



To the shareholders

14 March 2022
Company announcement no. 5, 2022

Notice of Annual General Meeting of Danish Ship Finance A/S

Pursuant to Article 4 of the Articles of Association, notice is hereby given of the Annual General Meeting of Danish Ship Finance A/S to be held on 29 March 2022 at 5:00pm at the company address, Sankt Annae Plads 3, Copenhagen K.

A G E N D A

1. The Board of Directors' report of the activities in Danish Ship Finance in 2021.
2. Submission of Annual Report 2021 for adoption.

The Board of Directors proposes that the general meeting adopt the Annual Report 2021.

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 89,910,000.00 be paid on A shares, equivalent to DKK 0.2997 per share of DKK 1.

In accordance with Article 3.9.2 of the Articles of Association, dividend in the amount of DKK 38,110,000.76 will be paid on B shares, equivalent to DKK 1.1433 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
Thor Jørgen Guttormsen
Jacob Meldgaard
Michael Nellemann Pedersen
Henrik Sjøgreen*

Annex 1 contains detailed information about the candidates.

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 Ernst & Young 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 2022". The policy is provided as Annex 2 to this agenda.

The Board of Directors proposes that "Remuneration Policy 2022" be adopted.

9. Authorisation of the chairman of the meeting

The Board of Directors proposes to authorise the chairman of the meeting – 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 2021 will be available on the company's website at 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 by e-mail to mos@shipfinance.dk no later than 24 March 2022.

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 24 March 2022. Admission cards are available on request to Morten Søggaard Sørensen, tel. 3374 1077, or by e-mail to mos@shipfinance.dk. If requesting admission cards, please state whether you wish to bring an advisor to the General Meeting.

Yours sincerely
Danish Ship Finance
Board of Directors



**DANISH
SHIP FINANCE**

Danish Ship Finance A/S

Candidates for the Board of Directors 2022

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 NTG Nordic Transport Group A/S
Vice Chairman of Leo Fondet (and one group company)
Member of the Board of Directors:
NNIT A/S
Altor Fund Manager AB

Peter Nyegaard, Senior Advisor, 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 of FIH

Member of the Board of Directors of Øens Murerfirma A/S

Chairman/member of a number of boards in the Axcel Group

Member of the Board of Directors in Nuuday A/S

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

Danish Ship Finance Holding A/S

PFA Asset Management A/S

PFA Bank 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 Sommerhuse ApS

PFA US Real Estate Medium P/S

PFA Nordic Real Estate Low P/S

Christian Frigast

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

Danish Ship Finance Holding A/S

EKF (Denmark's export credit agency)

Brancheforeningen for Aktive Ejere i Danmark (Active Owners)

The Board Leadership Society in Denmark

Vice Chairman of the Board of Directors:

Pandora

PostNord

Axcelfuture, Axcel's think tank

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 experience concerning shipping and the maritime industry, management, investment, finance and restructuring of operations.

Education:

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

Directorships and executive positions:

CEO of Høegh LNG AS
CEO of Høegh LNG Holdings Ltd (alternate)

Member of the Board of Directors:

Høegh Autoliners
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:

Chairman of the Board of Directors:
Danish Shipping (Danske Rederier)
Grant Compass

Member of the Board of Directors:

Syfoglomad
TORM Plc (board member in five 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 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 Dronningegården
OPP HoldCo ApS
A/S Kjøbenhavns Ejendomsselskab
Forstædernes Ejendomsaktieselskab
Chairman/member of the 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:
Danish Ship Finance 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 Høje
Investeringselskabet af 4. juli 2018 ApS

Institutional Holding GP ApS
Institutional Holding P/S
PKA Ejendomme af 2012 I/S
IIP Denmark P/S
IIP Denmark GP ApS
Komplementarselskabet Vilvordevej 70 ApS
Ejendomsselskabet Vilvordevej 70 P/S
PKA Private Funds III GP ApS
Rugårdsvej Odense A/S
PKA Venture I GP ApS
Falckgården P/S
PKA AIP A/S
PKA Private Funds IV GP ApS
PKA Private Funds I GP ApS
DEAS Invest I A/S
DEAS Invest I Holding A/S
PS Gjellerup

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:

Simon Fougner Hartmanns Fond

CEO of FIH A/S

CEO FIH Holding A/S

Trusted advisor for the Executive Board of PFA

Member of the Board of Directors:

Henrik Frode Obels Fond

Spar Nord Bank A/S



DANISH
SHIP FINANCE

21 February 2022

Remuneration policy 2022

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1 Purpose

The purpose of the remuneration policy of Danish Ship Finance A/S (hereinafter Danish Ship Finance or 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 remuneration policy is designed to attract and retain highly skilled employees and managers. The remuneration of individual employees is therefore based on the pay level for an employee's job category, job level and personal qualifications in line with market standards for such positions. Furthermore, for the Executive Board and certain groups of employees, the company uses share-like instruments to ensure focus on long-term value creation.

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 does not encourage excessive risk taking.

When explicitly stated the policy also applies to the financial holding company Danish Ship Finance Holding A/S (DSH). The only activity of DSH is to own shares in Danish Ship Finance A/S.

2 Legal framework

The remuneration policy has been prepared in accordance with the remuneration rules under the Danish Financial Business Act and the related executive order as well as national and EU regulations that apply to the company (see the Danish Executive Order on a Ship Finance Institute).

The Board of Directors prepares 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 authority 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, the number of which is half the number of the general meeting-elected members rounded up to nearest whole number.

Employee-elected members are elected for a term of four years each.

3.1 Board of Directors – risk takers

Elected by the general meeting:

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

Elected by the employees:

- Marcus Freuchen Christensen
- Anna-Berit Koertz
- Ninna Møller Kristensen
- Christopher Rex

3.2 Executive Board – risk takers

The Board of Directors appoints an Executive Board consisting of three members to oversee the day-to-day management of the company.

3.3 Other risk takers

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

- Head of Credit
- Head of Treasury

- Head of Finance
- Head of Compliance
- Head of IT
- Head of Investments, Treasury
- Head of Funding, Treasury

The Board of Directors identifies material risk takers once a year based on the recommendation of the Remuneration Committee and as necessary when appointments are made. The Executive Board conducts a review of all employees and their responsibilities, and subsequently identifies risk takers with due consideration given to the company's control procedures.

3.4 Employees in control functions

The following employees undertake control activities:

- Employee of Internal Control
- Head of Finance
- Head of Payments & Facilities
- Senior Specialist, Back/Middle Office
- Specialist, Back/Middle Office
- Head of Risk Management
- Risk Manager, Risk Management
- Senior Portfolio Manager, Risk Management
- Head of Compliance
- Credit Controller, Customer Relations

If the remuneration of an employee in the company's control functions has a variable pay component, this shall not be based on the performance of the department in which the employee conducts control activities.

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

The remuneration of the Board of Directors takes into consideration economic trends and the level of remuneration in similar companies and the scope of work. 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 annual 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, either to members elected by the general meeting or employee-elected members. However, an employee-elected member of the Board of Directors may receive variable remuneration if such remuneration is related to work performed as an employee of Danish Ship Finance.

The Board of Directors of DSH does not receive pay for the performance of their duties related to DSH.

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 consists of a base salary, a pension contribution of 13.25% of the base salary, increasing to 13.40% as of 1 July 2022, a holiday supplement of 3.25%, a company car, multimedia, insurance, etc.

The terms of the service agreement and adjustment of the base salary 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.

The Executive Board of DSH does not receive fixed or variable pay for their services related to DSH, but may be granted warrants in DSH if so decided by the Board of Directors in DSH.

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 or a risk taker in accordance with the relevant employment contract. The individual written notice may extend up to 18 months, to expire at the end of a month.

5.2 Criteria for granting severance pay

The company does not grant severance pay.

However, the company may grant severance pay where it is required by law or 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 agreements on variable remuneration with the individual members of the Executive Board. The Executive Board may enter into agreements on variable remuneration with 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 bonuses and the like. Within the scope of the applicable executive order, the Board of Directors may further approve sign-on bonuses, which may not in any circumstances exceed the cap set out in section 6.3.

6.1 Criteria and procedure 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 his work experience and organisational responsibility. The variable pay is determined on a discretionary basis according to the criteria and method set out below.

The individual criteria for granting performance-based variable pay takes 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
- Development in the lending book
- 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 participation in the integration of sustainability in lending and funding
- 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
- A satisfactory level of and trend in employee satisfaction (the Executive Board and employees with management responsibilities).

An assessment of the financial criteria in particular focuses on the results achieved in relation 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.

The total award according to the above criteria is multiplied by a factor reflecting the annual return for the shareholders. The factor may be zero if profit after tax does not exceed the minimum requirement laid down from time to time.

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
- 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 Danish Ship Finance Holding A/S and the owner-invested capital adjusted for dividends and capital contributions, if applicable.

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

DSH may grant warrants (maximum 12.5% of the recipient's fixed base salary including pension contributions) and equity-like instruments (TSR) subject to the annual cap applicable to the Executive Board, as set out in section 6.3 below. The warrants may be granted to the Executive Board and other risk takers.

6.3 Cap on variable pay components

On an annual basis, the Board of Directors determines 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 contributions.

The Remuneration Committee may in certain cases recommend that the Board of Directors approve that the variable pay component for a risk taker (excluding the Executive Board) can be up to 100% annually.

The determination of actual variable remuneration amounts will be made at the time remuneration is awarded and will be subject to relevant limits at this time.

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 pay-out 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 five years for members of the Executive Board and four years for 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 (clawback)

In respect of pay-out 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 pay-out.

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

Furthermore, the Board of Directors and the Executive Board, respectively, may decide that the deferred variable pay component should 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 has been proved to be incorrect, provided that the recipient should have been aware of this. In such cases, the recipient must also

repay, in full or in part, any 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 per risk taker from one or more of the requirements set out in 6.4 above.

The clawback 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 their level of responsibility and their competencies, the company's business needs and general market demand.

Remuneration and conclusion of employment contracts, including determination of pension contribution, severance pay, etc., shall 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 in which the employee conducts control activities. The Executive Board's assessment of the employee's performance over the year and granting of any special bonuses/bonuses to employees in control functions are thus to be made independently of the results of the entities for which the employee conducts control activities.

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 his or her work experience and level of responsibility in the organisation.

7.3 Cap on variable pay components

For other employees, the variable pay component shall not exceed 50% of the fixed base salary including pension contributions at the time of allocation. On that basis, the Executive Board determines on an annual basis a maximum percentage for 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, as set out in section 9.

9 Oversight by the Board of Directors

The Board of Directors shall ensure that compliance with the remuneration policy is checked at least once a year.

The Remuneration Committee shall monitor the remuneration of the Executive Board, 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 of the following:

- No variable pay is granted in contravention of this remuneration policy
- Any variable pay granted in accordance with the lower-threshold provision does not exceed DKK 100,000 for the Executive Board, managers or 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 show responsible conduct which does not result in significant losses or is in contradiction to what is to be reasonably expected
- The total variable pay which the company grants does not erode the company's ability to strengthen its capital position

- Reasons for granting variable pay are prepared in writing.

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 required 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 which they are monitoring.

In accordance with 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 Board of Directors has authorised the Head of Payments & Facilities to monitor compliance with the remuneration policy on its behalf.

The Remuneration Committee shall oversee the compliance monitoring process and recommend the remuneration control report for the approval of the Board of Directors.

10 Disclosure and reporting requirements

At least once a year, the company shall 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:

- The decision-making process for the determination of the remuneration policy
- The connection between pay and performance
- The key characteristics of the company's remuneration structure
- The 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 The 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 and shall not involve disclosure of individual employees' pay.

Disclosure of the information shall be published in the company's annual report.

In his report at the company's annual general meeting, the Chairman of the Board of Directors shall 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 fixed pay and the overall guidelines for incentive pay, including the conditions for earning and granting of bonuses/special bonuses and/or share index-linked incentive schemes, etc., as well as for pension contributions, severance agreements and other benefits. It must also include information on the relative percentage of the fixed pay, incentive pay and other remuneration components.

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

11 Remuneration report

A more detailed review of the remuneration of the Board of Directors and the Executive Board is available on the website of Danish Ship Finance: <https://www.shipfinance.dk/investor-relations/>

12 Adoption

The remuneration policy was adopted by the Board of Directors at the company's ordinary board meeting on 28 February 2022 and is recommended for adoption at the company's annual general meeting on 29 March 2022.

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Copenhagen, 28 February 2022

Eivind Drachmann Kolding
(Chairman)

Peter Nyegaard
(Vice Chairman)

Marcus Freuchen Christensen

Anders Damgaard

Povl Christian Lütken Frigast

Thor Jørgen Guttormsen

Anna-Berit Koertz

Ninna Møller Kristensen

Jacob Balslev Meldgaard

Michael Nellemann Pedersen

Christopher Rex

Henrik Sjøgreen

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Adopted at the annual general meeting of the company on 29 March 2022

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 Danish Ship Finance 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 Danish Ship Finance, to be held on 29 March 2022 at 5:00pm.

Principal: _____

Nominal shareholding: _____

Yes indicates that I/we agree to the proposal

Agenda item	Yes	No	Vote withheld
2. Submission of Annual Report 2021 for adoption. The Board of Directors proposes that the general meeting adopt Danmarks Skibskredit's Annual Report 2021.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Proposal for allocation of profits according to the adopted Annual Report. The Board of Directors proposes that dividend in the amount of DKK 89,910,000.00 be paid on A shares, equivalent to DKK 0.2997 per share of DKK 1. In accordance with Article 3.9.2 of the Articles of Association, dividend in the amount of DKK 38,110,000.76 will be paid on B shares, equivalent to DKK 1.1433 per share of DKK 1.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Agenda item	Yes	No	Vote withheld
5. Resolutions proposed by the Board of Directors and shareholders. No proposals submitted			
6. Election of members to the Board of Directors. The Board of Directors proposes the re-election of: Eivind Kolding Peter Nygaard Anders Damgaard Christian Frigast Thor Jørgen Guttormsen Jacob Meldgaard Michael Nellemann Pedersen Henrik Sjøgreen	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>		<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
7. Appointment of external auditor. The Board of Directors proposes re-election of Ernst and Young Revisionspartnerselskab.	<input type="checkbox"/>		<input type="checkbox"/>
8. The Board of Directors’ proposal for adjustments to the Remuneration Policy. The Board of Directors proposes that “Remuneration policy 2022” be adopted.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Authorisation of the chairman of the meeting The Board of Directors proposes to authorise the chairman of the meeting, – 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.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

_____ Date

_____ Signature