

**ARTICLES OF ASSOCIATION**

NORDIC SHIPHOLDING A/S

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(CVR no.: 76 35 17 16)

### **1 Company name and registered office**

1.1 The name of the Company is Nordic Shipholding A/S.

1.2 The Company's registered office is located in the municipality of Gentofte.

### **2 Object**

2.1 The object of the Company is to perform activities partly as a shipping company and partly as a shipping investment company and to perform related activities.

2.2 The object can be carried out directly or indirectly through subsidiaries and associates etc.

### **3 The Company's capital and shares**

3.1 The share capital totals DKK 3,894,669.70. The share capital is divided into shares of nominally DKK 0.10.

3.2 The share capital is fully paid up.

3.3 The Company's shares are negotiable and freely transferable shares.

3.4 No shareholder is obliged to have his/her shares redeemed in full or in part.

- 3.5 The shares shall be bearer shares, but may be registered in the name of the holder in the Company's register of shareholders. The Company's register of shareholders is maintained by VP Investor Services A/S, Weidekampsgade 14, DK-2300 Copenhagen S, which has been appointed as the manager of the Company's register of shareholders.
- 3.6 The Board of Directors shall provide for a register of all shareholders holding registered shares.
- 3.7 No shares carry special rights.
- 3.8 The shares are admitted to listing on NASDAQ OMX Copenhagen A/S, and the shares are issued through VP Securities A/S. Any rights attaching to the shares shall be notified to VP Securities A/S.

#### **4 Authorisation to the Board of Directors to increase the Company's capital**

- 4.1 Cancelled.
- 4.2 Cancelled.
- 4.3 Cancelled.
- 4.4 The shares issued in connection with the capital increases shall be negotiable instruments and shall carry the same rights as existing shares in the Company. The shares shall be entitled to dividend from the date decided by the Board of Directors in their resolution of the capital increase. The shares shall be bearer shares, but may be registered in the name of the holder in the Company's register of shareholders.
- 4.5 The Board of Directors is authorised to adopt amendments to the articles of association as a consequence the capital increases.

#### **4a Authorisation to the Board of Directors to issue warrants**

- 4a.1 At the annual general meeting held on 22 April 2010, the Company authorised the Board of Directors of the Company to resolve on the issue of warrants, which give

holders a right to subscribe for up to nominally DKK 15,000,000 shares in the Company, to members of the Executive Board and employees and to resolve on a related capital increase. This authorisation shall apply until 21 April 2015 and is exercisable on one or several occasions. *As the result of the proposal of reduction of the share capital by reducing the denomination on all shares with nominally DKK 9.00 from nominally DKK 10.00 to nominally DKK 1.00 adopted on the general meeting on 5 November 2010, the nominal amount of the shares that can be subscribed for according to warrants issued by the company's board of directors has been reduced from up to nominally DKK 15,000,000 to up to nominally DKK 1,500,000. As the result of the proposal of reduction of the share capital by reducing the denomination on all shares with nominally DKK 0.90 from nominally DKK 1.00 to nominally DKK 0.90 adopted on the general meeting on 17 December 2013, the nominal amount of the shares that can be subscribed for according to warrants issued by the company's board of directors has been reduced from up to nominally DKK 1,500,000 to up to nominally DKK 150,000.*

- 4a.2 The Company's shareholders shall have no pre-emption right upon the exercise by the Board of Directors of its authority to issue warrants, be it in connection with the issue of warrants or in connection with the exercise of warrants.
- 4a.3 The Board of Directors determines the exercise price, however, it shall be no less than the market price of the Company's shares at the time of the issue of the warrants in question. The Board of Directors determines the terms and conditions of the issue and the exercise of warrants, including the recipient's legal rights in the event of a capital increase, capital reduction, issue of new warrants, issue of new convertible instruments of debt, the Company's liquidation, merger or split, which may occur prior to the date of exercise.
- 4a.4 Pursuant to the provisions of the Danish Companies Act in force from time to time, the Board of Directors may reapply or reissue any lapsed non-exercised warrants, provided that such reapplication or reissue is made under the terms and conditions and within the time limits specified under this authority. Reapplication means the right of the Board of Directors to let another contractual party become a party to an already existing agreement on warrants. Re-issue means the possibility for the Board of Directors to re-issue new warrants under the same authorisation if those already issued have lapsed.

- 4a.5 The Board of Directors is authorised until 21 April 2015 to increase the share capital of the Company on one or several occasions by up to nominally DKK 15,000,000 by way of cash payment in connection with the exercise of its authorisation to issue warrants. *As the result of the proposal of reduction of the share capital by reducing the denomination on all shares with nominally DKK 9.00 from nominally DKK 10.00 to nominally DKK 1.00 adopted on the general meeting on 5 November 2010, the authority of the board of directors to exercise a capital increase by one or several occasions with up to nominally DKK 15,000,000 by cash contribution in relation to the exercising of the authorisation to issue warrants has been reduced to up to DKK 1,500,000. As the result of the proposal of reduction of the share capital by reducing the denomination on all shares with nominally DKK 0.90 from nominally DKK 1.00 to nominally DKK 0.10 adopted on the general meeting on 17 December 2013, the authority of the board of directors to exercise a capital increase by one or several occasions with up to nominally DKK 1,500,000 by cash contribution in relation to the exercising of the authorisation to issue warrants has been reduced to up to DKK 150,000.*
- 4a.6 The new shares issued under the authorisation to issue warrants shall be negotiable instruments and carry the same rights as the Company's existing shares. The shares shall be bearer shares, but may be registered in the name of the holder in the Company's register of shareholders. The Board of Directors shall lay down the other terms and conditions for effecting the capital increase, including the date when the rights in respect of such new shares attach.
- 4a.7 A resolution of the Board of Directors to issue warrants must be included in the articles of association. The Board of Directors is authorised to implement any such amendments to the Company's articles of association as may be necessitated by an exercise of the authorisation to issue warrants and by an exercise of such warrants.
- 4a.8 Based on a decision by the Board of Directors on 23 June 2010 and in accordance with the authority set out in clause 4a1 – 4a.7 of the Articles of Association, the Board of Directors have issued warrants which entitle the holders to subscribe for up to nominally DKK 12.880.000 shares (refer clause 4b of the Articles of Association). As of the 23 June 2010, clauses 4a.1 – 4a.7 thus give authority to issue further warrants with right to subscribe for up to nominally DKK 2,120,000 shares. *As the result of the proposal of reduction of the share capital by reducing*

*the denomination on all shares with nominally DKK 9.00 from nominally DKK 10.00 to nominally DKK 1.00 adopted on the general meeting on 5 November 2010, the nominal amount of the shares that can be subscribed for according to warrants issued has been reduced from up to nominally DKK 12,880,000 to up to nominally DKK 1,288,000 and Clauses 4a.1 - 4a. hereafter contain authority to issue further warrants to shares for up to nominally DKK 212,000. As the result of the proposal of reduction of the share capital by reducing the denomination on all shares with nominally DKK 0.90 from nominally DKK 1.00 to nominally DKK 0.10 adopted on the general meeting on 17 December 2013, the nominal amount of the shares that can be subscribed for according to warrants issued has been reduced from up to nominally DKK 1,288,000 to up to nominally DKK 128,800 and Clauses 4a.1 - 4a.7 hereafter contain authority to issue further warrants to shares for up to nominally DKK 21,200.*

#### **4b Warrants**

4b.1 Based on a decision by the Board of Directors on 23 June 2010 and in accordance with the authority set out in clause 4a of the Articles of Association, the Board of Directors have issued 1,288,000 warrants, which entitle the holders to subscribe for up to 1,288,000 shares of nominally DKK 10 each, or totally up to nominally DKK 12,880,000. In accordance with section 170 of the Danish Companies Act the full wording of the Board of Directors's decision has been incorporated in the Articles of Association as Exhibit 1, which constitutes an integrated part of the Articles of Association. In addition, the Board of Directors has resolved on the related capital increase. As the result of the proposal of reduction of the share capital by reducing the denomination on all shares with nominally DKK 9.00 from nominally DKK 10.00 to nominally DKK 1.00 adopted on the general meeting on 5 November 2010, the 1,288,000 warrants issued give the right to subscribe for up to 1,288,000 shares of nominally DKK 1.00, in total nominally DKK 1,288,000. As the result of the proposal of reduction of the share capital by reducing the denomination on all shares with nominally DKK 0.90 from nominally DKK 1.00 to nominally DKK 0.10 adopted on the general meeting on 17 December 2013, the 1,288,000 warrants issued give the right to subscribe for up to 1,288,000 shares of nominally DKK 0.10, in total nominally DKK 128,800.

#### **4c Authorisation to the Board of Directors to issue warrants**

- 4c.1 At the annual general meeting held on 29 April 2011, the Company authorised the Board of Directors of the Company to resolve on the issue of additional warrants, which give holders a right to subscribe for up to nominally DKK 1,500,000 shares in the Company, to employees and management of the Company and affiliated companies and to resolve on a related capital increase. This authorisation shall apply until 28 April 2016 and is exercisable on one or several occasions. As the result of the proposal of reduction of the share capital by reducing the denomination on all shares with nominally DKK 0.90 from nominally DKK 1.00 to nominally DKK 0.10 adopted on the general meeting on 17 December 2013, the nominal amount of the shares that can be subscribed for according to warrants issued by the company's board of directors has been reduced from up to nominally DKK 1,500,000 to up to nominally DKK 150,000.
- 4c.2 The Company's shareholders shall have no pre-emption right upon the exercise by the Board of Directors of its authority to issue warrants, be it in connection with the issue of warrants or in connection with the exercise of warrants.
- 4c.3 The Board of Directors determines the exercise price, however, it shall be no less than the market price of the Company's shares at the time of the issue of the warrants in question. The Board of Directors determines the terms and conditions of the issue and the exercise of warrants, including the recipient's legal rights in the event of a capital increase, capital reduction, issue of new warrants, issue of new convertible instruments of debt, the Company's liquidation, merger or split, which may occur prior to the date of exercise.
- 4c.4 Pursuant to the provisions of the Danish Companies Act in force from time to time, the Board of Directors may reapply or reissue any lapsed non-exercised warrants, provided that such reapplication or reissue is made under the terms and conditions and within the time limits specified under this authority. Reapplication means the right of the Board of Directors to let another contractual party become a party to an already existing agreement on warrants. Re-issue means the possibility for the Board of Directors to re-issue new warrants under the same authorisation if those already issued have lapsed.

- 4c.5 The Board of Directors is authorised until 28 April 2016 to increase the share capital of the Company on one or several occasions by up to nominally DKK 1,500,000 by way of cash payment in connection with the exercise of its authorisation to issue warrants as set out in clause 4c.1. As the result of the proposal of reduction of the share capital by reducing the denomination on all shares with nominally DKK 0.90 from nominally DKK 1.00 to nominally DKK 0.10 adopted on the general meeting on 17 December 2013, the authority of the board of directors to exercise a capital increase by one or several occasions with up to nominally DKK 1,500,000 by cash contribution in relation to the exercising of the authorisation to issue warrants has been reduced to up to DKK 150,000.
- 4c.6 The new shares issued under the authorisation to issue warrants as set out in clause 4c.1 shall be negotiable instruments and shall carry the same rights as the Company's existing shares. The shares shall be bearer shares, but may be registered in the name of the holder in the Company's register of shareholders. The Board of Directors shall lay down the other terms and conditions for effecting the capital increase, including the date when the rights in respect of such new shares attach.
- 4c.7 A resolution of the Board of Directors to issue warrants must be included in the articles of association. The Board of Directors is authorised to implement any such amendments to the Company's articles of association as may be necessitated by an exercise of the authorisation to issue warrants and by an exercise of such warrants.
- 4c.8 Based on a decision by the Board of Directors on 3 May 2011 and in accordance with the authority set out in clause 4c.1 – 4c.7 of the Articles of Association, the Board of Directors have issued warrants which entitle the holders to subscribe for up to nominally DKK 1.245.000 shares (refer clause 4c of the Articles of Association). As of the 3 May 2011, clauses 4c.1 – 4c.7 thus give authority to issue further warrants with right to subscribe for up to nominally DKK 255.000 shares. As the result of the proposal of reduction of the share capital by reducing the denomination on all shares with nominally DKK 0.90 from nominally DKK 1.00 to nominally DKK 0.10 adopted on the general meeting on 17 December 2013, the nominal amount of the shares that can be subscribed for according to warrants issued by the company's board of directors has been reduced from up to nominally DKK 1,245,000 to up to nominally DKK 124,500 and clause 4c.1 - 4c.7 *and clauses*



*4c.1 - 4c.7 hereafter contain authority to issue further warrants to shares for up to nominally DKK 25,500.*

#### **4cc Warrants**

4cc.1 Based on a decision by the Board of Directors on 3 May 2011 and in accordance with the authority set out in clause 4c of the Articles of Association, the Board of Directors have issued 1.245.000 warrants, which entitle the holders to subscribe for up to 1.245.000 shares of nominally DKK 1 each, or totally up to nominally DKK 1.245.000. In accordance with section 170 of the Danish Companies Act the full wording of the Board of Directors' decision has been incorporated in the Articles of Association as Exhibit 2, which constitutes an integrated part of the Articles of Association. In addition, the Board of Directors has resolved on the related capital increase. As the result of the proposal of reduction of the share capital by reducing the denomination on all shares with nominally DKK 0.90 from nominally DKK 1.00 to nominally DKK 0.10 adopted on the general meeting on 17 December 2013, the 1,245,000 warrants issued give the right to subscribe for up to 1,245,000 shares of nominally DKK 0.10, in total nominally DKK 124,500.

#### **4d Authorisation to the Board of Directors to issue warrants**

4d.1 At the annual general meeting held on 29 April 2011, the Company authorised the Board of Directors of the Company to resolve on the issue of additional warrants, which give holders a right to subscribe for up to nominally DKK 6,000,000 shares in the Company, which can be used wholly or partly as a means of payment in connection with growth initiatives, hereunder the acquisition of ships or companies and/or the entering into time charter, bareboat or similar arrangements, and to resolve on a related capital increase. This authorisation shall apply until 28 April 2016 and is exercisable on one or several occasions. The warrants in question can be issued to existing shareholders as well as to recipients who are not shareholders in the company at the time of allotment.

4d.2 The Company's shareholders shall have no pre-emption right upon the exercise by the Board of Directors of its authority to issue warrants, be it in connection with the issue of warrants or in connection with the exercise of warrants.

- 4d.3 The Board of Directors determines the exercise price, however, it shall be no less than the market price of the Company's shares at the time of the issue of the warrants in question. The Board of Directors determines the terms and conditions of the issue and the exercise of warrants, including the recipient's legal rights in the event of a capital increase, capital reduction, issue of new warrants, issue of new convertible instruments of debt, the Company's liquidation, merger or split, which may occur prior to the date of exercise.
- 4d.4 Pursuant to the provisions of the Danish Companies Act in force from time to time, the Board of Directors may reapply or reissue any lapsed non-exercised warrants, provided that such reapplication or reissue is made under the terms and conditions and within the time limits specified under this authority. Reapplication means the right of the Board of Directors to let another contractual party become a party to an already existing agreement on warrants. Re-issue means the possibility for the Board of Directors to re-issue new warrants under the same authorisation if those already issued have lapsed.
- 4d.5 The Board of Directors is authorised until 28 April 2016 to increase the share capital of the Company on one or several occasions by up to nominally DKK 6,000,000 by way of payment in connection with the exercise of its authorisation to issue warrants as set out in clause 4d.1. Payment can be made in cash, by non-cash contribution, by conversion of debt or by a combination hereof. As the result of the proposal of reduction of the share capital by reducing the denomination on all shares with nominally DKK 0.90 from nominally DKK 1.00 to nominally DKK 0.10 adopted on the general meeting on 17 December 2013, the authority of the board of directors to exercise a capital increase by one or several occasions with up to nominally DKK 6,000,000 by cash contribution in relation to the exercising of the authorisation to issue warrants has been reduced to up to DKK 600,000.
- 4d.6 The new shares issued under the authorisation to issue warrants as set out in clause 4d.1 shall be negotiable instruments and shall carry the same rights as the Company's existing shares. The shares shall be bearer shares, but may be registered in the name of the holder in the Company's register of shareholders. The Board of Directors shall lay down the other terms and conditions for effecting the capital increase, including the date when the rights in respect of such new shares attach.

- 4d.7 A resolution of the Board of Directors to issue warrants must be included in the articles of association. The Board of Directors is authorised to implement any such amendments to the Company's articles of association as may be necessitated by an exercise of the authorisation to issue warrants and by an exercise of such warrants.
- 4.e The Company's Board of Directors is authorised to increase the Company's share capital in one or more issues by up to a total nominal amount of DKK 61,100,000 without pre-emption rights for the Company's existing shareholders. The authority will be effective until 31 December 2014. The capital increases may be implemented by way of cash contributions, non-cash contributions and/or debt conversion. The capital increase shall be implemented at or above the market price. The new shares will be bearer shares but may be registered in the names of the holders in the Company's register of shareholders. The shares will be negotiable instruments. The shares will be subject to no restrictions on transferability. The shares will be of the same class as the existing share capital. The new shares will confer on the holders the right to receive dividends and other rights in the Company as from the time decided by the Board of Directors in the resolution on the capital increase.
- 4.f The Company's Board of Directors is authorised to increase the Company's share capital in one or more issues by up to a total nominal amount of DKK 61,100,000 without pre-emption rights for the Company's existing shareholders. The authority will be effective until 31 December 2014. The capital increases may be implemented by way of cash contributions, non-cash contributions and/or debt conversion. The capital increase shall be implemented at a favourable price. The new shares will be bearer shares but may be registered in the names of the holders in the Company's register of shareholders. The shares will be negotiable instruments. The shares will be subject to no restrictions on transferability. The shares will be of the same class as the existing share capital. The new shares will confer on the holders the right to receive dividends and other rights in the Company as from the time decided by the Board of Directors in the resolution on the capital increase.

- 4.g The Board of Directors may increase the Company's share capital by a total nominal amount of up to DKK 61,100,000 by exercising the authority granted in Articles 4e and 4f.

## **5 Guidelines for incentive pay schemes**

- 5.1 At the annual general meeting held on 22 April 2010, the shareholders resolved to adopt general guidelines for the Company's incentive pay schemes offered to the Company's Board of Directors, Executive Board and other employees. The guidelines are available on the Company's website [www.nordictankers.com](http://www.nordictankers.com).

## **6 General meeting**

- 6.1 The general meeting shall be the supreme authority in all matters concerning the Company subject to the provisions laid down by statute and by these articles of association.
- 6.2 The annual general meeting shall be held in time for the approved annual report to be filed with the Danish Commerce and Companies Agency within four months of the close of the financial year.
- 6.3 Extraordinary general meetings shall be held whenever requested by the Board of Directors or the auditor(s) or when requested in writing by shareholders holding not less than 5% of the share capital for the transaction of specific business. In the latter case, the notice convening the extraordinary general meeting shall be given within two weeks of receipt of the request.
- 6.4 The Company's general meetings shall be held in the municipality of its registered office, Copenhagen, Odense, Århus or in Frederiksberg.

- 6.5 The general meeting is convened at not more than five weeks' notice and, unless the Danish Companies Act allows a shorter notice, not less than three weeks' notice by notification on the Company's website, through the computer system of the Danish Commerce and Companies Agency and by written notice (letter or e-mail) to all the shareholders registered in the Company's register of shareholders who have so requested.
- 6.6 The notice convening annual and extraordinary general meetings shall include the agenda and the complete proposed resolutions to be considered at the general meeting. If a resolution is proposed at the general meeting to amend the articles of association, the notice shall contain the most important aspects of such proposal. If a resolution is proposed to amend the articles of association pursuant to sections 77(2), 92(1) or (5) or section 107(1) or (2) of the Danish Companies Act, the notice shall contain the full wording of such proposal. Moreover, the notice shall include the information required by section 97 of the Danish Companies Act.
- 6.7 Proposed resolutions from the shareholders to be considered at the annual general meeting must be submitted in writing to the Board of Directors not later than six weeks before the holding of the general meeting. If the Board of Directors receives a proposal later than six weeks before the holding of the general meeting, the Board of Directors will decide whether the proposal has been submitted in sufficient time for the item to be included on the agenda after all.
- 6.8 Not later than eight weeks before the date fixed for the holding of the annual general meeting, the Board of Directors shall announce the date fixed for the holding of the general meeting and the latest date for submitting requests for the inclusion of a specific item on the agenda, cf. article 6.7 of the articles of association.

## **7 Agenda**

- 7.1 The agenda of the annual general meeting shall include the following items:
- 1 Presentation of the annual report for adoption

- 2 Resolution regarding application of profit for the year, including determination of the amount of dividend, or covering of losses according to the approved annual report
- 3 Election of members to the Board of Directors
- 4 Appointment of auditors
- 5 Resolution to authorise the Board of Directors to let the Company acquire up to 10% of the Company's treasury shares
- 6 Proposed resolutions by the Board of Directors and shareholders
- 7 Any other business

## **8 Availability of agenda and related documents on the Company's website**

8.1 Unless a shorter notice is prescribed by the Danish Companies Act, the following documents and information must be made available to shareholders on the Company's website not later than three weeks before each general meeting (including the date of the holding of the general meeting):

- i. The notice convening the general meeting, including the information stated in article 6.6 of the articles of association.
- ii. The total number of shares and voting rights at the date of the notice convening the general meeting.
- iii. The documents to be presented at the general meeting and in respect of an annual general meeting, also the audited annual report, including the auditors' report, and any consolidated financial statements.
- iv. Agenda and complete proposed resolutions.
- v. The forms to be used for voting by proxy and for voting by post, unless such forms are sent directly to the shareholders. If these forms cannot be made available on the Company's website for technical reasons, the

Company must state on its website how to obtain the forms in hard copy. In such cases, the Company will send the forms to any shareholder who so requests. The related costs will be borne by the Company.

## **9 Admittance card, voting rights and qualified majority**

- 9.1 Shareholders holding shares in the Company on the date of registration, as defined in article 9.4 of the articles of association, are entitled to attend the general meeting, provided that they have requested an admittance card and provided proper proof of identity not later than three days before the holding of the general meeting.
- 9.2 At general meetings, each shareholder holds voting rights pursuant to the following rules.
- 9.3 A shareholder's right to vote at the Company's general meetings or vote by post, cf. article 9.5 of the articles of association, attaching to the shareholder's shares is determined in proportion to the shares held by the shareholder on the date of registration, cf. article 9.4 of the articles of association. Any disposal or acquisition of shares in the period between the date of registration and the pertaining general meeting does not affect voting rights at the general meeting or postal voting rights for use at the general meeting.
- 9.4 The date of registration is the date one week prior to the holding of the general meeting. At the expiry of the date of registration, the shares held by each of the Company's shareholders on the date of registration must be calculated. The calculation is made on the basis of registrations of shares made in the register of shareholders and duly evidenced notices to the Company about any acquisition of shares not yet registered in the register of shareholders, but received by the Company before the expiry of the date of registration. To be eligible for entry into the register of shareholders and inclusion in the calculation, notices of shareholdings must be evidenced by presentation of documentation from the shareholder's account-holding institution or other similar documentation which must not be more than two weeks old. Such evidence must have been received by the Company before the expiry of the date of registration.

- 9.5 Instead of voting at the actual general meeting, shareholders may choose to vote by post, i.e. vote in writing before the holding of the general meeting. Shareholders who choose to vote by post must send their postal vote to the Company so that the postal vote has been received by the Company not later than the day before the holding of the general meeting. A postal vote received by the Company cannot be revoked.
- 9.6 General meetings of the Company are open to the press.
- 9.7 At the general meeting, each share amount of nominally DKK 0.10 entitles the holder to one vote.
- 9.8 Shareholders are entitled to attend the general meeting by proxy on presentation of a written and dated instrument of proxy. No time restrictions or other restrictions apply to instruments of proxy, other than to instruments of proxy issued to the Company Management, which cannot be issued for longer than 12 months and can only be issued for a specific general meeting with an agenda known in advance.
- 9.9 An instrument of proxy may be revoked in writing by the appointing shareholder at any time.
- 9.10 The shareholder or the proxy may attend the general meeting together with an adviser.
- 9.11 Resolutions at general meetings shall be passed by a simple majority of votes, unless unanimity or a special qualified majority is required by the Danish Companies Act.

## **10 Chairman and minutes of the general meeting**

- 10.1 General meetings are presided over by a chairman appointed by the Board of Directors. The chairman of the general meeting shall decide all issues concerning the transaction of business, including procedures, the casting of votes and the result of the voting.



10.2 Minutes shall be kept of the business transacted and resolutions passed at the general meeting. This minute book shall be signed by the chairman and will in any matter be the proving evidence.

10.3 Not later than two weeks after the holding of the general meeting, the minute book or a certified copy thereof must be made available to the Company's shareholders.

## **11 Board of Directors**

11.1 The members of the Board of Directors are elected by the general meeting, except for those employee representatives elected pursuant to the provisions of the Danish Companies Act on employee representation.

11.2 The number of board members elected by the general meeting shall be 3-8. The board members are elected for one year at a time. Retired board members are eligible for re-election.

11.3 The Board of Directors is responsible for the overall management of the Company.

11.4 The Board of Directors shall elect a chairman, who will conduct proceedings, and a deputy chairman from among its members. The chairman will convene the board meetings as often as he might find necessary or when demanded by a board member, an executive or the Company's auditor appointed by the general meeting. In the absence of the chairman, his rights and obligations will be taken over by the deputy chairman.

11.5 The Board of Directors shall form a quorum when more than half of the board members, including the chairman and/or deputy chairman are represented. The resolution shall be made by simple voting majority. In the case of equality of votes, the chairman shall have the casting vote. In his absence, the deputy chairman shall have the casting vote.

11.6 Minutes shall be kept of the business transacted at board meetings and shall be signed by all board members present.

11.7 The Board of Directors shall lay down rules of procedure for the performance of its duties.

## **12 Executive Board**

12.1 The Board of Directors shall employ an executive team consisting of 1-3 members.

12.2 The Board of Directors will decide the terms for the executive team's employment and their authority. An executive will be employed as chief executive officer.

12.3 The executive team shall be in charge of the day-to-day running of the Company and shall be obliged to follow the guidelines and restrictions specified by the Board of Directors.

## **13 Power to bind the Company**

13.1 The Company shall be bound by the joint signatures of the chairman or the deputy chairman of the Board of Directors and a board member or an executive.

13.2 The Board of Directors may grant powers of procurement.

## **14 Financial year and annual report**

14.1 The Company's financial year runs from 1 January to 31 December.

14.2 The annual report shall be prepared with due consideration to the present values and obligations of the Company, with respect to the necessary or required depreciations and appropriations and according to accounting standards and legislation.

**15 Auditor**

15.1 The annual report is audited by a state-authorized public accountant appointed by the general meeting.

15.2 The auditor is appointed for one year at a time. Re-appointment is possible.

**16 Authorisation to distribute extraordinary dividend**

16.1 Pursuant to section 109a of the former Danish Public Limited Companies Act (now sections 182 and 183 of the Danish Companies Act), the Board of Directors is authorised to decide to pay extraordinary dividend under the rules of the Danish Companies Act (previously the rules of the Danish Public Limited Companies Act).

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As adopted at the annual general meeting held on 23 April 2013.