



To the shareholders

8 March 2019  
Company announcement no. 4, 2019

## Notice of Annual General Meeting of Danmarks Skibskredit A/S

Pursuant to Article 4 of the Articles of Association, notice is hereby given of the Annual General Meeting of Danmarks Skibskredit A/S to be held on 25 March 2019 at 3:00pm at the company address, Sankt Annae Plads 3, Copenhagen K.

## A G E N D A

1. The Board of Directors' report on Danmarks Skibskredit's activities in 2018.
2. Submission of Annual Report 2018 for adoption.

*The Board of Directors proposes that the general meeting adopt Danmarks Skibskredit's Annual Report 2018.*

3. Grant of discharge to the Board of Directors and the Executive Board.

*The Board of Directors proposes that discharge be granted to the Board of Directors and the Executive Board.*

4. Proposal for allocation of profits according to the adopted Annual Report.

*The Board of Directors proposes that dividend in the amount of DKK 165,630,000.00 be paid on A shares, equivalent to DKK 0.5521 per share of DKK 1.*

*In accordance with Article 3.9.2 of the Articles of Association, dividend in the amount of DKK 39,360,000.79 will be paid on B shares, equivalent to DKK 1.1808 per share of DKK 1.*

5. Resolutions proposed by the Board of Directors and shareholders.

*No proposals submitted.*

6. Election of members to the Board of Directors.

*Pursuant to Article 5.2 of the Articles of Association, the Board of Directors is elected for a term of one year. Members are eligible for re-election.*

*The Board of Directors proposes the re-election of:*

*Eivind Kolding*

*Peter Nyegaard*

*Anders Damgaard*

*Christian Frigast*

*Jacob Meldgaard*

*Thor Jørgen Guttormsen*

*Michael Nellemann Pedersen*

*Henrik Sjøgreen*

*Annex 1 contains detailed information on the candidates for the Board of Directors.*

7. Appointment of external auditor.

*Pursuant to Article 9.2 of the Articles of Association, the General Meeting elects the company's auditor for a term of one year. The General Meeting may elect one or more auditors.*

*The Board of Directors proposes re-election of Deloitte Statsautoriseret Revisionspartnerselskab as external auditors in line with the recommendation of the Audit Committee. The Audit Committee's recommendation is free from influence from third parties and no clauses restricting the choice by the general meeting to certain categories or lists of statutory auditors or audit firms have been imposed upon the Audit Committee.*

8. The Board of Directors' proposal for adjustments to the Remuneration Policy.

*The Board of Directors' proposal appears from "Remuneration Policy 2019". The policy is provided as Annex 2 to this agenda.*

*The Board of Directors proposes that "Remuneration Policy 2019" be adopted.*

9. Authorisation of the chairman of the meeting

*The Board of Directors proposes to authorise the chairman of the meeting, Henrik Dahl, – with the power of delegation – to notify the Danish Business Authority of the resolutions adopted and to make such changes and additions as may be required by the Danish Business Authority or other public authorities.*

10. Any other business.

The agenda, the remuneration policy and the audited Annual Report 2018 will be available on the company's website at [www.shipfinance.dk](http://www.shipfinance.dk) no later than two weeks before the General Meeting.

Please be advised that the General Meeting will, if possible, be held on the basis of proxies granted by the company's shareholders. Therefore, shareholders need not attend the General Meeting in person.

A form of proxy is provided as Annex 3. Shareholders who want to use the form must complete and return it to Danmarks Skibskredit A/S no later than 22 March 2019.

Shareholders who do not want to grant a proxy, but prefer to attend the General Meeting in person, must request an admission card no later than 22 March 2019. Admission cards are available on request to Morten Søgård Sørensen, tel. 3374 1077, or by e-mail to [mos@shipfinance.dk](mailto:mos@shipfinance.dk). If requesting admission cards, please state whether you wish to bring an advisor to the General Meeting.

Yours sincerely  
Danmarks Skibskredit  
Board of Directors



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Danmarks Skibskredit A/S  
Candidates for the Board of Directors 2019  
Annex 1

## **Eivind Kolding**

Chairman  
Chairman of the Remuneration Committee

Born on 16 November 1959  
Nationality: Danish  
Joined the Board of Directors on 15 November 2016  
Considered to be an independent board member

### **Competencies:**

Broad knowledge of shipping and the maritime industry, macroeconomics, banking, credit, insurance and finance, financial risk management, regulation and general management of international businesses.

### **Education:**

Cand.jur. 1983  
Advanced Management Program, Wharton

### **Directorships and executive positions:**

Chairman of CASA A/S (and one group company)

Member of Board of Directors:

- Leo Holding A/S
- BiQ ApS
- NNIT A/S
- Altor Fund Manager AB

## **Peter Nyegaard, CFO and Partner, Axcel**

Vice Chairman  
Member of the Audit Committee

Born on 16 May 1963  
Nationality: Danish  
Joined the Board of Directors on 15 November 2016  
Considered to be an independent board member.

### **Competencies:**

Broad knowledge of general management of international companies, financial risk management, financial regulation, capital market, credit, financing and macroeconomics.

### **Education:**

Cand.polit. 1986  
Advanced Management Program, Wharton

**Directorships and executive positions:**

Chairman FIH A/S

Member of Board of Directors of Øens Murerfirma A/S

Chairman/member of a number of boards in the Axcel group of companies

**Anders Damgaard, Group CFO, PFA Pension**

Chairman of the Audit Committee

Born on 8 August 1970

Nationality: Danish

Joined the Board of Directors on 15 November 2016

Considered to be an independent member of the Board of Directors

**Competencies:**

Broad knowledge of financial business (including banking), credit, investment, finance, regulation and financial risk management.

**Education:**

Cand.scient.oecon (Mathematics-Economics), Ph.d. in Finance & Accounting

**Directorships and executive positions:**

Member of the Board of Directors:

- Blue Equity Management A/S
- Danmarks Skibskredit Holding A/S
- PFA Asset Management A/S
- PFA DK Boliger Høj A/S
- PFA DK Boliger Lav A/S
- PFA Ejendomme Høj A/S
- PFA Ejendomme Lav A/S
- PFA Europe Real Estate High A/S
- PFA Europe Real Estate Low A/S
- PFA Europe Real Estate Medium A/S
- PFA Kapitalforening
- PFA Kollegier ApS
- PFA US Real Estate Medium P/S

## **Christian Frigast, Partner, Axcel**

Member of the Remuneration Committee

Born on 23 November 1951

Nationality: Danish

Joined the Board of Directors on 15 November 2016

Considered to be an independent board member

### **Competencies:**

Broad knowledge of banking, finance, financial risk management, management of international companies, M&A, restructuring, operational efficiency and value proposition strategies.

### **Education:**

Executive Management Programme, Stanford University, USA, 1991

BA Banking Programme, Wharton Business School, USA, 1980

Cand.polit., University of Copenhagen, Denmark, 1976

### **Directorships and executive positions:**

Chairman of the Board of Directors:

- Axcel Management
- Danmarks Skibskredit Holding A/S
- EKF (Denmark's Export Credit Agency)
- The Board Leadership Society in Denmark
- Axcelfuture, Axcel's think tank

Vice Chairman of the Board of Directors:

- PANDORA
- PostNord
- DVCA (Danish Venture Capital and Private Equity Association)
- Axcel Advisory Board

Member of the Board of Directors:

- Nissens A/S

Associate professor at CBS (Copenhagen Business School)

## **Thor Jørgen Guttormsen**

Member of the Remuneration Committee

Born on 5 January 1949

Nationality: Norwegian

Joined the Board of Directors on 16 June 2017

Considered to be an independent board member

### **Competencies:**

Broad knowledge of shipping, the maritime industry and general management.

**Education:**

Master of Science from Norwegian School of Economics (NHH)  
Executive Development fra IMEDE

**Directorships and executive positions:**

Member of the Board of Directors:

- Hoegh Autoliners Holdings AS
- Hoegh LNG AS
- Hoegh LNG Holdings Ltd (alternate)
- Telenor Maritime AS
- Aequitas Ltd

**Jacob Meldgaard, CEO, Torm A/S**

Member of the Remuneration Committee

Born on 24 June 1968

Nationality: Danish

Joined the Board of Directors on 16 June 2017

Considered to be an independent board member

**Competencies:**

Broad knowledge of shipping and the maritime industry, general management, investment, finance and restructuring.

**Education:**

Graduate Diploma International Business (HD (U))

Advanced Management Program (Wharton)

Advanced Management Program (Harvard)

**Directorships and executive positions:**

Member of the Board of Directors:

- Danish Shipping (Danske rederier)
- Syfoglomad
- TORM Plc (Board member in six companies under TORM)

**Michael Nellemann Pedersen, Management Executive, PKA A/S**

Member of the Remuneration Committee

Born on 8 July 1961

Nationality: Danish

Joined the Board of Directors on 15 November 2016

Considered to be an independent member board member



**Competencies:**

Broad knowledge of financial business (including pension fund operations), credit, investment, finance, regulation and financial risk management.

**Education:**

Cand.polit. 1989

Graduate Diploma (HD first part) 1983 + Stanford, Stanford Executive Program (SEP) 2011

**Directorships and executive positions:**

Management Executive of:

- Property companies owned by the three pension funds managed by PKA A/S
- Ejendomsselskabet Dronningegarden
- OPP HoldCo ApS
- A/S Kjobenhavns Ejendomsselskab
- Forstadernes Ejendomsaktieselskab

Chairman/member of Advisory Board and investment committees of various foundations relating to private equity, infrastructure and micro finance due to PKA's investment in such foundations.

Member of the Board of Directors:

- Danmarks Skibskredit Holding A/S
- Refshaleøen Holding A/S
- Refshaleøens Ejendomsselskab A/S
- Margrethelholmen P/S
- Komplementarselskabet Margrethelholm ApS
- PKA Skejby Komplementar ApS
- PKA Skejby P/S
- Hotel Koldingfjord A/S
- Fonden Dansk Sygeplejehistorisk Museum
- Poppelstykket 12 A/S
- P/S PKAE Ejendom
- Komplementarselskabet PKA AE ApS
- SAS Pilot & Navigators Pension Fund
- Investeringselskabet af 24. februar 2015 A/S
- Tuborg Havnevej I/S
- PKA Ejendomme I I/S
- PKA Ejendomme af 2013 I/S
- PKA Projektselskab I/S
- Brokvarteret P/S
- P/S Tranders Hoje
- Investeringselskabet af 4. juli 2018 ApS
- Institutional Holding GP ApS
- Institutional Holding P/S
- PKA Ejendomme af 2012 I/S
- DEAS Invest I A/S
- DEAS Invest I Holding A/S

## **Henrik Sjøgreen, CEO, FIH A/S**

Member of the Audit Committee

Born on 30 July 1964

Nationality: Danish

Joined the Board of Directors on 15 November 2016

Considered to be an independent board member

### **Competencies:**

Broad knowledge of banking, credit, insurance and finance, financial risk management, debt markets and general management.

### **Education:**

Graduate Diploma in Accounting and Financial Planning (HD)

Graduate Diploma in Financing (HD)

### **Directorships and executive positions:**

Chairman of the Board of Directors:

- FIH Partners A/S
- Simon Fougner Hartmanns Fund
- CEO of FIH A/S
- CEO FIH Holding A/S



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25 February 2019

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# Remuneration policy 2019

## Annex 2

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## 1 Purpose

The purpose of the remuneration policy of the Danish Ship Finance Group (hereinafter “Danish Ship Finance”/“the company”) is to set out the guidelines for remuneration of:

- The Board of Directors
- The Executive Board
- Employees whose activities have a material impact on the company’s risk profile
- Employees in special functions
- Other employees

In compliance with the provisions of the Danish Financial Business Act, this remuneration policy provides an overall written framework for remuneration in the company which is consistent with and promotes sound and effective risk management.

The structure of the remuneration policy is based on an overall aim to attract and retain highly skilled employees and managers. The remuneration of the individual employee is therefore based on the pay level for the employee's job category, job level and personal qualifications in accordance with the conditions in the labour market. Furthermore, the company uses equity-like instruments in relation to the Executive Board and certain groups of employees to ensure focus on value creation for the long term.

The remuneration policy also aims to establish a community of interest among the owners and employees of the company. Moreover, the Board of Directors continuously focuses on ensuring that the remuneration policy has no undesirable structures which could induce excessive risk-taking.

## 2 Legal framework

The legal framework for the remuneration policy is provided by the remuneration provisions laid down in the Danish Financial Business Act and the related executive order as well as national and EU regulations (regulations based on CRD IV, etc.) that apply to the company, see the Danish Executive Order on a Ship Finance Institute.

The Board of Directors lays down the company’s remuneration policy and reviews it at least once a year to align it with the company’s performance. The remuneration policy is subject to adoption at the annual general meeting of the company.

Material risk takers at the company are identified in accordance with applicable national and EU-based rules and regulations.

### **3 Organisation**

The general meeting is the supreme body of the company.

The general meeting elects the number of members of the Board of Directors prescribed in the articles of association, etc. The Board also has employee-elected members, currently three representatives and three alternate members, who are elected for a term of four years.

#### **3.1 Board of Directors – risk takers**

Elected by the general meeting:

- Eivind Kolding (Chairman)
- Peter Nyegaard (Vice Chairman)
- Anders Damgaard
- Thor Jørgen Guttormsen
- Jacob Meldgaard
- Michael Nellemann Pedersen
- Christian Frigast
- Henrik Sjøgreen

Elected by the employees:

- Marcus F. Christensen
- Christopher Rex
- Henrik R. Sjøgaard

#### **3.2 Executive Board – risk takers**

The Board of Directors has appointed an Executive Board consisting of three members to undertake the day-to-day management of the company.

#### **3.3 Other risk takers**

In accordance with applicable regulations, the Board of Directors has found that the following employees, whose activities have a material impact on the company's risk profile, are also risk takers:

- Head of Credit
- Head of Treasury
- Head of Finance
- Head of Legal & Compliance
- Head of IT
- Senior Portfolio Managers, Treasury

The Board of Directors identifies material risk takers once a year based on the recommendation of the Remuneration Committee and as and when needed in connection with appointments. The Executive Board makes a review of all employees and their job responsibilities, and risk takers are subsequently identified with due consideration being given to the company's business controls.

### 3.4 Employees in control functions

The following employees undertake control assignments:

- Employees of Internal Control
- Head of Finance
- Head of Payments & Control
- Controller, Payments & Control
- Head of Risk Management
- Risk Manager, Risk Management
- Head of Compliance
- Compliance Officer, Compliance
- Credit Controller, Customer Relations

If the remuneration of an employee involved in the company's control functions has a variable pay component, such variable pay component is not allowed to be based on the performance of the department of which the employee undertakes control.

Other considerations related to remuneration of employees in control functions are described in section 9.

## 4 Remuneration of the Board of Directors

Members of the Board of Directors receive a fixed annual remuneration.

The Chairman receives a remuneration of	DKK 750,000
The Vice Chairman receives a remuneration of	DKK 350,000
Other board members receive a remuneration of	DKK 200,000
Committee members receive a remuneration of	DKK 150,000

Based on the recommendation of the Remuneration Committee, the Board of Directors submits proposals for changes to the remuneration of the members of the Board of Directors and of the members of the committees set up by the Board of Directors to the general meeting for adoption. The remuneration of the Board of Directors takes into consideration economic trends, the level of remuneration in similar undertakings and the scope of work, and any

recommendation for adjustment is submitted to the general meeting for adoption. The individual members of the Board of Directors may opt not to receive remuneration.

No variable remuneration is paid to members of the Board of Directors for undertaking their board duties, neither members elected by the general meeting nor employee-elected members. However, an employee-elected member of the Board of Directors may receive variable remuneration if such remuneration is related to the work performed as an employee of Danish Ship Finance.

## **5 Remuneration of the Executive Board**

The members of the Executive Board have entered into an executive service agreement with the company. Under this agreement, the fixed annual remuneration is composed of a base pay, a pension contribution of 12.75% of the base pay, a holiday supplement of 3.25%, company car, multimedia, insurance, etc.

The terms of the service agreements and adjustment of the base pay are agreed with the Board of Directors. The terms for variable remuneration of the members of the Executive Board are set out in section 6 below.

### **5.1 Termination provisions for the Executive Board and other risk takers**

The company may terminate the employment relationship with a member of the Executive Board by giving 18 months' written notice to expire at the end of a month. Members of the Executive Board are not entitled to severance pay.

As a main rule, other risk takers are not entitled to severance pay unless provided by law.

### **5.2 Criteria for granting severance pay**

Notwithstanding the provisions of section 5.1, the company may grant severance pay where specific criteria have been set out in a severance agreement and such criteria have been met.

## **6 Variable remuneration of the Executive Board, managers and other risk takers**

The Board of Directors may enter into an agreement on variable remuneration with the individual members of the Executive Board. The Executive Board may enter into an agreement



on variable remuneration with the individual managers and risk takers in accordance with the limits prescribed by the Board of Directors.

An agreement on variable remuneration may include performance contracts, one-off remuneration, retention bonus and the like. Within the scope of the applicable executive order, the Board of Directors may further approve a sign-on bonus, which may not in any circumstances exceed the cap set out in section 6.3.

## **6.1 Criteria for granting variable pay**

Variable pay may be granted for retention purposes or as a reward to a member of the Executive Board, a manager or a risk taker for delivering sustained and risk-adjusted results as well as results exceeding what would be expected given the person's work experience and organisational responsibility.

The individual criteria for granting performance-based variable pay will be laid down taking into consideration performance targets, existing and future risks associated with such targets and the cost of capital, liquidity and credit risk required to obtain the results.

Subject to the overall business goals, the criteria for performance-based remuneration may include an assessment of the following parameters:

- earnings and cost trends
- loan impairment charges and write-offs
- capital structure
- liquidity and funding position
- active participation in the implementation of the corporate strategy adopted by the Board of Directors
- active organisation development ensuring that the right competencies to implement the strategy are available at all times
- compliance with regulatory and supervisory requirements
- a satisfactory trend in customer satisfaction with the services of Danish Ship Finance.

The assessment of the financial criteria in particular will focus on the results achieved relative to budgets and projections as well as developments in the markets (especially lending and funding) and the risk scenario during the year.

Non-financial criteria include compliance by the individual member of the Executive Board, the manager or the risk taker with Danish Ship Finance's internal rules and procedures as well as guidelines and business procedures applying to relations with customers and investors. In addition, it must be ensured that variable pay is granted in such a way that:

- there is an appropriate balance between fixed and variable pay components, and
- the fixed pay is sufficiently high to allow Danish Ship Finance to pursue a flexible bonus policy.

## **6.2 Instruments**

Subject to compliance with applicable legislation, Danish Ship Finance may apply bonds (senior contingent notes), shares and phantom shares, which, using Total Shareholder Return (TSR) adjustment, are based on a specified index measured as the appreciation in value of the ratio between adjusted net earnings at the consolidated level for Danmarks Skibskredit Holding A/S (the “Holding Company”) and the owner-invested capital adjusted for dividends and capital contributions if applicable.

Instruments must account for at least 50% of the variable remuneration, and a considerably larger share should generally be targeted.

As part of special retention arrangements with the Executive Board and other risk takers, the company may apply warrants (max. 12.5% of the recipient’s fixed annual pay) and equity-like instruments (TSR) subject to the annual cap applicable to the Executive Board, see section 6.3 below.

## **6.3 Cap on variable pay components**

The Board of Directors determines annually a maximum percentage of the variable pay component relative to the fixed salary. For members of the Executive Board, managers and other risk takers, the variable pay component must not exceed 50% of the fixed base salary including pension.

## **6.4 Deferral and lock-up**

According to legislation, at least 50% of the variable pay component must be deferred and made instrument-based rather than cash-based. In determining the payout structure, the Board of Directors may lay down requirements for the deferral of larger amounts than required by legislation where this is deemed most appropriate and/or reasonable in terms of retention or business considerations.

The instrument-based components are subject to deferral for four years for members of the Executive Board, managers and other risk takers as well as lock-up for one year in accordance with applicable legislation.

## **6.5 Payout restrictions (back testing) and repayment of variable pay (claw back)**

In respect of payout of deferred variable pay, the Board of Directors must assess in relation to the Executive Board, and the Executive Board must assess in relation to other risk takers, whether the criteria for granting variable pay remain satisfied at the time of payout.

If that is not the case, the Board of Directors and the Executive Board, respectively, may decide that the deferred variable pay component is to be further deferred or cancelled in full or in part.

Furthermore, the Board of Directors and the Executive Board, respectively, may decide that the deferred variable pay component is to be further deferred or cancelled in full or in part, if:

- the economic and financial situation of Danish Ship Finance at the time of disbursement is significantly impaired relative to the time of granting;
- Danish Ship Finance fails to meet applicable capital and/or capital adequacy requirements, or there is an imminent risk thereof;
- the person concerned has participated in or been responsible for behaviour that has resulted in significant losses to Danish Ship Finance or has failed to comply with appropriate suitability and integrity requirements.

Lastly, a deferred variable pay component may be cancelled in full or in part if the variable pay component was granted on the basis of performance data which are proved to be incorrect, provided that the member of the Executive Board, the manager or the risk taker concerned should have been aware of this. In such cases, the recipient must also repay, in full or in part, the amounts of the variable pay previously disbursed on the basis of the same incorrect data.

## **6.6 Lower threshold**

The Board of Directors may assess in relation to the Executive Board, and the Executive Board may assess in relation to managers and other risk takers, subject to specified criteria, whether it is appropriate to exempt variable pay components not exceeding an aggregate annual amount of DKK 100,000 from one or more of the requirements set out in 6.4 above.

The claw back provision under section 6.5 also applies to variable pay subject to the lower threshold.

## **7 Remuneration of other employees**

The Executive Board is responsible for ensuring that the employees of Danish Ship Finance receive remuneration which continually and appropriately reflects the individual employee's responsibility and competencies, the company's business needs and general market demand.

Remuneration and conclusion of employment contracts, including as regards determination of pension contribution, severance pay, etc., generally comply with applicable legislation and Danish Ship Finance's obligations under collective agreements.

## **7.1 Variable remuneration of other employees**

In respect of other employees, the Executive Board may apply variable remuneration, including special retention programmes, within the limits prescribed by the Board of Directors.

Variable remuneration may be in the form of cash and/or equity/instrument-based remuneration, including employee share ownership plans subject to applicable legislation.

In respect of employees involved in control functions, any variable pay may not be based on the performance of the department of which the employee undertakes control. The Executive Board's assessment of the year's performance and granting of any special bonus/bonus to employees in control functions is thus made independently of results of which the employee undertakes control.

## **7.2 Criteria for granting variable pay**

Variable pay may be granted for retention purposes or as a reward to an employee for delivering sustained results as well as results exceeding what would be expected given the person's work experience and organisational responsibility.

## **7.3 Cap on variable pay components**

For other employees, the variable pay component must not exceed 50% of the fixed base salary including pension. On that basis, the Executive Board determines annually a maximum percentage of the variable pay component relative to the fixed salary.

## **8 Remuneration Committee**

The Board of Directors appoints a Remuneration Committee, which submits recommendations for the remuneration policy to the Board of Directors.

Furthermore, the Remuneration Committee monitors initiatives with respect to remuneration issues as well as compliance with the remuneration policy, see section 9.

## 9 Oversight by the Board of Directors

The Board of Directors must ensure that compliance with the remuneration policy is checked at least once annually.

The Remuneration Committee must monitor the remuneration of the Executive Board and the head of the entity monitoring compliance with risk taking limits, the head of the company's Compliance function and the part of the organisation which otherwise undertakes monitoring.

Oversight activities include verification that:

- no variable pay is granted in contravention of this remuneration policy;
- any granting of variable pay in accordance with the lower threshold provision does not exceed DKK 100,000 for the Executive Board, managers and other risk takers;
- the remuneration promotes sound and effective risk management, which does not induce excessive risk-taking and includes safeguards to prevent conflicts of interest;
- the remuneration is in alignment with the company's business strategy, values and long-term goals;
- employees pursue responsible conduct which has not resulted in significant losses;
- employees pursue decent conduct as deemed appropriate by the Board of Directors;
- the total variable pay which the company undertakes to pay does not erode the company's ability to strengthen its capital position;
- reasons for granting variable pay have been prepared in writing (spot checks).

When planning the oversight activities, the Board of Directors must ensure that employees involved in the preparation of, and monitoring of compliance with, the remuneration policy have the requisite expertise and, taking into consideration Danish Ship Finance's size, internal organisation and the scope and complexity of its activities, that they are independent of the departments at Danish Ship Finance which they are monitoring.

In pursuance of sections 6 and 7 of the Danish Executive Order on remuneration policy and remuneration in banks, mortgage credit institutions, investment companies, investment management companies, financial holding companies and investment funds, the Remuneration Committee has authorised the Head of Payments & Control to monitor compliance with the remuneration policy on its behalf.

## 10 Disclosure and reporting requirements

At least once annually, the company must disclose the information set out below concerning its remuneration policy and practices for the Board of Director, the Executive Board and other employees whose activities have a material impact on the company's risk profile:

- decision-making process in connection with determination of the remuneration policy;
- connection between pay and performance;
- key characteristics of the company's remuneration structure;
- total remuneration amount broken down by remuneration of the Board of Directors, the Executive Board and other employees whose activities have a material impact on the company's risk profile, stating the following:
  - o total pay disbursed in the financial year broken down by fixed and variable pay and the number of recipients;
  - o sign-on pay and severance pay disbursed in the financial year and the number of recipients;
  - o total amount of severance pay granted in the financial year, the number of recipients and the highest amount granted to a single individual.

This provision only applies to employees whose activities have a material impact on the company's risk profile, provided that disclosure will not involve disclosure of the individual pay of the individual employee.

Disclosure of the information must appear from the company's annual report.

In his report at the company's annual general meeting, the Chairman of the Board of Directors must give an account of the remuneration of the company's Executive Board. The account must include information on remuneration in the preceding financial year and the expected remuneration in the current and following financial years.

The account must include information on the fixed pay and the overall guidelines for incentive pay, including the conditions for earning and granting of bonus/special bonus and/or share index-linked incentive schemes, etc., as well as for pension, severance agreements and other benefits. The information about the relative percentage of the fixed pay, incentive pay and the other remuneration components must also be stated.

At the presentation of the annual report, the company must report to the Danish FSA the number of persons who, in the context of their employment or duties as a member of the Board of Directors, received a total annual pay including pension that exceeds an amount equivalent to EUR 1 million.

## 11 Adoption

The remuneration policy was adopted by the Board of Directors at the company's ordinary board meeting on 25 February 2019 and is recommended for adoption at the company's Annual General Meeting on 25 March 2019.

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Copenhagen, 25 February 2019

Eivind Kolding  
(Chairman)

Peter Nyegaard  
(Vice Chairman)

Marcus F. Christensen

Anders Damgaard

Christian Frigast

Thor Jørgen Guttormsen

Jacob Meldgaard

Michael N. Pedersen

Christopher Rex

Henrik Sjøgreen

Henrik R. Sjøgaard

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Adopted at the Annual General Meeting of the company on 25 March 2019

Chairman of the meeting



Annex 3

## FORM OF PROXY

Pursuant to Article 4.8 of the Articles of Association, I/we, the undersigned, hereby appoint the Board of Directors of Danmarks Skibskredit A/S, with the power of delegation, as my/our proxy to exercise my/our right to vote on my/our behalf in accordance with the contents of the below table at the Annual General Meeting of Danmarks Skibskredit A/S, to be held on 25 March 2019 at 3:00pm.

Principal: \_\_\_\_\_

Nominal shareholding: \_\_\_\_\_

Yes indicates that I/we agree to  
the proposal

Agenda item	Yes	No	Vote withheld
<p><b>2. Submission of Annual Report 2018 for adoption.</b></p> <p>The Board of Directors proposes that the general meeting adopt Danmarks Skibskredit's Annual Report 2018.</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<p><b>3. Grant of discharge to the Board of Directors and the Executive Board.</b></p> <p>The Board of Directors proposes that discharge be granted to the Board of Directors and the Executive Board.</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<p><b>4. Proposal for allocation of profits according to the adopted Annual Report.</b></p> <p>The Board of Directors proposes that dividend in the amount of DKK 165,630,000.00 be paid on A shares, equivalent to DKK 0.5521 per share of DKK 1.</p> <p>In accordance with Article 3.9.2 of the Articles of Association, dividend in the amount of DKK 39,360,000.79 will be paid on B shares, equivalent to DKK 1.1808 per share of DKK 1.</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



