

NORDEN

REMUNERATION POLICY FOR THE BOARD OF DIRECTORS AND EXECUTIVE MANAGEMENT

1. GENERAL PRINCIPLES

The principles in NORDEN's Remuneration Policy reflect the Company's objective of attracting and retaining competent managers, which is essential in order for the Company to create long-term value for its shareholders.

The chosen principles in the Remuneration Policy are established to support our overall purpose of enabling smarter global trade and our current business strategy of transitioning to a more asset light business to generate higher returns on ~~equity~~invested capital. To ensure this achievement and the long-term sustainability of the Company, we need to attract and retain talented managers, and it is important that both short and long-term interests between the Board of Directors (the Board), the Executive Management and the Company's shareholders are aligned.

The allotment of incentives will be made with due regard to the Company's results and targets, competitive environment, market situation and outlook, purpose of the individual instruments and, where relevant, personal performance. The administration of incentives ensures that the incentive-based remuneration does not lead to carelessness, unreasonable conduct or inexpedient acceptance of risk.

The Remuneration Policy has been carefully determined to ensure that the remuneration of the Board and the Executive Management reflects the responsibilities and skills required of each role relative to peers, as well as to other senior leadership positions in the Company. The Board also considers a variety of risks, including talent and operational risks, when making decisions on remuneration, as well as environmental, social and governance matters, including the United Nation's 17 sustainability goals with particular focus on the 9th sustainability goal concerning industry, innovation and infrastructure. ~~These are the same principles that are applied when making remuneration decisions for all employees across the Company, although, for roles below the most senior levels, different labour markets may be more appropriate.~~

2. IMPLEMENTATION AND REVIEW OF THE REMUNERATION POLICY

The Board decides on the implementation of NORDEN's Remuneration Policy. Every year, following the Remuneration Committee's recommendation, the Board assesses the framework of the remuneration for the Executive Management.

Upon recommendation by the Remuneration Committee, the Board sees to it that the

total remuneration reflects the Company's needs, results and challenges and that the remuneration ensures that the Company is able to recruit and retain competent managers in a global industry. This is essential in order for the Company to obtain the maximum return on its considerable and continuous investments, and to ensure the sustainability of the Company.

When reviewing the Remuneration Policy, the Remuneration Committee may consult with the Executive Management, but the Executive Management have no decision-making power in terms of the Remuneration ~~p~~Policy.

The Remuneration Policy shall be presented to the general meeting of NORDEN for approval at least every fourth year and upon any proposed material amendments ~~In case there are any changes to the Remuneration Policy, it will be updated and submitted for adoption at the following annual general meeting. This will happen as a minimum every four years. NORDEN reports on the Remuneration Policy, including the estimated value of the incentive-based remuneration in the annual report, which will be submitted for adoption at the annual general meeting. From 2021, we will publish a separate Remuneration Report, covering remuneration in the previous financial year for the Board and for the Executive Management, in accordance with the Danish Companies Act section 139b~~.

The Board assesses that conflicts of interest in connection with the determination of the Remuneration ~~p~~Policy are minimised and managed. This assessment is based on the fact that (1) the Remuneration ~~p~~Policy primarily concerns the remuneration of Executive Management, (2) the Remuneration Committee is a sub-committee of the Board and relies on market practice regarding Board remuneration, (3) the Board's total remuneration is subject to approval~~vote~~ by the Company's shareholders at the annual general meeting, and (4) that any material changes to the Remuneration ~~p~~Policy are also subject to approval~~vote~~ by the shareholders at a general meeting.

3. REMUNERATION PRINCIPLES FOR THE BOARD OF DIRECTORS

Members of the Board receive a fixed annual base fee. The chair and vice-~~-~~chair of the Board receive three times and two times the annual base fee ~~in DKK~~, respectively. Participation in Board committees ~~of the Board~~ entitles members to an additional fixed annual fee. In addition, remuneration for efforts beyond what can be expected of members of the Board may be granted in extraordinary cases.

Board members are reimbursed for any travel costs in relation to participating in Board related activities. Internationally based Board members can receive a fixed travel allowance when travelling to Board meetings and/or Board ~~C~~committee meetings. This is to reflect the added travel time required of ~~b~~Board members travelling between countries including overnight stays in Denmark. No travel allowance is provided for online meetings, nor for Board members based in Denmark with domestic travel.

The Company may pay social security contributions to foreign Board members in the EU/EEA in line with legal requirements. ~~In addition, remuneration for efforts beyond what can naturally be expected of members of the Board can be granted in extraordinary cases as an additional fixed fee.~~

Remuneration is determined following comparison with remuneration in other international shipping companies and major Danish listed companies as well as on the basis of an assessment of scope and nature of the work.

At present, the Board does not receive incentive-based remuneration and is not covered by any retirement benefit arrangements provided by NORDEN. The remuneration of the Board is disclosed in the Remuneration Report and will be considered at the general meeting where the Board will also give an account of its proposal for remuneration in the coming financial year.

The members of the Board are elected at the annual general meeting covering the period until the following annual general meeting. In addition to the members elected at the annual general meeting, the Board also includes employee elected Board members.

4. REMUNERATION PRINCIPLES FOR THE EXECUTIVE MANAGEMENT

Remuneration for the Executive Management may consist of the following components:

- Fixed salary with possible pension scheme
- Pension
- Customary benefits such as company car, phone etc.
- Bonus ~~Cash bonus~~
- Long-term incentives
- ~~Customary benefits such as company car, phone etc.~~
- Severance pay
- Exceptional one-off bonus only granted in special cases

The combination of fixed and incentive-based remuneration has been chosen to support the objectives of the Remuneration Policy.

Fixed salary

NORDEN aims to offer a competitive fixed salary that is appropriate for a company of NORDEN's size in consideration of the overall remuneration package. Salaries are reviewed annually by the Board and any adjustments are ~~negotiated~~ ordinarily made in the beginning of the year~~in February~~.

Customary benefits

The members of the Executive Management may receive benefits that are aligned with market practice such as company car, telephone, computer, newspapers etc.

~~Cash b~~Bonus

Short-term incentives are primarily cash-based and ~~individual cash bonuses~~ are meant to motivate the Executive Management to make an extra effort by rewarding good results of initiatives within the limits of the Company's risk management framework and short-term strategy.

Bonus agreements for the Executive Management or individual members of the Executive Management are decided by the Remuneration Committee and are made in consideration of market practice and the competitive environment and will be subject to reaching specific targets, which, according to the assessment of the Remuneration Committee, are significant in order to ensure value creation for the shareholders. The pay-out will depend on the achievement of predetermined performance targets that are essential for our business and strategic projects; these are primarily financial targets such as share price performance, ~~revenue~~ return on investment or profitability goals, operational performance measures, as well as strategic targets and other objective targets such as measures of organisational engagement and ESG or other sustainability related objectives. Fulfilment of the targets ~~are~~ is determined and evaluated by the Remuneration Committee.

Bonus agreements can also include retention schemes where the Board assesses that this is required to support the overall interests of the shareholders. The Board may decide that the Executive Management is covered by collective bonus schemes.

The total ~~cash~~ bonus of each member of the Executive Management ~~is targeted at 100% of the executive's fixed annual fixed salary and~~ cannot amount to more than 200% of the executive's ~~fixed~~ annual fixed salary.

The Remuneration Report contains information on the individual bonus allotment of each member of the Executive Management as well as a specification of any bonus agreements.

Long-term incentives (Rrestricted shares and/or ~~share~~stock options)

To promote the long-term sustainability of the~~our~~ Company and align the interests of the Executive Management to those of the shareholders, the Board may grant share-based remuneration in the form of restricted shares and/or stock options to the members of the Executive Management ~~on an annual basis~~. By granting share-based remuneration which is linked directly to the performance of NORDEN's share price performance, the Executive Management have an increased incentive to work towards increased value creation which is in line with shareholders' expectations. In addition, share-based remuneration has a long-term perspective ensuring that the long-term

interests of the Company and the shareholders are sustained.

The Board may determines the grant size upon recommendation by the Remuneration Committee on the basis of performance according to pre-defined criteria (as set out above) and the annual fixed salary of the individual member of the Executive Management.

~~Restricted shares and/or stock options~~

~~The Board may grant restricted shares and/or stock options to members of the Executive Management. The number of restricted shares and/or stock options granted to each member of the Executive Management corresponds to a value of the executive's annual fixed salary, targeted at 30%.~~ The total value of the long-term incentive of each member of the Executive Management ~~at the time of grant~~ cannot exceed 150% of the executive's annual fixed salary at the time of grant.

The restricted shares will have a vesting period of three years vesting with one-third annually commencing on the anniversary of the grant, and their value directly follows ~~that of~~ the Company's share price
Vesting is as a main rule conditional upon continued employment with the Company at the time where the restricted shares vest and subject to good leaver and bad leaver provisions in line with market practice.
~~. Vesting is conditional on continued employment with the Company at the time where the restricted shares vest~~. There are no additional performance conditions to be achieved for the restricted shares to vest.

The share options have a vesting period of three years from the time of grant and can be exercised for a period of three years from the vesting date. The exercise price is calculated as the market price on the grant date and may include a certain supplement/hurdle rate decided by the Board to ensure that the share options will not be of value to the recipients until the shareholders are guaranteed a certain return on their investments. The exercise price is adjusted for distributed dividends.
The value of the share options is calculated according to recognised market criteria such as the Black-Scholes valuation method.

~~The share options are mainly covered by treasury shares.~~
[
~~The number of allotted restricted shares and/or share options to each member of the Executive Management as well as the estimated value at the time of granting are disclosed in the Remuneration Report.~~

~~To align the interest between Executive Management and the Company's shareholders even further, the Executive Management is obliged to reinvest a minimum of 25% of any net gain on their share options in NORDEN shares and keep such shares for at least three3 years. The reinvestment level as well as the number of years during which shares must be held may be modified by the Remuneration Committee of the Board.~~]

Malus and claw back

~~All incentive payments, grants and awards are subject to claw back without compensation if earned on the basis of data or other grounds subsequently proven to be manifestly misstated.~~ The Company has the option of reclaiming, in full or in part, all incentive payments, grants and awards in certain situations, including where incentive remuneration was awarded or paid out on the basis of information which is subsequently proved to be manifestly misstated or if a member of the Executive Management is deemed to have caused a material loss to the Company due to wilful misconduct or gross negligence or acting in bad faith in respect of other matters which implied payment of too large incentive-based remuneration.

~~**Customary benefits**~~

~~The members of the Executive Management may receive benefits that are aligned with market practice such as company car, telephone, computer, newspapers etc.~~

Severance pay

NORDEN's term of notice to the members of the Executive Management is determined in line with market practice at up to 12 months. If members of the Executive Management step down following a change of control, they may receive a special severance payment in addition to their normal remuneration and in some cases a bonus during the notice period. This change of control payment can at most equal up to 12 months' fixed salary. The total compensation in severance cases cannot exceed two years' pay.

Exceptional one-off bonus granted in special cases

The Board ~~of directors~~ may under exceptional circumstances, e.g. extraordinary performance of the ~~c~~Company, award or grant to a member of Executive Management, a one-off payment or other extraordinary remuneration, including retention bonus, severance payment, sign-on bonus or other schemes in connection with retention, appointment or departure.

Such extraordinary awards or grants may be incentive-based and may consist of cash and/or share-based remuneration or a mix thereof, in which case they will be granted or awarded in line with the Remuneration Policy.

The value of any exceptional payments of each member of the Executive Management cannot exceed an amount corresponding to 100% of the annual fixed salary at the time of grant.

5. INDEMNIFICATION OF BOARD AND MANAGEMENT

NORDEN has taken out a customary Directors and Officers insurance (D&O). Where the coverage under the D&O insurance is insufficient or associated with disproportionate costs or other adverse terms, NORDEN may indemnify and hold harmless individual members of the Board and/or Executive Management up to the fullest possible extent permitted under applicable law for liability pertaining to claims raised by one or more third parties in relation to the exercise of duties as Board or Executive Management members of NORDEN. Any such indemnification shall be limited to the gap between the D&O insurance coverage and the third-party claim, shall be secondary to the coverage under the D&O insurance and be subject to the same terms and conditions and exclusions of the D&O insurance applicable from time to time. Additionally, excluded is indemnification in respect of any loss related to:

- Claims raised by NORDEN or its subsidiaries.
- Claims arising out of fraud, willful misconduct or gross negligence on part of the Board Member or Executive Manager in question.
- Claims arising out of deliberately criminal acts on part of the Board Member or Executive Manager in question.
- Claims for which indemnification would be inconsistent with applicable law.

Indemnification shall include indemnification for reasonable fees properly incurred by such members of the board/management in connection with investigating, preparing, or defending ~~against~~ any claims covered hereunder; and for any personal tax implications arising out of a Board Member or Executive Manager having benefitted from indemnification by NORDEN.

The indemnification hereunder is valid up to and including the date of the Annual General Meeting 2028.

6. REMUNERATION TO NORDEN'S OTHER EMPLOYEES

The Remuneration Policy has been established taking into account the terms of employment and remuneration of the employees of the Company other than the Board and Executive Management. The overall principles of the Remuneration Policy are the same principles that are applied when making remuneration decisions for all employees across the Company, however, taking into account market practice for remuneration in appropriate peer companies, the size, complexity, geographical scope and industry of NORDEN as well as the different labour markets in which NORDEN operates.

~~6.~~7. DEVIATION FROM THE REMUNERATION POLICY

In exceptional cases and when deemed necessary to ensure the long-term interests and business strategy of NORDEN, the Board ~~of Directors~~ may at its sole discretion decide to deviate from the principles set out in this Remuneration Policy. Deviations

may include, but is not limited to, changes to the maximum value or relative proportion of the remuneration components.

To ensure that the long-term incentives remain current and support the long-term business strategy of the Company, the Board also has the discretion to amend the terms if necessary. This discretion includes, but is not limited to, (1) the size of the grants subject to the maximum as described in this Remuneration Policy, (2) the timing of the grants, (3) adjustment of the number of restricted shares or share options, (4) ~~early~~ accelerated vesting of the restricted shares or share options, (5) the treatment of the restricted shares and share options in the case of resignations, change of control, a merger, rights issue or other events.

Any deviations must be approved by the Board and described in the Remuneration Report which is presented to the shareholders at the annual general meeting the following year.

~~7.~~8. PUBLICATION AND COMMENCEMENT

Subject to adoption at NORDEN's annual general meeting on 12 March 2025~~4~~, this document will be published on NORDEN's website immediately after the approval. The date of adoption of this Remuneration Policy at the annual general meeting will also be disclosed on the website.