

# Nordic Shipholding A/S Remuneration report 2021



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## **1 Introduction**

### **Remuneration Report for the financial year 2021 | Nordic Shipholding A/S**

The Remuneration Report has been prepared in accordance with section 139b of the Danish Companies Act. The Remuneration Report 2020 was presented at the annual general meeting on 23 April 2021 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, CVR no. 76351716 (the "Company") for the financial year 2021. The Executive Management includes the CEO of the Company registered as such with the Danish Business Authority.

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 23 April 2021, which is available on the Company's website, [www.nordicshipholding.com](http://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 of Directors and the Executive Management with those of the Company's shareholders; (ii) to ensure that Nordic Shipholding 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 of Directors and the Executive Management is designed to support the strategic goals, long-term interests and sustainability of Nordic Shipholding 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 reports of the Company for the financial year 2021 available on the Company's website, [www.nordicshipholding.com](http://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 fee 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 2021 approved at the annual general meeting on 23 April 2021 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.

On 14 October 2021, Knud Pontoppidan and Jens V. Mathiasen retired from the Board and Esben Poulsson was elected the new Chairman. Hence, the annual fee in the table below were pro-rated based on the retirement date and appointment date accordingly.

| Name and position                   | Annual fee | Allowance | Benefits | Total remuneration 2021 |
|-------------------------------------|------------|-----------|----------|-------------------------|
| Esben Poulsson, Chairman            | USD 28,827 | N/A       | N/A      | USD 28,827              |
| 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                     |
| Knud Pontoppidan, Ex. Chairman      | USD 29,050 | N/A       | N/A      | USD 29,050              |
| Jens V. Mathiasen, Ex. Board member | USD 21,182 | N/A       | N/A      | USD 21,182              |
| Total (2021)                        | USD 79,059 | N/A       | N/A      | USD 79,059              |

Note: As there was no change in the annual fee in DKK terms between Year 2020 and Year 2021, the changes to the USD-equivalent amount was due to the applicable USD/DKK exchange rate at the end of the respective year.

### 3 Remuneration | Executive Management

The Board of Directors 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 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 2021, 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 250,000 <sup>1</sup> | N/A        | N/A      | N/A                 | N/A                   | USD 250,000        | 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

The Board may decide to grant the Executive Management an annual cash bonus with a view to support achievement of the Company's strategic interests. The annual cash bonus, if granted, is intended to align the executive's interests with the Company's short-term and long-term targets in the Company's strategy and reward satisfactory results in relation to these targets. Payment of the cash bonus thus would depend on the achievement of certain predefined performance targets related to the achievement of strategic targets of the Company, which may be financial or non-financial and which may relate to the Group, the Company, the performance of the individual executive or the occurrence of certain events.

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<sup>1</sup> This figure is estimated as part of the Corporate Management Agreement between Nordic Shipholding A/S and Transport Capital Pte. Ltd.

The level of achievement of individual performance targets, and thus the size of a cash bonus, shall in each case be determined by the Board. The size of the bonus may not exceed 100 % of the annual base salary of the Executive Management.

For the financial year 2021, no cash bonus was granted or paid.

### 3.3 Termination and severance payments

Employment agreements with the Executive Management may be ongoing (i.e. without a fixed term) and are subject to a maximum notice of termination of 12 months. The total value of remuneration relating to the notice period, including any severance pay, cannot exceed two years of remuneration, including all remuneration components, of the Executive Management.

### 3.4 Claw-back

The Company may decide to reduce or reclaim incentive remuneration in full or in part in cases where a cash bonus is payable or has already been provided to the Executive Management if the basis of data or accounts for such cash bonus is found to be materially incorrect.

In the financial year 2021, 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 (2020-2021) | Δ (2019-2020) |
|-------------------------------------|---------------|---------------|
| Result before taxes for the Company | 65.0%         | (321.2%)      |
| Result after taxes for the Company  | 65.0%         | (321.2%)      |
| Philip Clausius, CEO                | 0%            | 0%            |
| Esben Poulsson, Chairman            | 0.3%          | 0%            |
| Jon Lewis, Deputy Chairman          | -             | -             |
| Kanak Kapur, Board member           | -             | -             |

| Financial results                                   | Δ (2020-2021) | Δ (2019-2020) |
|---|---------------|---------------|
| Knud Pontoppidan, Ex. Chairman                      | (9.4%)^       | (13.4%)       |
| Jens V. Mathiasen, Ex. Board member                 | (6.9%)^       | 0%            |
| Philip Clausius, Board member                       | -             | -             |
| <b>Total remuneration to the Board of Directors</b> | <b>(5.8%)</b> | <b>(5.9%)</b> |
| Company Employees                                   | 9.2%          | 0%            |

^ changes are based on annualised amounts

## 5 Compliance with the Remuneration Policy

The remuneration of the Board and Executive Management for the financial year 2021 is consistent with the framework provided by the Remuneration Policy. The Board of Directors consider 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 2021.

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 Board of Directors**

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

The Board of Directors has today considered and adopted the Remuneration Report of Nordic Shipholding A/S for the financial year 2021. The Remuneration Report will be presented for discussion at the Annual General Meeting 2022.

**Copenhagen, 31 March 2022**

Esben Søfren Poulsson  
Chairman of the  
Board of Directors

Jon Robert Lewis  
Deputy Chairman of  
the Board of Directors

Kanak Kapur

Philip Clausius



## **7 Independent Auditor's Report on Remuneration Report**

*To the Shareholders of Nordic Shipholding A/S*

We have examined whether the remuneration report for Nordic Shipholding A/S for the financial year 1 January - 31 December 2021 contains the information required under section 139 b, subsection 3 of the Danish Companies Act.

We express reasonable assurance in our conclusion.

*The Board of Directors' responsibility for the remuneration report*

The Board of Directors is responsible for the preparation of the remuneration report in accordance with section 139 b, subsection 3 of the Danish Companies Act. The Board of Directors is also responsible for the internal control that the Board of Directors deems 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, 31 March 2022

**PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab

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