

Nordic Shipholding A/S in liquidation Remuneration report 2022



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1 Introduction

Remuneration Report for the financial year 2022 | Nordic Shipholding A/S in liquidation

The Remuneration Report has been prepared in accordance with section 139b of the Danish Companies Act. The Remuneration Report 2021 was presented at the annual general meeting on 26 April 2022 and no comments or remarks were received.

This remuneration report (the "Report") provides an overview of the total remuneration received by each member of the board of directors ("Board") and of the executive management ("Executive Management") of Nordic Shipholding A/S in liquidation, CVR no. 76351716 (the "Company") for the financial year 2022. The Executive Management includes the CEO of the Company registered as such with the Danish Business Authority.

On 23 December 2022 the Company went into a voluntary solvent liquidation and in consequence, the Board and the Executive Management stepped down and a liquidator was appointed.

The remuneration of the Board and Executive Management during the past financial year has been provided in accordance with the remuneration policy of the Company approved by the annual general meeting on 4 June 2020, which is available on the Company's website, www.nordicshipholding.com (the "Remuneration Policy"). The overall objectives of this Remuneration Policy are (i) to attain a suitable alignment between the interests of the Board and the Executive Management with those of the Company's shareholders; (ii) to ensure that the Company is able to retain and attract highly qualified members of management; and (iii) to ensure a strong correlation between pay and performance, taking into consideration the Company's long-term goals, continued sustainability.

The remuneration of the Board and the Executive Management is designed to support the strategic goals, long-term interests, and sustainability of the Company and to promote value creation and sustainability for the benefit of the shareholders of the Company by continuing to offer a fixed remuneration of a size in line with market practice. The remuneration takes into account any management service agreements entered into with third party service providers.

The information included in the Report has been derived from the audited annual report of the Company for the financial year 2022 available on the Company's website, www.nordicshipholding.com. All amounts are included in USD.

2 Remuneration | Board

2.1 Fixed annual fee

Members of the Board receive a fixed annual base fee¹ approved by the annual general meeting. This annual base fee shall be in line with market practice of comparable listed companies taking into account the required competencies, effort and scope of work of the members of the Board of Directors. Members shall not be entitled to receive any variable remuneration. The Company may reimburse other reasonable expenses such as relevant training, etc.

The annual fees for the financial year 2022 approved at the annual general meeting on 26 April 2022 were (i) DKK 240,000 for the Chairman and (ii) DKK 175,000 for ordinary Board members. Three Board members have waived their right to receive an annual base fee in light of the Company's financial circumstances due to their affiliation with the majority shareholder or position as CEO.

Given the Company's ownership structure and activities, it has been decided not to establish separate committees. The tasks of such committees are handled by the members of the Board collectively.

No Board members receive any remuneration from the Company's subsidiaries.

Name and position	Annual fee	Allowance	Benefits	Total remuneration 2022
Esben Poulsen, Chairman	USD 34,213	N/A	N/A	USD 34,213
Jon Lewis, Deputy Chairman	N/A	N/A	N/A	N/A
Kanak Kapur, Board member	N/A	N/A	N/A	N/A
Philip Clausius, Board member	N/A	N/A	N/A	N/A
Total (2022)	USD 34,213	N/A	N/A	USD 34,213

3 Remuneration | Executive Management

The Board determines the base salary for the Executive Management. The base salary for the Executive Management shall be in line with market practice in comparable listed companies and be based on the individual member's responsibilities and performance. The Company's interest in attracting, motivating and maintaining

¹ As there was no change in the annual fee in DKK terms between Year 2021 and Year 2022, the changes to the USD-equivalent amount was due to the applicable USD/DKK exchange rate at the end of the respective year.

qualified members of the Executive Management must in general be taken into account.

The Executive Management shall be remunerated with a fixed annual base salary and shall not be entitled to pension contribution or variable remuneration.

The remuneration of the members of the Executive Management is assessed on an annual basis.

The remuneration must take into account any management service agreements entered into with third party service providers. No remuneration was awarded to the Executive Management during 2022, except the fee paid in consequence of the corporate management service agreement with the Company. The CEO is compensated from such management fee.

Name and position	Fixed remuneration			Extraordinary items	Fee from subsidiaries	Total remuneration	Fixed / variable
	Base salary	Other fees	Benefits				
Philip Clausius, CEO	USD 218,750 ²	N/A	N/A	N/A	N/A	USD 218,750	100/0

3.1 Fixed base salary

The annual fixed base salary is intended to attract and retain competent executives with a view to contribute to the Company's ability to obtain its short- and long-term targets.

3.2 Short-term incentive

For the financial year 2022, no cash bonus or other incentives were granted or paid.

3.3 Termination and severance payments

Not relevant as the Company and the Group is under liquidation.

² This figure is estimated as part of the Corporate Management Agreement between Nordic Shipholding A/S and Transport Capital Pte. Ltd. As there was a 25% fee reduction in the monthly corporate management fee from 1 July 2022, the estimated base salary for CEO is adjusted accordingly from USD 250,000 to USD 218,750.

3.4 Claw-back

Not relevant as the Company and the Group is under liquidation.

In the financial year 2022, no incentive remuneration was reclaimed.

4 Remuneration | Comparative overview

The development in the remuneration of the Board and Executive Management over the past financial year is summarized in the table below. No share-based incentives have been paid to any member of the Board or Executive Management.

Financial results	Δ (2021-2022)	Δ (2020-2021)	Δ (2019-2020)
Result before taxes for the Company	148.5%	65.0%	(321.2%)
Result after taxes for the Company	148.5%	65.0%	(321.2%)
Philip Clausius, CEO	(12.5%) [^]	0%	0%
Esben Poulsson, Chairman	18.7%	0.3%	0%
Jon Lewis, Deputy Chairman	-	-	-
Kanak Kapur, Board member	-	-	-
Knud Pontoppidan, Ex. Chairman	(100.0%)	(9.4%) ^{^^}	(13.4%)
Jens V. Mathiasen, Ex. Board member	(100.0%)	(6.9%) ^{^^}	0%
Philip Clausius, Board member	-	-	-
Total remuneration to the Board of Directors	(23.1%)	(5.8%)	(5.9%)
Company Employees	(17.5%)	9.2%	0%

[^] Except for fee paid in consequence of the corporate management service agreement with the Company, Philip Clausius did not receive remuneration from NSH A/S. The change in the estimated remuneration as mentioned under Point 3 due to the fee reduction in the monthly corporate management fee is considered in this table.

^{^^} changes are based on annualised amounts

5 Compliance with the Remuneration Policy

The remuneration of the Board and Executive Management for the financial year 2022 is consistent with the framework provided by the Remuneration Policy. The Board considers the remuneration levels in line with market practice for companies of similar size, activity level and management structure. The total remuneration for the Board is considered below market level, as three Board members have waived their fees for 2022.

Similarly, the estimated remuneration paid to the Executive Management is considered in line with market practice, given the Company's management structure.

There has been no deviation or derogation from the framework provided by the Remuneration Policy.

6 Statement by the Liquidator

The Remuneration Report is prepared in accordance with section 139b of the Danish Companies Act.

The Liquidator has today considered and adopted the Remuneration Report of Nordic Shipholding A/S for the financial year 2022. The Remuneration Report will be presented for discussion at the Annual General Meeting 2023.

Copenhagen, 22 March 2023

Louise Celia Korpela
Liquidator

7 Independent Auditor's Report on Remuneration Report

To the Shareholders of Nordic Shipholding A/S in liquidation

We have examined whether the remuneration report for Nordic Shipholding A/S in liquidation for the financial year 1 January - 31 December 2022 contains the information required under section 139 b, subsection 3 of the Danish Companies Act.

We express reasonable assurance in our conclusion.

The Liquidators' responsibility for the remuneration report

The Liquidator is responsible for the preparation of the remuneration report in accordance with section 139 b, subsection 3 of the Danish Companies Act. The Liquidator is also responsible for the internal control deemed necessary to prepare the remuneration report without material misstatement, regardless of whether this is due to fraud or error.

Auditor's independence and quality management

We are independent of the company in accordance with the International Ethics Standards

Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code, which is based on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

PricewaterhouseCoopers is subject to the International Standard on Quality Control, ISQC 1, and thus applies a comprehensive quality control system, including documented policies and procedures concerning compliance with ethical requirements, professional standards and current statutory requirements and other regulation.

Auditor's responsibility

Our responsibility is to express a conclusion on the remuneration report based on our examinations. We conducted our examinations in accordance with ISAE 3000 Assurance Engagements Other than Audits or Reviews of Historical Financial Information and additional requirements under Danish auditor regulation to obtain reasonable assurance in respect of our conclusion.

As part of our examination, we checked whether the remuneration report contains the information required under section 139 b, subsection 3 of the Companies Act, number 1 - 6, on the remuneration of each individual member of the Executive Board and the Board of Directors.

We believe that the procedures performed provide a sufficient basis for our conclusion. Our examinations have not included procedures to verify the accuracy and completeness of the information provided in the remuneration report, and therefore we do not express any conclusion in this regard.

Conclusion

In our opinion the remuneration report, in all material respects, contains the information required under the Companies Act, section 139 b, subsection 3.

Copenhagen, 22 March 2023

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

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