



Appendix C

Re item F.3) on the agenda

Approval of general guidelines for incentive-based remuneration of the Board of Directors, the Board of Management, and other employees in accordance with section 69 b of the Danish Public Companies Act

Section 69 b of the Danish Public Companies Act provides that the first general meeting after 1 July 2007 shall adopt general guidelines for incentive-based remuneration of the Board of Directors and the Board of Management, before NORDEN may enter into any specific agreements in this regard. Thus, at the general meeting on 23 April 2008, the Board of Directors will submit the following proposal for a remuneration policy, which in addition to incentive-based remuneration also describes the main principles of NORDEN's total remuneration of the Board of Directors, the Board of Management, and other employees.

General guidelines for remuneration of the Board of Directors, the Board of Management, and other employees

1. General principles of NORDEN's remuneration policy

The principles of NORDEN's remuneration policy reflect the objective of attracting qualified employees in order to ensure long-term value creation for the shareholders. Thus, in addition to a competitive base salary NORDEN must be able to offer its employees a variety of incentives and reward high-performing employees. The incentives used are cash bonuses, share options, and employee shares (bonus shares).

The incentives chosen create, in the short term as well as the long term, an alignment of interests between the Board of Management, employees, and shareholders. The incentives are administered and granted in light of the purpose of the individual instrument as well as NORDEN's performance, the competitive situation, the market structure, and, when relevant, personal performance.

The Board of Directors determines NORDEN's remuneration policy. The remuneration committee set up by the Board of Directors considers and proposes the remuneration policy, including incentives for the management and other employees, on an annual basis. The remuneration committee ensures that NORDEN's remuneration policy is a competitive element in the cross border recruitment and retention of qualified employees. This is essential in order to ensure maximum return on the Company's large continuing investments.

2. Remuneration principles for the Board of Directors

Members of the Board of Directors receive a fixed annual salary. The chairman and the vice-chairman receive an additional amount. Furthermore, under special circumstances supplemental remuneration may be paid for an effort above and beyond what may ordinarily be expected from board members. The total remuneration of the Board of Directors is disclosed in the annual report, and the remuneration is subject to consideration at the general meeting. The remuneration is determined on the basis of comparisons of the remuneration level in other international shipping companies and major Danish companies listed on the stock exchange.

At present, the Board of Directors receives no incentive-based remuneration.



3. Remuneration principles for the Board of Management

Members of the Board of Management receive a fixed salary as well as performance-based remuneration consisting of bonus, share options, and employee shares (bonus shares).

Fixed salary

NORDEN aspires to offer a competitive fixed salary appropriate for a company its size. Salaries are evaluated once a year by the remuneration committee, and the ordinary negotiation of salaries takes place at the turn of the year.

Cash bonus

Individual bonus schemes are entered into with members of the Board of Management with a view to market practices and the competitive situation. In general, any individual bonus will depend on NORDEN reaching predefined performance targets, whereby it is ensured that the shareholders obtain an acceptable return on investment relative to the development in the Company's market cap during the year; however, other performance-based criteria may also be employed. At present, the Board of Directors considers it appropriate to pay out half of any bonus earned under an individual bonus scheme when the audited annual report is available. The other half of the bonus amount will be paid over the next two years on the conditions that the member of the Board of Management remains employed with the Company and that NORDEN achieves a defined level of earnings.

The total individual cash bonus paid to the Board of Management may not exceed an amount equal to 300% of the Board of Management's fixed annual salary.

The Board of Directors may further decide to include the Board of Management in NORDEN's collective bonus scheme described in section 4 below. The size of the bonus paid under the collective bonus scheme is determined with a view to market practices, the Company's performance, and individual performances.

The total collective cash bonus paid to the Board of Management may not exceed an amount equal to 50% of the Board of Management's annual fixed salary.

The annual report contains information on the individual and collective bonuses granted to the Board of Management.

Share options

Each year the members of the Board of Management take part in the Company's general share option programme. The number of options granted is based on the individual fixed salaries. Options are granted on three levels; the Board of Management and the other top executives being the top level. Generally, the programme is limited to approximately 1% of the Company's share capital, and thus the amount of options granted to the Board of Management depends on the number of participants, which is determined by the Board of Directors.

The value of the options granted to the Board of Management depends on the development of the share price and the volatility of the share price, but is subject to a ceiling at an amount equal to 150% of the Board of Management's fixed annual salaries. The term of the share options is four years and the options vest after two years. The exercise price is calculated based on the market price quoted at the time of grant including an effective rate of interest of 8% and a deduction of all dividend payments from the date of grant until the date of exercise, which means that the Board of Management will only profit once the shareholders have received a return. The Board of Manage-



ment must reinvest part of any net gain from the options in NORDEN shares and keep these for a number of years. On approval of these guidelines, the Board of Management shall reinvest 25% of any net gain in shares, which shall be kept for at least two years. The reinvestment percentage as well as the term of ownership may be amended by the Board of Directors.

The value of the share options is calculated on the basis of recognised market criteria, and the number of options granted and their market value are stated in the annual report. The options are covered by NORDEN's portfolio of treasury shares.

Bonus shares

Finally, the Board of Management participates in any general grant of bonus shares to employees in accordance with applicable tax regulations. Such grants are decided by the Board of Directors with a view to NORDEN's performance, the market structure, and the competitive situation.

For the individual member of the Board of Management the value is maximised to the limit defined in applicable Danish tax legislation, i.e. DKK 22,000 for the year 2008. Information on bonus shares granted may be found in the annual report.

4. Incentive remuneration for other employees

Cash bonus

In general, individual and collective bonuses for employees and executives, including the Board of Management, amount to approximately 3% of NORDEN's net profits for financial years in which bonuses are granted. The collective bonus is granted to all employees and is determined each year by the Board of Directors. When determining the bonus levels, the Board of Directors considers the Company's performance, the competitive situation, and the general market structure. The value of the collective bonus will therefore vary, but it will typically amount to 8-50% of the fixed salary. As for the Board of Management, the payment to selected employees of an individual bonus is contingent on their continued employment in the following years and on NORDEN achieving a certain level of earnings for the period.

Share options

Share options are granted on an annual basis at the decision of the Board of Directors. The Board of Directors determines the extent of any grants with a view to the market, the competitors, and individual performances. The term of the share options is four years, and the options vest after two years. The exercise price is calculated based on the market price quoted at the time of grant including an effective rate of interest of 8% and a deduction of all dividend payments from the date of grant until the date of exercise, which means that the employees will only profit once the shareholders have received a return. As for the Board of Management, selected executives shall reinvest part of any net gains in NORDEN shares and retain their shareholdings for at least two years.

The options are covered by NORDEN's portfolio of treasury shares.

Bonus shares

Furthermore, NORDEN regularly offers its employees bonus shares within the framework of current tax regulations. The shares are taken from NORDEN's portfolio of treasury shares.



5. Publication and commencement

A provision will be included in the articles of association stating that the general meeting has adopted guidelines for incentive-based remuneration in accordance with section 69 b (2) of the Danish Public Companies Act.

Following approval at NORDEN's annual general meeting on 23 April 2008, the guidelines will be published without undue delay at NORDEN's website (www.ds-norden.com/investor/corporategovernance) stating the date of the general meeting's approval of the guidelines.

If the general meeting subsequently alters the guidelines, the revised guidelines will likewise be published at NORDEN's website.

Specific agreements regarding incentive-based remuneration may be entered into no earlier than on the day after the approved guidelines have been published at NORDEN's website.