. The Chairman of the Board of Directors is the Chairman of the audit committee since he is considered most suitable due to his position as Chairman of the Board of Directors and to his professional background. Because of the board members’ knowledge of finance, accounting, auditing and risk assessment, the audit committee is considered to possess the necessary expertise and experience required.</p>
<p>3.4.4. THE COMMITTEE RECOMMENDS that, prior to the approval of the annual report and other financial reports, the audit committee monitors and reports to the board of directors about:</p> <ul style="list-style-type: none"> • significant accounting policies, • significant accounting estimates, • related party transactions, and • uncertainties and risks, including in relation to the outlook for the current year. 	<p>▲ The recommendations prescribed by the Committee are integrated in the tasks of the audit committee.</p>

<p>3.4.5. THE COMMITTEE RECOMMENDS that the audit committee:</p> <ul style="list-style-type: none"> • annually assesses the need for an internal audit, and in such case, makes recommendations on selecting, appointing and removing the head of the internal audit function and on the budget of the internal audit function, and • monitors the executive board’s follow-up on the conclusions and recommendations of the internal audit function. 	<p>▲ The audit committee annually considers the need for an internal audit function. However for the time being, this is not considered to be needed.</p>
<p>3.4.6. THE COMMITTEE RECOMMENDS that the board of directors establish a <u>nomination committee</u> chaired by the chairman of the board of directors with at least the following preparatory tasks:</p> <ul style="list-style-type: none"> • describe the qualifications required by the board of directors and the executive board, and for a specific membership, state the time expected to be spent on having to carry out the membership, as well as assess the competences, knowledge and experience of the two governing bodies combined, • annually assess the structure, size, composition and results of the board of directors and the executive board, as well as recommend any changes to the board of directors, • annually assess the competences, knowledge and experience of the individual members of management, and report to the board of directors in this respect, • consider proposals from relevant persons, including shareholders and members of the board of directors and the executive board for candidates for the board of directors and the executive board, and • propose an action plan to the board of directors on the future composition of the board of directors, including proposals for specific changes. 	<p>▼ Tasks in relation to the recommendations prescribed by the Committee are managed by the chairmanship. No formal nomination committee has been established, however, decisions are taken within the entire Board of Directors.</p>
<p>3.4.7. THE COMMITTEE RECOMMENDS that the board of directors establish a <u>remuneration committee</u> with at least the following preparatory tasks:</p> <ul style="list-style-type: none"> • to recommend the remuneration policy (including the general guidelines for incentive-based remuneration) to the board of directors and the executive board for approval by the board of directors prior to 	<p>▲ The Board of Directors has appointed a remuneration committee with tasks in accordance with the prescribed recommendations by the Committee. The remuneration committee is responsible for the implementation of the Company’s remuneration policy and presents proposals to the Board of Directors as a whole.</p>

<p>approval by the general meeting,</p> <ul style="list-style-type: none"> • make proposals to the board of directors on remuneration for members of the board of directors and the executive board, as well as ensure that the remuneration is in compliance with the company's remuneration policy and the assessment of the performance of the persons concerned. The committee should have information about the total amount of remuneration that members of the board of directors and the executive board receive from other companies in the group, and • recommend a remuneration policy applicable for the company in general. 	
<p>3.4.8. THE COMMITTEE RECOMMENDS that the remuneration committee do not consult with the same external advisers as the executive board of the company.</p>	<p>▲ The remuneration committee does not consult with the same external advisers as the Executive Management.</p>
<p>3.5. Evaluation of the performance of the board of directors and the executive board</p>	
<p>3.5.1. THE COMMITTEE RECOMMENDS that the board of directors establish an evaluation procedure where contributions and results of the board of directors and the individual members, as well as collaboration with the executive board are annually evaluated. Significant changes deriving from the evaluation should be included in the management commentary or on the company's website.</p>	<p>▲ The Chairman evaluates together with the rest of the Board whether the Board of Directors possesses the relevant and necessary independence, knowledge and professional experience relating to the Company's needs. The evaluation also comprises the cooperation within the Board of Directors and the performance of each member. The procedure is established from year to year. The Chairman is in charge of the evaluation, and the outcome is discussed within the Board of Directors as a whole. Processes and results are described in the annual report.</p>
<p>3.5.2. THE COMMITTEE RECOMMENDS that in connection with preparation of the general meeting, the board of directors considers whether the number of members is appropriate in relation to the requirements of the company. This should help ensure a constructive debate and an effective decision-making process in which all members are given the opportunity to participate actively.</p>	<p>▲ The Board of Directors regularly assesses whether the number of board members is appropriate in relation to the needs of the Company. According to NORDEN's Articles of Association, the number of board members elected by the general meeting is between 4 and 6. The number has been deemed appropriate to ensure a constructive debate and an effective decision-making process. In addition, 3 members of the Board of Directors are elected by the employees at NORDEN.</p>
<p>3.5.3. THE COMMITTEE RECOMMENDS that at least once every year the board of directors evaluate the work and performance of the executive</p>	<p>▶ The Executive Management's work and performance are assessed on a regular basis and always in connection with the annual negotiation of</p>

<p>board in accordance with predefined clear criteria.</p>	<p>the Executive Management’s remuneration. A continuous dialogue on priorities, efforts and results is deemed more important than mechanical annual criteria.</p>
<p>3.5.4. THE COMMITTEE RECOMMENDS that the executive board and the board of directors establish a procedure according to which their cooperation is evaluated annually through a formalised dialogue between the chairman of the board of directors and the chief executive officer and that the outcome of the evaluation be presented to the board of directors.</p>	<p>▲ The cooperation between the Executive Management and the Board of Directors is assessed as part of the Board of Directors’ self-evaluation procedure and is discussed between the Executive Management and the Board of Directors as well as in meetings between the Chairman and the Chief Executive Officer.</p>
<p>4. REMUNERATION OF MANAGEMENT</p>	
<p>4.1. Form and content of the remuneration policy</p>	
<p>4.1.1. THE COMMITTEE RECOMMENDS that the board of directors prepare a clear and transparent remuneration policy for the board of directors and the executive board, including</p> <ul style="list-style-type: none"> • a detailed description of the components of the remuneration for members of the board of directors and the executive board, • the reasons for choosing the individual components of the remuneration, and • a description of the criteria on which the balance between the individual components of the remuneration is based. <p>The remuneration policy should be approved by the general meeting and published on the company’s website.</p>	<p>▲ In 2008, the general meeting adopted for the first time a remuneration policy, which has since been updated at the general meetings in 2011 and 2013. The policy describes the principal lines for the remuneration of NORDEN’s Board of Directors and Executive Management. The policy also describes the criteria on which the balance between the individual components of the remuneration is based. The remuneration of the Board of Directors is also presented for approval at the general meeting. The remuneration policy is available on the Company’s website, and the implementation of the principal elements of the remuneration policy is described in the annual report and in the Chairman’s statement at the general meeting.</p>
<p>4.1.2. THE COMMITTEE RECOMMENDS that, if the remuneration policy includes variable components,</p> <ul style="list-style-type: none"> • limits be set on the variable components of the total remuneration package, • a reasonable and balanced linkage be ensured between remuneration for governing body members, expected risks and the value creation for shareholders in the short and long terms, • there be clarity about performance criteria and measurability for award of variable components, • there be criteria ensuring that qualifying periods for variable components in remuneration agreements are longer than one calendar 	<p>▶ The remuneration policy includes variable remuneration for the Executive Management. NORDEN’s remuneration policy complies with the recommendations of the Committee in all instances except for one: the Board of Directors has decided that award of any cash bonus to any of the members of the Executive Management because of their special function takes place not based on results criteria but on the discretionary assessment of the Board of Directors. The described issue in relation to reclaiming in full or in part variable components of remuneration has never been relevant in the Company, but the possibility is incorporated in the relevant agreements.</p>

<p>year, and</p> <ul style="list-style-type: none"> • an agreement is made which, in exceptional cases, entitles the company to reclaim in full or in part variable components of remuneration that were paid on the basis of data, which proved to be misstated. 	
<p>4.1.3. THE COMMITTEE RECOMMENDS that remuneration of members of the board of directors does not include share options.</p>	<p>▲ Remuneration of the Board of Directors does not include share option or warrant programmes.</p>
<p>4.1.4. THE COMMITTEE RECOMMENDS that if share-based remuneration is provided, such programmes be established as roll-over programmes, i.e. the options are granted periodically and should have a maturity of at least three years from the date of allocation.</p>	<p>▲ Remuneration of the Executive Management does consist of share-based remuneration. The term of the share options is 3 years, and the options vest after 3 years. The programmes are assessed and granted annually, and the redemption price is higher than the market price at the time of grant. Thus, the options will only be of value when the shareholders have received a return on their investment. The options granted to the Executive Management may at the time of grant have a value of up to 150% of the fixed annual salary. Part of any net gain on the share options must be reinvested in NORDEN shares</p>
<p>4.1.5. THE COMMITTEE RECOMMENDS that agreements on termination payments should not amount to more than two years' annual remuneration.</p>	<p>▶ Termination payments do not amount to more than 1 year's annual remuneration for the Executive Management and 4-12 months' remuneration for Senior Vice Presidents. However, in the event of change of control, e.g. in the event of a takeover of NORDEN or a merger with another business, termination payment can lead to 2 years' extra remuneration for the Executive Management and 1 year's extra remuneration for selected Senior Vice Presidents.</p>
<p>4.2. Disclosure of the remuneration policy</p>	
<p>4.2.1. THE COMMITTEE RECOMMENDS that the company's remuneration policy and compliance with this policy be explained and justified annually in the chairman's statement at the company's general meeting.</p>	<p>▲ At NORDEN's annual general meeting, the Chairman of the Board of Directors thoroughly accounts for the implementation of the Company's remuneration policy.</p>
<p>4.2.2. THE COMMITTEE RECOMMENDS that the proposed remuneration for the board of directors for the current financial year be approved by</p>	<p>▲ The proposed remuneration of the Board of Directors for the current financial year will be presented at the annual general meeting. However,</p>

<p>the shareholders at the general meeting.</p>	<p>the actual remuneration may deviate slightly from the proposed due to unforeseen additional workload.</p>
<p>4.2.3. THE COMMITTEE RECOMMENDS that 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 contents of retention and retirement/resignation schemes, be disclosed in the annual report and that the linkage with the remuneration policy be explained.</p>	<p>► In the annual report, NORDEN announces the proposed total remuneration of the Board of Directors and the total remuneration of the Executive Management, including fixed salary, cash bonus, share options and severance terms in special situations. The Executive Management has no other significant advantages, nor any pension plans. NORDEN does not publish the total remuneration of each member of the Board of Directors or the Executive Management since NORDEN believes that what is important is that the shareholders can evaluate the total remuneration and development herein. NORDEN does not have any defined-benefit retirement schemes for the Board of Directors and Executive Management. The Executive Management’s ordinary retention and retirement/resignation schemes and retirement/resignation schemes applying in special situations such as takeovers or mergers are described in the annual report.</p>
<p>5. FINANCIAL REPORTING, RISK MANAGEMENT AND AUDITS</p>	
<p>5.1. Identification of risks and transparency about other relevant information</p>	
<p>5.1.1. THE COMMITTEE RECOMMENDS that the board of directors in the management commentary review and account for the most important strategic and business related risks, risks in connection with the financial reporting as well as for the company’s risk management.</p>	<p>▲ The shipping business is cyclical. Identification and handling of the greatest risks as well as sensitivity analyses are therefore an integral part of the strategy and budget formulation as well as of all important decisions presented to the Board of Directors. The key points of risk management which have been important for the year are described in the management commentary in the annual report while the compiled description of NORDEN’s financial and commercial risk management including sensitivity analyses is described coherently in the notes to the annual report. The annual and quarterly reports contain additional financial and non-financial information when deemed necessary and relevant for evaluation of the Company.</p>
<p>5.2. Whistleblower scheme</p>	
<p>5.2.1. THE COMMITTEE RECOMMENDS that the board of directors decide whether to establish a whistleblower scheme for expedient and confidential notification of possible or suspected wrongdoing.</p>	<p>▲ In 2011, NORDEN established the whistleblower scheme SafeLine providing safe access for all employees to report potential violations of law and regulations, NORDEN’s policies and guidelines, or other serious</p>

	<p>irregularities to an independent External Investigator. The External Investigator performs his work on the instructions of the chairmanship of NORDEN's Board of Directors.</p>
<p>5.3. Contact to auditor</p>	
<p>5.3.1. THE COMMITTEE RECOMMENDS that the board of directors ensure regular dialogue and exchange of information between the auditor and the board of directors, including that the board of directors and the audit committee at least once a year meet with the auditor without the executive board present. This also applies to the internal auditor, if any.</p>	<p>▲ The Board of Directors meets with the auditor on a regular basis. In addition, the audit committee meets with the auditor without the Executive Management being present at least once a year.</p>
<p>5.3.2. THE COMMITTEE RECOMMENDS that the audit agreement and auditors' fee be agreed between the board of directors and the auditor on the basis of a recommendation from the audit committee.</p>	<p>▲ The auditor agreement and the auditor's fee are agreed between the Board of Directors and the auditor based on a recommendation from the audit committee.</p>