

March, 2010

Corporate Governance in DFDS

Part of Management Report 2009

DFDS' corporate governance follows NASDAQ OMX Copenhagen's recommendations for good corporate governance, which became part of the disclosure requirements for companies quoted on the stock exchange as of financial year 2006.

The following is an outline of the most important principles relating to corporate governance in DFDS.

I. The role of the shareholders and interaction with the management

1. Ownership and communication

DFDS seeks at all times to facilitate communications between the Group and the shareholders by means of the website and e-mail.

2. Capital and share structure

DFDS' Articles of Association do not contain any restrictions on voting rights. Each share has a nominal value of DKK 100 and confers the right to one vote. The statutes contain no other restrictions on ownership.

The Board of Directors regularly reassesses the relationship between the capital structure and the Group's cost of capital, as well as the Group's need for financial freedom of action. Such assessments are conducted on the basis of financial reports and separately when major investments are made.

The objective for the capital structure is an equity ratio of around 40% of total assets.

Any capital increases must be presented and approved by the Annual General Meeting.

3. Preparation of the general meeting, including the authorisation and use of proxy votes

The Annual General Meeting is held in Region Copenhagen before the end of April.

The AGM is convened by the Board of Directors of DFDS with a minimum of three weeks and a maximum of five weeks' notice, by the Danish Commerce and Companies Agency's IT system and on the Company's website. An extraordinary general meeting is furthermore convened by announcement in at least one national newspaper.

All registered shareholders also receive an invitation with at least three weeks' notice. The invitation contains the agenda and the main proposals.

The full annual report is available on the DFDS website at least three weeks before the AGM.

Any shareholder is entitled to submit resolutions on a particular subject in writing no later than six weeks before the AGM. The Board of Directors decides if resolutions received after deadline can be submitted to the agenda. Three weeks before the AGM, the agenda, all resolutions, documents to be presented, information concerning voting and capital issues at the time of invitation, forms for proxies and letter votes, and for the ordinary AGM, furthermore, the annual report, to be available on DFDS' website.

Proxies submitted to the Board of Directors are cast in relation to individual items on the general meeting agenda.

The Articles of Association can be changed by proposals from the Board of Directors, when the change is required due to legislation or it is deemed to be necessary. Proposals from shareholders can, furthermore, lead to changes in the Articles of Association. Changes in the Articles of Association must be approved by the AGM with the majority stipulated by current legislation.

4. The duties of the Board of Directors and the rights of the shareholders in the event of a takeover attempt

In the event of any takeover attempt, the Board of Directors must provide information about the potential advantages and disadvantages associated with the offer, in accordance with the rules for such information.

II. The role of stakeholders and their importance to the Group

1. The Group's policy in relation to its stakeholders

Mission statement, objectives and policies, including policies for relationships to the Group's stakeholders and the rest of the outside world, constitute key management tools in DFDS. These policies also cover environmental and social conditions.

2. The roles and interests of stakeholders

The Board of Directors regularly discusses whether the prescribed policies correspond to the Group's relationships with stakeholders and the outside world. It also regularly discusses whether the Group needs to revise its concepts, targets and policies due to changes in the organisation and the outside world.

III. Openness and transparency

1. Information and the supply of information

DFDS strives to publish company announcements in Danish and English simultaneously.

DFDS' internal and external communications are based on the concepts of openness and responsiveness, with due deference to stock exchange regulations and competitive conditions.

2. Investor relations

DFDS' website (www.dfds.com) contains information about Investor Relations, including Corporate Governance.

DFDS publishes an Investor Relations Manual that summarises all the guidelines and policies relating to the publication of information in general, and to NASDAQ OMX Copenhagen and the financial markets in particular.

DFDS hosts quarterly telephone conferences for analysts, investors and other stakeholders, coinciding with the publication of its quarterly and annual reports. Presentations from these meetings are made available on the DFDS website immediately after the meeting. In addition, DFDS' management also regularly attends investor meetings in Denmark and abroad.

3. The annual report and supplementary information

DFDS conducts its accounting procedures in accordance with IFRS as approved by EU and further Danish disclosure requirements for quoted companies with reference to NASDAQ OMX Copenhagen disclosure requirements regarding annual reports and IFRS rules according to the Danish Financial Statements act, which are considered to fulfil the recipients' information needs.

DFDS reports on corporate social responsibility (CSR), but not on supplementary non-financial information, as the value of such information currently is not considered to correspond to the costs associated with obtaining such information.

4. Quarterly reports

DFDS has issued quarterly reports since Q3 2001.

IV. The Board of Directors's work and responsibilities

1. Over-arching tasks and responsibilities

The standing orders for the DFDS Board of Directors stipulate that the Board of Directors and the Executive Board have joint responsibility for the management and organisation of the Group.

The day-to-day management of the Group is handled by the Executive Board in accordance with its standing orders. These describe the allocation of work and responsibilities between the Board of Directors and the Executive Board, as well as the standing orders, authorisations and instructions of each body.

The Board of Directors is responsible for drawing up an annual strategy plan and budget, as well as monthly and quarterly reports.

The Executive Board is apitemed by the Board of Directors. The Executive Board may only implement dispositions of an exceptional nature or of major importance on the basis of special authorisation granted by the Board of Directors. Regular meetings take place between the Executive Board and the chairmanship of the Board of Directors.

2. The role of the chairmanship of the Board of Directors

The work, duties and responsibilities of the chairman and vice-chairman of the Board of Directors are described in the Board of Directors's standing orders.

3. Standing orders

The Board of Directors reassesses the contents of the standing orders at suitable intervals in order to ensure that they remain appropriate.

4. Information from the Executive Board to the Board of Directors

DFDS' internal financial management includes weekly, monthly and quarterly reports. Data for freight volumes and passenger numbers for the Group are reported on a weekly basis. Weekly booking reports are also submitted, with a time horizon of six months. Reports to the Board on performance at activity, business area and Group level are distributed on a monthly basis.

Quarterly Group reports contain financial statements, profit forecasts for the whole year and a detailed management report that incorporates a review of financial performance at activity, business area and Group levels. The Board of Directors's report also contains information about financial trends, risks and the DFDS share.

All reports compare actual figures with the budget and with forecasts.

The Board of Directors also receives regular situation reports and other information from the Executive Board, the purpose of which is to guarantee that the Board of Directors is in possession of all significant information regarding the development of the Group at all times.

V. The composition of the Board of Directors

1. Recruitment and election of members of the Board of Directors

The chairmanship initiates the selection and nomination process for new members of the Board of Directors. When recruiting new members, special emphasis is placed on, for example, general management experience from companies quoted on the stock exchange. In addition, members need insight into and experience of industries related to DFDS' business areas, which include shipping and logistics as well as the consumer market. Other significant recruitment criteria include experience of Group acquisitions, international management experience, and financial insight into, for example, capital-intensive Group operations. In addition, consideration is taken of the spread of competencies and the ages of the members.

Information about the individual Board of Directors members' special competencies is included in the annual report under Commercial Duties.

The overall profile of the Board of Directors includes significant international management experience. At the end of 2009, the Board of Directors included two non-Danish members: one Swede and one

Norwegian. Five out of the six members elected at the general meeting hold or have held executive posts in leading Danish and overseas companies.

2. Introduction to and training of new members of the Board of Directors

When new members are added, the chairmanships person will request that each individual member receives a personalised introduction to the Group, adapted to reflect their qualifications.

3. The number of members of the Board of Directors

The Board of Directors consists of eight members, three of whom are elected staff representatives, as per Danish legislation.

The staff representatives have the same duties and rights as members elected at the general meeting.

4. The independence of the Board of Directors

The members of the Board of Directors elected by the AGM are, with the exception of two members, independent of the Group. No member has previously been employed by the Group, acted as a consultant for the Group or has a significant strategic interest in the Group other than as a shareholder.

Information about the members' independence is included in the annual report under Commercial Duties.

The members of the Board of Directors own a total of 1,600 shares. It is not considered useful to submit a breakdown of individual ownership.

5. Staff representatives on the Board of Directors

See item 3.

6. Frequency of meetings

In 2008, the Board of Directors met 10 times, including for a two-day meeting about overall goals and strategies.

7. Time spent on Board of Directors work and number of Board of Directors positions

See item 11.

8. Age limit

Members of DFDS' Board of Directors cannot be nominated for re-election after they have turned 70.

9. Term of office

Members of the Board of Directors are elected for one year at a time. At the end of 2008, the average length of service for the members elected to the Board of Directors at the general meeting was six years.

Staff representatives serve a four-year term.

Information about the dates for members' elections and re-elections are contained in the annual report under Commercial Duties.

10. Use of Board of Directors committees

In accordance with new rules with effect from the ordinary AGM in 2009 an audit committee is established. The committee meets three times per year, including a minimum of two meetings with participation of external auditors. The Board of Directors has not found it necessary to set up any other sub-committees.

11. Evaluation of the work of the Board of Directors and Executive Board

The chairmanship instigates an annual evaluation of the work of the Board of Directors and Executive Board including co-operation between the Board of Directors and Executive Board. The evaluation is based on the standing orders of the Board of Directors and the Executive Board, and compares results achieved with targets and strategies.

The evaluation includes an assessment of the individual members' work, including whether the individual member has had the opportunity to spend the necessary time on Board of Directors work.

VI. Remuneration of the Board of Directors and Executive Board

1. Remuneration

The remuneration paid to the Group's management is competitive and reasonable compared to the amount of work and the value created.

2. Remuneration policy

DFDS' remuneration policy is that payments to both management and staff correspond to work done and results achieved, as well as the conditions in comparable companies.

Members of the Board of Directors receive a fixed annual fee. The amount of the fee is approved by the shareholders and disclosed in the annual report. Members of the Board of Directors receive no incentive pay.

The remuneration paid to members of the Executive Board consists of a fixed and a variable part. The fixed pay consists of a net salary, pension contribution and other benefits. The variable pay consists of a bonus and share option scheme.

The Chairman and Deputy Chairman of the Board perform an annual review of the remuneration paid to members of the Executive Board relative to the managements of other Danish companies.

3. Openness about remuneration

The remuneration for the chairmanship, the vice-chairmanship and the members of the Board of Directors is published in the annual report.

The total remuneration for the Executive Board consist of a fixed and a variable part, which is disclosed in the annual report. The Board of Directors considers that at this time information about remuneration and redundancy schemes to each member of the Executive Board, as recommended by the rules for corporate governance, are not significant for the evaluation of the Annual Report. The Board of Directors is also of the opinion that this is in line with normal practice.

4. Principles for the establishment of incentive programmes

As an element of the variable pay, members of the Executive Board may receive an annual bonus, subject to achievement of certain benchmarks. The bonus proportion varies among the members of the Executive Board, but is subject to a maximum of around 80% of the annual net salary. The bonus benchmarks are related to the Group's pre-tax profit, but can also include individual benchmarks.

Another element of the variable pay is made up of options and is intended to ensure that the Executive Board's incentive correlates with creation of shareholder value. The option plan is revolving and not subject to achievement of defined benchmarks.

Members of the Executive Board are awarded a number of options each year with a value equal to maximum one year's net pay. The value is calculated in accordance with the Black Scholes formula. Options are awarded with an exercise price which is 5% higher than the market price at the award date. No remuneration are paid to the company for receipt of the options. The options have a term of five years and are exercisable after three years. For tax purposes, the terms of the award entail that the gain is taxed as share income while the costs of the award are not tax-deductible for the Company. The number of options awarded to each member of the Executive Board and their value is disclosed in the Annual Report. Options in the Executive Board share option plan are covered by the Company's holding of treasury shares.

5. Information about the introduction of incentive programmes

The Group's shareholders will be informed if share-based incentive schemes are introduced for the Board of Directors or changes made to the Executive Board's programmes.

6. Redundancy schemes

Information about redundancy schemes for the Executive Board is included in the annual report's notes.

VII. Risk management

1. Identification of risks

The management regularly identifies risks associated with the activities of DFDS. Every effort is made to reduce financial and operational risks by using hedging instruments and safety policies and routines, as well as complying with all relevant rules for DFDS' activities. Strategic and business risks are regularly assessed in association with the annual strategy work and the regular reporting, and especially in advance of major investment projects.

2. Risk-management plan

Reports covering financial and operational risks, including the management hereof, are compiled as an integrated part of the reporting to the Board of Directors, re section IV, item 4.

3. Openness about risk management

DFDS' policies for managing operational and financial risks are described in greater detail in the annual report.

VIII. Auditing

1. The Board of Directors's nomination for the election of an accountant

DFDS' annual reports are audited by an independent chartered accountant or an independent chartered firm of auditors, who are elected at the ordinary general meeting for a period of one year. The Board of Directors evaluates the auditor's competencies and independence in advance of the nomination.

2. Contract with the accountant

The contract is negotiated by the Executive Board and the accountant, but approved by the Board of Directors.

3. Non-auditing services

See item 2.

4. Internal control systems

As per the standing orders of the Board of Directors, the Board of Directors conducts an annual revision of the internal control systems.

5. Accounting policy and accounting estimates

In conjunction with the presentation of the annual results, the Board of Directors and the accountant discuss important areas of accounting practice, including accounting estimates.

6. The result of the audit

The auditors carry out an addition to the statutory audit report at least twice a year concerning the results the auditing.

At least one meeting between the Board of Directors and the accountant is held per annum.

7. Auditing Committee

See section V, item 10.