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## Charter of the Risk Committee

### 1. Purpose of Committee

- 1.1. The purpose of the Risk Committee of the Board of Directors of Dampskibsselskabet NORDEN A/S (the “Company”) is to assist the Board of Directors in its oversight of the Company’s overall risk-taking tolerance and management of financial risks, including market, credit and liquidity risks.
- 1.2. The Risk Committee is tasked with discussing and evaluating the general risk culture of the Company.
- 1.3. Risk assessment and risk management are the responsibility of the Company’s management. The Risk Committee’s responsibility is one of oversight and recommendations to the Board of Directors.

### 2. Committee Membership

- 2.1. The Risk Committee shall consist of no fewer than three members of the Board of Directors, who must have the requisite knowledge, qualifications and competences to understand and monitor the company’s risks.
- 2.2. The Chairman of the Risk Committee is elected by the Board of Directors among the members of the Risk Committee.

### 3. Frequency, participation and agenda

- 3.1. Meetings are held as often as the Chairman of the Risk Committee considers it necessary subject to a minimum of two annual meetings. The Chief Financial Officer and any member of the Risk Committee can request a meeting of the Risk Committee, if the said persons consider it necessary.
- 3.2. The Chief Financial Officer shall attend meetings of the Risk Committee unless otherwise instructed by the committee. Other members of the Board of Directors, the Executive Management and relevant employees of the company shall participate in meetings of the Risk Committee at the request of the Risk Committee.
- 3.3. The Chairman of the Risk Committee shall prepare the agenda in consultation with the Chief Financial Officer and the Secretary to the Board of Directors. The agenda for each Risk Committee meeting will be issued to each committee member within reasonable time, which may be shortened by the Chairman of the Risk Committee from time to time, prior to that meeting. At the same time, relevant material shall be distributed to the members.

#### **4. Committee Duties and Responsibilities**

- 4.1. The duties and responsibilities of the Risk Committee are to monitor and make recommendations on the following:
- 4.2. The Company's capital risk assessment framework, including capital management methodology, reporting, limits and policies, and internal capital risk assessment process. The Committee will also oversee the framework and process for allocating risk capital and limits to individual profit centers.
- 4.3. The Company's liquidity risk management framework, incl. liquidity risk management methodology, metrics, reporting, limits and policies.
- 4.4. The Company's market risk management framework. This includes the Company's market risk within primarily freight, vessel values and bunker prices, but also exchange rates, interest rates and other potential market risks considered relevant. The committee will evaluate and monitor the Company's market risk management methodology, policies, limits and controls.
- 4.5. The company's credit risk management policies and controls as well as assess the impact of credit risk on the capital adequacy.
- 4.6. The Company's general risk culture and how the risk culture is actively supported and developed by Management.
- 4.7. The Company's internal controls and processes for ensuring the continuous integrity and correctness of its risk reporting and risk modelling.
- 4.8. Risks not explicitly listed above will not be part of the Risk Committee mandate.

#### **5. Resources and Authority of the Committee**

- 5.1. The Risk Committee shall have the resources and authority appropriate to discharge its duties and responsibilities, including the authority to select, retain, terminate, and approve the fees and other retention terms of special or independent counsel, accountants or other experts, as it deems appropriate without seeking approval of the Board of Directors or management.

Board of Directors  
Dampskibsselskabet NORDEN A/S  
Hellerup, 9 June 2017

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Klaus Nyborg

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Johanne Riegels Østergård

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Arvid Grundekjøn

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Karsten Knudsen

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Tom Intrator

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Hans Feringa

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Janus Haahr

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Thorbjørn Joensen

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Lars Biilmann