

Statutory report on corporate governance for the financial year 2011, cf. Section 107 b of the Danish Financial Statements Act

This statement forms part of the management's review in the DFDS Annual Report covering the period 1 January – 31 December 2011. The sections "Management" and "Internal control and risk management system relating to financial reporting" are comprised by the auditors statement on the management's review included in the auditors' report. The section "Principles for good corporate governance" is not comprised.

MANAGEMENT

DFDS has a two-tier management system in which the Board of Directors and the Executive Board are responsible for managing the company's affairs, where there is no personal overlap.

The Board of Directors currently consisting of eleven persons, four of whom have been elected by the employees and seven of whom have been elected by the shareholders meeting. The Board of Directors has established an Audit Committee, currently consisting of three members of the Board of Directors, which assists the Board of Directors in monitoring aspects relating to accounting, auditing, and internal control. The Board has also established a nomination committee and a remuneration committee which both consist of three members.

The Executive Board, currently consisting of two people, is responsible for the day-to-day management of the company and the Group, observing the guidelines and recommendations issued by the Board of Directors.

INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM RELATING TO FINANCIAL REPORTING

The Board of Directors and Executive Board has the overall responsibility for the Group's risk management and internal control procedures in connection with the financial reporting process, including ensuring compliance with relevant legislation and other regulations relating to financial reporting.

The Group's risk management and internal control procedures are intended to effectively identify, manage and minimise the risk of error in the financial reporting process, and can provide only reasonable assurance that significant errors or discrepancies do not occur in the financial reporting.

The Audit Committee appointed by the Board of Directors performs an annual assessment of the Group's risk management and internal control procedures, together with the associated management guidelines.

Control environment

The Board of Directors approves the global risk management policies laid down by the Executive Board. These policies are incorporated into the internal control and risk management system, which encompasses a clearly defined organisational structure specifying roles and responsibilities. On the basis of this structure, manuals have been prepared describing the key business processes, internal controls, segregation of duties, reconciliation, approval and certification procedures, and applied accounting policies. Regular checks are made to ensure that the guidelines are adhered to.

A central Financial Controlling & Compliance function has been established to monitor the financial reporting of all Group companies and ensure compliance with the applied accounting policies. Each business area has been assigned a Business controlling function which validates its reported earnings and underlying activities.

Risk management

The Executive Board undertakes ongoing assessment of the risks to which the Group is subject and takes on, including risks relating to financial reporting. If changes occur, or are expected to occur, which may affect these risks, the Executive Board discusses this and the proposed actions with the Board of Directors. The Audit Committee undertakes at least one annual assessment of the effectiveness of the internal controls in the financial reporting process in relation to the identified risks.

The Audit Committee annually, and when it is deemed needed, reviews the applied accounting policies and changes in these, as well as significant estimates relating to the financial reporting (see notes 40 and 41 in the annual report). As part of this review, changes in accounting policies and the effect of significant estimates are discussed with the Executive Board and the auditors appointed by the Annual General Meeting.

Control activities

The control activities are intended to ensure that the guidelines on policies, manuals and procedures are adhered to, and to prevent, detect and correct material errors, etc. These control activities are partly manual, and partly system-based.

A reporting process has been established under which monthly reports are made to the Board of Directors, explaining deviations from the expected results and key figures for each business area and its underlying activities. Estimates for the year are updated on a quarterly basis. Detailed information is obtained for use in reports to the Board and external quarterly reports. The information obtained is intended to ensure compliance with both internal and external reporting requirements.

Information and communication

As a consequence of the ongoing work with business processes, internal controls and changes in accounting rules, regular updating is carried out on the contents of the manuals in relation to business processes, internal controls, requirements for segregation of duties, reconciliation, approval and certification, as well as applied accounting policies. The manuals are made available on the Group intranet, and in the case of major changes, the affected companies are informed directly and in reasonable time before the changes take effect, including the consequences of the changes.

Monitoring

The risk management procedures and internal controls are regularly reviewed in order to continuously secure and enhance their effectiveness. Significant weaknesses and violations of internal guidelines are reported to the Executive Board, which follows up on these.

The auditors appointed by the Annual General Meeting report to the Board as a part of the audit of the consolidated financial statements and parent company financial statements any significant weaknesses in the Group's internal control and risk management system in the audit report, while less significant weaknesses are mentioned only in management letters to the Executive Board. Management letters for the subsidiaries are also forwarded to the Executive Board. The Board of Directors ensures that the Executive Board follows up on any matters referred to, while the Executive Board ensures that the subsidiaries follow up on any identified weaknesses.

The managing directors and finance managers of the subsidiaries are required to declare annually that their reports adhere to Group reporting guidelines.

PRINCIPLES FOR GOOD CORPORATE GOVERNANCE

Corporate governance, defined as "the system used to lead and control a business", is largely built into the requirements on boards laid down in the Danish

Companies Act. The Board of Directors and the Executive Board of DFDS believe that corporate governance initiatives should be a constant process and address the principles of good corporate governance in an ongoing process with due consideration to current legislation, practice and recommendations. Such evaluation includes a review of the company's and Group's business concept, business procedures, goals, organisation, capital structure, stakeholder relations, risks and the exercise of control.

Once a year the Board of Directors considers to which extent DFDS comply with the Danish Committee on Corporate Governance's recommendations for good corporate governance.

As required for a listed company on NASDAQ OMX Nordic under the rules for issuers of shares DFDS issues a statement of compliance with the Danish Committee on Corporate Governance's recommendations using the "comply or explain"-principle. The recommendations have been published at www.corporategovernance.dk.

Recommendations for good corporate governance

DFDS' position on the individual recommendations is described in the following. The recommendations specify that it is equally legitimate for a company to provide an explanation, as to comply with a specific recommendation, as the key issue is to create transparency in corporate governance matters. Accordingly, it is up to DFDS' own situation and assessments to which extent the recommendations are complied with, or whether it is considered inappropriate to comply.

Summary regarding the recommendations

DFDS has chosen to comply with the following recommendations:

- Complies partly with the recommendation 4.1.4 under Overall tasks and responsibilities
- Complies partly with the recommendation 5.8.1. under Retirement age
- Complies partly with the recommendation 5.11.2. under Evaluation of the work undertaken by the supreme governing body and by the executive board
- Complies partly with the recommendation 6.2.1. under Disclosure of the remuneration policy
- Complies partly with the recommendation 6.2.3. under Disclosure of the remuneration policy

Copenhagen, 1 March 2012

Recommendation	The company complies	The company does not comply	The company complies/does not comply with the recommendation due to the following reason:
1. The role of the shareholders and their interaction with the management of the company			
<i>1.1. Dialogue between the company and its shareholders</i>			
<p>1.1.1. The Committee recommends that the central governing body, for example through investor relations activities, ensure an ongoing dialogue between the company and its shareholders in order that the central governing body knows the shareholders' attitude, interests and views in relation to the company and that investor relations material be made available to all investors on the company's website</p>	Comply		<p>DFDS seeks at all times to facilitate communications between the company and its shareholders by means of the website and e-mail.</p> <p>DFDS' website (www.dfds.com) contains a range of information concerning Investor Relations, including Corporate Governance.</p> <p>In addition, the website has an Investor Portal. This portal provides a direct and fully electronic channel for communication between the company and its shareholders. Shareholders can use the Investor Portal to sign up for upcoming annual general meetings, other shareholder meetings and register how the relevant shareholder wishes to receive shareholder information from the company.</p> <p>DFDS has drawn up an Investor Relations manual, which summarises all guidelines and policies relating to the general release of information, and in particular to information released via NASDAQ OMX Copenhagen to the financial markets.</p> <p>Every quarter DFDS organises telephone conferences for analysts, investors and other interested parties in connection with the publication of periodical and annual reports. Presentations from these telephone conferences will be available on the company's website immediately after the event. In addition, DFDS' management will regularly participate in investor meetings both in Denmark and abroad.</p>
<i>1.2. Capital and share structure</i>			
<p>1.2.1. The Committee recommends that the central governing body every year evaluate</p>	Comply		<p>DFDS' Articles of Association do not contain any restrictions on voting rights, and each share has a nominal value of DKK 100 and confers the right to one</p>

Recommendation	The company complies	The company does not comply	The company complies/does not comply with the recommendation due to the following reason:
<p>whether the company's capital and share structures continue to be in the interests of the shareholders and the company and account for this evaluation in the management commentary in the annual report and/or on the company's website.</p>			<p>vote. Accordingly, special rights are not afforded to any class of shareholder. The Articles of Association do not contain any restrictions on ownership.</p> <p>At least once a year the Board of Directors assesses the relationship between the capital structure and the Group's cost of capital, as well as the Group's need for freedom of action in financial matters. Such assessments are conducted on the basis of financial reports and in particular when major investments are made. The objective for the capital structure is an equity ratio of around 40% of total assets. This assessment is described on the DFDS website.</p>
<p><i>1.3. General Meeting</i></p>			
<p>1.3.1. The Committee recommends that the supreme governing body and the executive board promote active ownership, including shareholders' attendance at general meetings.</p>	<p>Comply</p>		<p>At the Ordinary General Meeting in March 2010 DFDS' Articles of Association were altered so that general meetings will be called with at least three weeks' notice. Notification with an agenda will be sent to all shareholders who have registered for this, and relevant material for use in the general meeting will be made available in advance of the general meeting for all interested parties on the company's website.</p> <p>Shareholders can attend in person or by proxy, and both shareholders and their proxies can be accompanied by an advisor. Admission cards will be handed out on request to DFDS no later than three days before the general meeting. If a shareholder wants a particular subject or proposal to be considered at the general meeting, then the shareholder should contact the company about this in writing no later than six weeks before the general meeting.</p>
<p>1.3.2. The Committee recommends that the central governing body resolve or submit to the general meeting the question whether the general meeting shall be conducted by physical attendance or as a partly or entirely electronic general meeting.</p>	<p>Comply</p>		<p>The Board of Directors will continually evaluate whether the general meeting shall be held as a physical meeting or, in part or completely, in an electronic form. The Board of Directors has decided that until further notice the general meeting will be held as a physical meeting.</p>

Recommendation	The company complies	The company does not comply	The company complies/does not comply with the recommendation due to the following reason:
1.3.3 The Committee recommends that proxies given to the supreme governing body allow shareholders to consider each individual item on the agenda.	Comply		Shareholders have the opportunity to vote for or against every single item on the agenda. A proxy form is sent out in advance of the ordinary general meeting to all shareholders who have registered for this. The proxy form can also be downloaded from the company's website.
1.3.4 The Committee recommends that all members of the supreme governing body and the executive board be present at the general meeting.	Comply		All members of the Board of Directors of DFDS and its management shall be present at the general meeting, unless an unforeseen event arises that prevents an individual from attending.
1.4. Takeover bids			
1.4.1 The Committee recommends that the central governing body, from the moment it obtains knowledge that a takeover bid will be submitted, do not, without the acceptance of the general meeting, attempt to counter the takeover bid by making decisions which in reality prevent the shareholders from deciding on the takeover bid.	Comply		In the event of a takeover attempt, the Board of Directors will provide information about the potential advantages and disadvantages associated with the offer, in accordance with the rules for such information.
1.4.2. The Committee recommends that the central governing body give the shareholders the opportunity to decide whether or not they wish to dispose of their shares in the company under the terms offered.	Comply		DFDS is prepared in the event of a takeover attempt to give shareholders the correct and accurate information which they require in order to decide whether or not they wish to accept the offer to relinquish their shares in the company.
2. The role of stakeholders and their importance to the company and the company's corporate social responsibility			
2.1. The company's policy in relation to its stakeholders and corporate social responsibility			
2.1.1. The Committee recommends that the central governing body identify the company's key stakeholders and their main interests in relation to	Comply		The Board of Directors have identified the most important stakeholders in the company as being its shareholders, employees, customers, suppliers, business partners and the general society. Moreover, it has identified the

Recommendation	The company complies	The company does not comply	The company complies/does not comply with the recommendation due to the following reason:
the company.			essential interests of each one of these groups in relation to the company.
2.1.2. The Committee recommends that the central governing body adopt a policy on the company's relationship with its stakeholders, including the investors, and ensure that the interests of the stakeholders are respected in accordance with the company's policy on such issues.	Comply		<p>The management at DFDS handles communication with investors and analysts in accordance with current regulations and the company's guidelines in that regard.</p> <p>The Board of Directors continually reviews whether the company's policies comply with the company's relationship with interested parties and society as a whole.</p>
<i>2.2. Corporate social responsibility</i>			
2.2.1. The Committee recommends that the central governing body adopt a policy on corporate social responsibility.	Comply		The governance of DFDS is based on policies adopted in regard to Corporate Responsibility (CR). DFDS has adopted a strategy of short and long term goals for improvements and committed partnerships with our stakeholders to achieve these goals. Strategy and goals are available on DFDS' website and in the Annual Report 2011.
3. Openness and transparency			
<i>3.1. Disclosure of information to the market</i>			
3.1.1. The Committee recommends that the central governing body adopt a communication strategy.	Comply		DFDS' internal and external communications are based on the concepts of openness and responsiveness, with due deference to stock exchange regulations and competitive conditions.
3.1.2. The Committee recommends that information from the company to the market be published in both Danish and English.	Comply		DFDS publishes company announcements in both Danish and English.
3.1.3. The Committee recommends that the company publish quarterly reports.	Comply		Since the third quarter of 2001 DFDS has published a quarterly report.

Recommendation	The company complies	The company does not comply	The company complies/does not comply with the recommendation due to the following reason:
4. The tasks and responsibilities of the supreme and the central governing bodies			
<i>4.1. Overall tasks and responsibilities</i>			
4.1.1. The Committee recommends that the central governing body determine the company's overall strategy at least once every year with a view to sustaining value creation in the company.	Comply		The Board of Directors will ensure that a strategic plan is drawn up every year.
4.1.2. The Committee recommends that the supreme governing body at least once every year discuss and ensure that the necessary qualifications and financial resources are in place in order for the company to achieve its strategic goals.	Comply		The Board of Directors will regularly evaluate, including in its annual strategic seminar and in connection with the preparation of the budget and accounts, whether the necessary competencies and financial resources are in place in order for the company to achieve its strategic goals.
4.1.3. The Committee recommends that the supreme governing body at least once every year define its most important tasks related to the financial and managerial control of the company, including how to supervise the work of the executive board.	Comply		<p>The Board of Directors will continuously ensure that the management acts in agreement with all overriding resolutions and procedures, adopted by the Board of Directors in relation to company strategy etc.</p> <p>The Board of Directors will appoint the company's management, which may only make dispositions of an unusual type or of particular importance with the express authority of the Board of Directors.</p>
4.1.4 The Committee recommends that the supreme governing body at least once every year discuss the company's activities to ensure diversity at the management levels, including equal opportunities for both sexes, and that the supreme governing body set specific goals and explain its objective as well as the status of these requirements in the management report forming part of the annual report and / or on the website.	Comply partly		Diversity including equal opportunities for both sexes is important to DFDS and has to be discussed by the Board annually. DFDS has initiated projects to analyze the issues surrounding diversity with a view to increasing the proportion of among other women leaders. There is currently no specific goals established for diversity.
<i>4.2. Procedures</i>			

Recommendation	The company complies	The company does not comply	The company complies/does not comply with the recommendation due to the following reason:
4.2.1. The Committee recommends that the supreme governing body conducts an annual review of its rules of procedure to ensure that they are adequate and always match the activities and needs of the company.	Comply		The Board of Directors' rules of procedure will be reviewed once every year, to the extent necessary on the basis of the requirements of the company.
4.2.2. The Committee recommends that the supreme governing body annually review and approve procedures for the executive board, including the establishment of requirements for the executive board's timely, accurate and adequate reporting to the supreme governing body and for any other communication between the two governing bodies.	Comply		DFDS' rules of procedure for management describe the mission and division of tasks between the Board of Directors and management, together with procedure, authorization and instructions between the Board of Directors and management, and between the auditors and the management. The rules of procedure for management are reviewed once every year to the extent necessary on the basis of the requirements of the company.
4.3. The chairman and deputy chairman of the supreme governing body			
4.3.1. The Committee recommends that a deputy chairman of the supreme governing body be appointed, who must be able to act in the chairman's absence and also act as an effective sounding board for the chairman.	Comply		The Board of Directors have appointed a Chairperson and two Deputy Chairpersons. The Deputy Chairpersons can act in the event of the Chairperson's absence and in other respects as an effective sounding board for the Chairperson.
4.3.2. The Committee recommends the preparation of a scope of work and task list specifying the tasks, duties and responsibilities of the chairman and deputy chairman.	Comply		The tasks, obligations and responsibilities of the Chairperson and of the two Deputy Chairpersons are set out in the Board of Director's rules of procedure.
4.3.3. The Committee recommends that the chairman of the supreme governing body organise, convene and chair meetings to ensure efficiency in the body's work and to create the best possible working conditions for the members, individually	Comply		The Chairperson of the Board of Directors will ensure that there is an ongoing dialogue between the management and the Board of Directors, and will convene the Meetings of the Board of Directors in collaboration with the management. In other respects, the Chairperson ensures the effective running and completion of the Meetings.

Recommendation	The company complies	The company does not comply	The company complies/does not comply with the recommendation due to the following reason:
and collectively.			The dates for the Meetings of the Board of Directors of DFDS are fixed a good time in advance, to ensure that all directors have the opportunity to attend.
4.3.4. The Committee recommends that, if the board of directors in exceptional cases asks its chairman to perform special tasks for the company, including briefly participate in the day-to-day management, a board resolution to that effect should be passed and precautions taken to ensure that the board of directors will maintain responsibility for the overall management and control function. A reasonable distribution of duties must be ensured between the chairman, the deputy chairman, the other members of the board of directors and the executive board. Information about agreements on the chairman's participation in the day-to-day management and the expected duration hereof must be disclosed in a company announcement.	Comply		The Chairperson of the Board of Directors will not perform other tasks for DFDS than to attend to his or her job as Chairperson.
5. Composition and organisation of the supreme governing body			
<i>5.1. Composition</i>			
5.1.1. The Committee recommends that the supreme governing body annually specify the skills it must have to best perform its tasks and that the specification be posted on the website. Proposals for the nomination/replacement of members of the supreme governing body to be submitted to the general meeting should be prepared in the light	Comply		The Board of Directors puts specific emphasis on ensuring that its members have leadership experience from listed companies, together with knowledge and experience in a business related to DFDS' area of commercial operation, which means shipping and logistics along with the consumer market. Other significant recruitment criteria are financial expertise and experience, including knowledge of running a capital intensive business, experience with business acquisitions, financial reporting as well as international management.

Recommendation	The company complies	The company does not comply	The company complies/does not comply with the recommendation due to the following reason:
hereof.			<p>The Board of Directors' collective profile is characterised by its appreciable international leadership experience. At the end of 2011 two members of the board were foreign nationals, a Swede and a Norwegian respectively. Six out of the seven members elected at the Annual General Meeting hold, or have held, senior positions in leading Danish or foreign businesses.</p> <p>The required competencies can be found on the company's website, and a profile of the individual board members is set out in the company's annual report.</p>
<p>5.1.2. The Committee recommends that the supreme governing body ensure a formal, thorough and transparent process for selection and nomination of candidates to the supreme governing body. When assessing its composition and nominating new candidates, the supreme governing body must take into consideration the need for integration of new talent and the need for diversity in relation to international experience, gender and age, etc.</p>	Comply		<p>The Board of Directors continually evaluate the composition of the Board, which, in particular, includes assessing whether the competencies required by DFDS are adequately represented on the Board.</p> <p>The Board of Directors' position is that suitable candidates are most welcome on the Board of Directors and in leadership positions in general irrespective of their gender and age, though gender or age in itself is not a qualification.</p>
<p>5.1.3. The Committee recommends that a description of the nominated candidates' qualifications, including information about other executive functions, e.g. memberships of executive boards, boards of directors and supervisory boards, including board committees, held by the candidates in both Danish and foreign companies as well as information on demanding organisational tasks should accompany the notice convening the general meeting when election of members to the supreme governing body is on the agenda.</p>	Comply		<p>Both new candidates as well as candidates nominated for re-election are presented in advance of the general meeting in the notice to shareholders with information about the candidates' age, background, qualifications along with their management roles in other Danish and foreign companies or other demanding positions of trust with relevance for board level work at DFDS.</p>

Recommendation	The company complies	The company does not comply	The company complies/does not comply with the recommendation due to the following reason:
5.1.4. The Committee recommends that every year, the annual report contain an account of the composition of the supreme governing body, including its diversity, and of any special skills possessed by the individual members.	Comply		Information about the special skills of the individual members of the Board of Directors can be found in the annual report under management roles.
<i>5.2. Training of members of the supreme governing body</i>			
5.2.1. The Committee recommends that new members joining the supreme governing body be given an introduction to the company.	Comply		When a new board member joins the Board, the Chairperson will arrange an individual introduction to the DFDS Group of Companies which is adapted to suit the individual's situation.
5.2.2. The Committee recommends that the supreme governing body annually assess whether the skills and expertise of its members need to be updated.	Comply		The Board of Directors annually determines whether the skills and expertise of its members need to be updated in any areas.
<i>5.3. Number of members of the supreme governing body</i>			
5.3.1. The Committee recommends that the supreme governing body have only so many members as to allow a constructive debate and an effective decision-making process enabling all members to play an active role.	Comply		At present the Board of Directors of DFDS consists of eleven members, of which four are elected by the employees in accordance with Danish legislation. The Board of Directors evaluate whether the Board has a suitable size with a view to ensuring constructive debate and an effective decision-making process.
5.3.2. The Committee recommends that in connection with the preparation for each year's general meeting, the supreme governing body consider whether the number of members is appropriate in relation to the requirements of the company.	Comply		The Chairperson of the Board of Directors continually evaluates, in consultation with the other board members, including in connection with preparation for the annual general meeting, whether the number of board members is appropriate in relation to the requirements of the company.
<i>5.4. The independence of the supreme governing body</i>			

Recommendation	The company complies	The company does not comply	The company complies/does not comply with the recommendation due to the following reason:
<p>5.4.1. In order for the members of the supreme governing body to act independently of special interests, the Committee recommends that at least half of the members elected by the general meeting be independent persons.</p> <p>The independent supreme governing body member may not:</p> <ul style="list-style-type: none"> • be, or have been within the last five years, a member of the executive board/managerial staff of the company or an associated company, • have received significant additional remuneration from the company/group or an associated company apart from a fee for its services in the capacity as a member of the supreme governing body, • represent the interests of a controlling shareholder, • within the last year, have had a material business relationship (e.g. personally or indirectly as a partner or an employee, shareholder, customer, supplier or member of a governing body of companies with similar relations) with the company or an associated company, • be, or have been within the last three years, an employee or partner of the external audit firm, • hold cross-memberships of governing bodies, • have been a member of the supreme governing body for more than 12 years, or 	Comply		<p>At least half of the management representatives elected by the general meeting are independent persons, as five of the Board of Directors' seven members elected by the general meeting fulfill the recommended definition of independence.</p> <p>Three of the seven members elected by the general meeting do not fulfill the recommended definition of independence. Bent Østergaard has a management role in Lauritzen Fonden, which has a deciding influence in DFDS. Jill Lauritzen Melby has familial relations to Lauritzen Fonden, which has a deciding influence in DFDS. Ingar Skaug has been a member of the Board of DFDS for more than 12 years.</p>

Recommendation	The company complies	The company does not comply	The company complies/does not comply with the recommendation due to the following reason:
<ul style="list-style-type: none"> have close family ties with persons that are not regarded as independent persons. 			
5.4.2. The Committee recommends that at least once every year, the supreme governing body list the names of the members who are regarded as independent persons and also disclose whether new candidates for the supreme governing body are considered independent persons.	Comply		Information about the independence of board members can be found in the annual report under management roles.
5.5. Members of the supreme governing body elected by the employees			
5.5.1. The Committee recommends that the individual company explain, in the company's annual report or on its website, the system of employee-elected board members and the company's use hereof in companies where the employees have chosen to apply the provisions of the Companies Act on employee representation.	Comply		In accordance with regulations in the Companies Act, the company's employees in Denmark elect three members to the Board of Directors. Employee representatives are elected for a period of one to four years. In addition to the direct election of board members, the company's employees also elect a corresponding number of substitutes, who are elected for the corresponding periods. Employee representatives have the same rights, duties and responsibilities as the board members elected by the general meeting. The rules on employee representation can be found on the company's website.
5.6. Meeting frequency			
5.6.1. The Committee recommends that the supreme governing body meet at regular intervals according to a predetermined meeting and work schedule or when meetings are deemed necessary or appropriate as required by the company and that the number of meetings held be disclosed in the annual report.	Comply		The Board of Directors meet at least five times per year in accordance with a prearranged plan and, otherwise, as decided by the Chairperson, or when requested by a board member, a director, or the company's auditor. The Board of Directors also typically hold an annual strategic seminar. This strategic seminar provides the management with the opportunity to focus on specific circumstances in the business and setting its strategy. Seven board meetings were held in 2011.

Recommendation	The company complies	The company does not comply	The company complies/does not comply with the recommendation due to the following reason:
<i>5.7. Expected time commitment and the number of other executive functions of Board members</i>			
5.7.1. The Committee recommends that each member of the supreme governing body assess the expected time commitment for each function in order that the member does not take on more functions than he/she can manage in a satisfactory way for the company.	Comply		The assessment of each board member includes an evaluation of his or her efforts and commitment, including an assessment of whether the individual member has the opportunity to devote the time that is required for board work.
5.7.2. The Committee recommends that the annual report contain the following information about the members of the supreme governing body: <ul style="list-style-type: none"> • the member's occupation, • the member's other executive functions, e.g. memberships of executive boards, boards of directors and supervisory boards, including board committees, in Danish and foreign companies as well as demanding organisational tasks, and • the number of shares, options, warrants, etc. that the member holds in the company and its consolidated companies and any changes in such holdings during the financial year. 	Comply		DFDS' annual report contains information on the board members' position, executive roles, and other demanding business duties, as well as their shareholdings etc.
<i>5.8. Retirement age</i>			
5.8.1. The Committee recommends that the company's Articles of Association fix a retirement age for members of the supreme governing body and that the annual report contain information on such retirement age as well as the age of each	Comply partly		DFDS has not fixed a retirement age for board members in its Articles of Association. A retirement age of 70 has been inserted into the rules of procedure for the Board of Directors. The annual report contains information about the age of individual board

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member of the board of directors.			members.
5.9. Election period			
5.9.1. The Committee recommends that members of the supreme governing body elected by the general meeting be up for re-election every year at the annual general meeting.	Comply		Members of DFDS' Board of Directors are elected at the general meeting for a period of one year at a time. Re-election can take place. The average length of service for individual members of the Board was just above 8 years at the end of 2011.
5.9.2. The Committee recommends that the annual report state when the individual member of the supreme governing body joined the body, whether the member was re-elected and when the current election period expires.	Comply		Information about the election, and subsequent re-election, date for each member of the Board can be found in the annual report under executive roles.
5.10. Board committees			
5.10.1. The Committee recommends that the company publish the following information in the management commentary in its annual report or on the company's website: <ul style="list-style-type: none"> • the terms of reference for the board committees, • important activities of the committees during the year and the number of meetings held by each committee, and • the names of the members of each committee, including the chairmen of the committees, as well as information on which members are independent members and which members have special qualifications. 	Comply		At present DFDS has set up an audit committee, a nomination committee and a remuneration committee. The mandate and essential activities of the committees are disclosed in the description of the committees which is available on DFDS' website. The website also provides information about how many meetings the committees hold, the names and qualifications of its members, who the Chairperson of the committee is, and which members are independent members with specific qualifications.

Recommendation	The company complies	The company does not comply	The company complies/does not comply with the recommendation due to the following reason:
5.10.2. The Committee recommends that a majority of the members of a board committee be independent members.	Comply		The majority of the members of the committees since each committee consists of three members of which two are independent.
5.10.3. The Committee recommends that the supreme governing body establish an actual <u>audit committee</u> .	Comply		In accordance with applicable law and effective as from the annual general meeting 2009, an audit committee has been elected. The committee meets at least three times per year. An external auditor participates in two of these meetings.
5.10.4. The Committee recommends that the following be taken into account in composing the audit committee: <ul style="list-style-type: none"> • the chairman of the supreme governing body should not be chairman of the audit committee, and • between them, the members should possess such an amount of expertise and experience as to provide an updated insight into and experience in the financial, accounting and audit conditions of companies whose shares are admitted to trading on a regulated market. 	Comply		The Chairperson of DFDS' Board of Directors does not act as the Chairperson of the audit committee. The audit committee together possesses the necessary qualifications within the area of accountancy, auditing and financial matters.
5.10.5. The Committee recommends that, prior to the approval of the annual report and other financial reports, the audit committee monitor and report to the supreme governing body about: <ul style="list-style-type: none"> • significant accounting policies • significant accounting estimates, • related party transactions, and • uncertainties and risks, including in relation to the outlook. 	Comply		In accordance with its mandate the audit committee will specifically: <ul style="list-style-type: none"> • Monitor the process for reporting on the company accounts; • Monitor compliance with statutory and regulatory requirements; • Monitor the qualifications and work of the company's independent auditor, and his or her independence and audit of the accounts; • Monitor internal systems in relation to financial reporting, together with the effectiveness of the system, and estimate the need for internal audit; • Monitor the company's risk management systems; and • Make a recommendation to the Board of Directors regarding the selection of the Company's independent auditor.
5.10.6. The Committee recommends that the audit	Comply		On the basis of DFDS' size and financial structure the Board of Directors

Recommendation	The company complies	The company does not comply	The company complies/does not comply with the recommendation due to the following reason:
committee: <ul style="list-style-type: none"> • annually consider whether there is a need for an internal audit function, and if so, • formulate recommendations on selecting, appointing and removing the head of the internal audit function and on the budget of the internal audit function, and • monitor the executive board's follow-up on the conclusions and recommendations of the internal audit function. • 			currently consider that there is no need to establish an internal audit function.
5.10.7. The Committee recommends that the supreme governing body establish a <u>nominations committee</u> with at least the following preparatory tasks: <ul style="list-style-type: none"> • describe the qualifications required in the two governing bodies and for a given position, state the expected time commitment for a position and evaluate the balance of skills, knowledge and experience available in the two governing bodies. • annually evaluate the structure, size, composition and performance of the governing bodies and make recommendations to the supreme governing body with regard to any changes, • annually evaluate the skills, knowledge and experience of the individual members of the governing bodies and report such details to the supreme governing body, • consider proposals submitted by relevant persons, including shareholders and 	Comply		The Board of Directors have established a nominations committee comprised of the Chairpersonship to assist the board.

Recommendation	The company complies	The company does not comply	The company complies/does not comply with the recommendation due to the following reason:
members of the governing bodies, for candidates for executive positions, and <ul style="list-style-type: none"> identify and recommend to the supreme governing body candidates for the governing bodies. 			
5.10.8. The Committee recommends that the supreme governing body establish a <u>remuneration committee</u> with at least the following preparatory tasks: <ul style="list-style-type: none"> make proposals, for the approval of the supreme governing body prior to approval at the general meeting, on the remuneration policy, including the overall principles of incentive pay schemes, for members of the supreme governing body and the executive board, make proposals to the supreme governing body on remuneration for members of the supreme governing body and the executive board and ensure that the remuneration is consistent with the company's remuneration policy and the evaluation of the performance of the persons concerned. The committee should have information about the total amount of remuneration that members of the supreme governing body and the executive board receive from other companies in the group, and oversee that the information in the annual report on the remuneration of the supreme governing body and the executive board is correct, true and sufficient. 	Comply		The Board of Directors have established a remuneration committee comprised of the Chairpersonship to assist the board.

Recommendation	The company complies	The company does not comply	The company complies/does not comply with the recommendation due to the following reason:
5.10.9. The Committee recommends that the remuneration committee do not consult with the same external advisers as the executive board of the company.	Comply		The remuneration committee does not consult with the same external advisers as the management of the company.
<i>5.11. Evaluation of the work undertaken by the supreme governing body and by the executive board</i>			
5.11.1. The Committee recommends that the supreme governing body undertake an annual evaluation of the performance and achievements of the supreme governing body and of the individual members of the body.	Comply		Every year the Board of Directors conducts an evaluation of the work of the Board. The evaluation takes as its starting point in the order of procedure and compares results with objectives and strategy. The audit committee conducts a separate evaluation.
5.11.2. The Committee recommends that the chairman be in charge of the evaluation of the supreme governing body, that the outcome be discussed in the supreme governing body and that the details of the procedure of self-evaluation and the outcome be disclosed in the annual report.	Comply partly		The evaluation by the Board of Directors is led by the Chairperson of the Board of Directors, and the outcome of the evaluation is discussed in the Board of Directors, which views this self-evaluation as an internal tool to ensure an effective composition of the Board of Directors and optimal use of the Board's resources. For this reason, the outcome of the self-evaluation will not be published.
5.11.3. The Committee recommends that the supreme governing body at least once every year evaluate the work and performance of the executive board in accordance with pre-defined criteria.	Comply		Every year the management's performance is evaluated under the leadership of the Chairperson of the Board of Directors.
5.11.4. The Committee recommends that the executive board and the supreme governing body establish a procedure according to which their cooperation is evaluated annually through a formalised dialogue between the chairman of the supreme governing body and the chief executive officer and that the outcome of the evaluation be presented to the supreme governing body.	Comply		Every year the cooperation between the Board of Directors and management is evaluated under the leadership of the Chairperson of the Board of Directors.

Recommendation	The company complies	The company does not comply	The company complies/does not comply with the recommendation due to the following reason:
6. Remuneration of members of the governing bodies			
<i>6.1. Content and form of the remuneration policy</i>			
6.1.1. The Committee recommends that the supreme governing body adopt a remuneration policy applicable to the supreme governing body and the executive board.	Comply		According to DFDS' remuneration policy, management is remunerated on the basis of their contribution and results, taking into account the situation in comparable businesses.
6.1.2. The Committee recommends that the remuneration policy and any changes to the policy be approved by the general meeting of the company.	Comply		The company's overall guidelines for remuneration of management and directors, adopted by the general meeting, are published on the company's website.
6.1.3. Committee recommends that the remuneration policy include a thorough description of the components of the remuneration for members of the supreme governing body and the executive board.	Comply		The company's remuneration policy consists of a thorough description of the components constituting the remuneration of Board and Executive Committee. The policy is available on the company's web site.
6.1.4. The Committee recommends that the remuneration policy include: <ul style="list-style-type: none"> • the reasons for choosing the individual components of the remuneration, and • a description of the criteria on which the balance between the individual components of the remuneration is based. • 	Comply		See section 6.1.3 above.
6.1.5. The Committee recommends that, if the remuneration policy includes variable components, <ul style="list-style-type: none"> • limits be set on the variable components of the total remuneration package, 	Comply		See section 6.1.3 above.

Recommendation	The company complies	The company does not comply	The company complies/does not comply with the recommendation due to the following reason:
<ul style="list-style-type: none"> • a reasonable and balanced linkage be ensured between remuneration for governing body members, expected risks and the value creation for shareholders in the short and long term, • there be clarity about performance criteria and measurability for award of variable components, and • there be criteria ensuring that vesting periods for variable components of remuneration agreements are longer than one calendar year. 			
<p>6.1.6. The Committee recommends that remuneration of members of the supreme governing body do not include share or warrant programmes.</p>	Comply		<p>The members of the Board of Directors receive a fixed annual remuneration, determined after a comparison with the remuneration paid by other companies. The size of the remuneration is submitted to the general meeting for approval each year, along with the annual report. The members of the audit committee receive a separate remuneration.</p> <p>The members of the Board of Directors do not receive incentive pay.</p>
<p>6.1.7. The Committee recommends that if members of the executive board receive share-based remuneration, such programmes be established as roll-over programmes, i.e. the options are granted periodically and should not be exercisable earlier than three years from the date of grant. An explanation of the relation between the redemption price and the market price at the time of grant should be provided.</p>	Comply		<p>See section 6.1.3 above.</p>
<p>6.1.8. The Committee recommends that, in exceptional cases, companies should be able to reclaim in full or in part variable components of remuneration that were paid on the basis of data,</p>	Comply		<p>Remuneration agreements provide for repayment of variable components paid out erroneously.</p>

Recommendation	The company complies	The company does not comply	The company complies/does not comply with the recommendation due to the following reason:
which proved to be manifestly misstated.			
6.1.9. The Committee recommends that termination payments should not amount to more than two years' annual remuneration.	Comply		Termination payments over and above the customary terms for termination have not been agreed with members of the management.
<i>6.2. Disclosure of the remuneration policy</i>			
6.2.1. The Committee recommends that the remuneration policy be clear and easily understandable and that it be disclosed in the annual report and posted on the company's website.	Comply partly		<p>The Board of Directors endeavor to ensure that the remuneration policy is clear and easily understood. The total remuneration of the Chairpersons, Deputy Chairpersons, Board members and members of the audit committee respectively is specified in the annual report. No separate remuneration for participation in the nomination or remuneration committees is paid.</p> <p>The remuneration policy is published on the company's website.</p>
6.2.2. The Committee recommends that the company's remuneration policy and compliance with this policy be explained and justified in the chairman's statement at the company's general meeting.	Comply		In the event that the Board of Directors wishes to amend the adopted policy, or if shareholders have raised queries at the general meeting, the remuneration policy is described in more detail in the Chairperson's report.
6.2.3. The Committee recommends that the total remuneration granted to each member of the supreme governing body and the executive board by the company and other consolidated companies be disclosed in the (consolidated) financial statements and that the linkage with the remuneration policy be explained.	Comply partly		<p>DFDS publishes the management's collective remuneration including bonuses but the Board of Directors currently hold the view that information regarding individual remuneration and termination benefits of members of the management are not essential for the assessment of the annual accounts.</p> <p>Executive stock options granted to the management including the underlying assumptions are fully disclosed in the annual report.</p> <p>The annual report contains information about the total remuneration which each individual Board member receives from the company.</p>
6.2.4. The Committee recommends that the details of any defined-benefit schemes offered to members of the supreme governing body or the	Comply		The Board of Directors are not covered by a pension scheme. Individual pension plans are agreed with the members of the management. The pension plans for the management are not performance based.

Recommendation	The company complies	The company does not comply	The company complies/does not comply with the recommendation due to the following reason:
executive board and the actuarial value of such schemes as well as changes during the year be included as part of the information on the total remuneration.			
6.2.5. The Committee recommends that the most important aspects of retention and severance programmes be disclosed in the company's annual report.	Comply		Information about the severance package for members of the management is set out in the notes to the annual accounts.
6.2.6. The Committee recommends that the proposal for remuneration of the supreme governing body for the current financial year be approved by the shareholders at the general meeting.	Comply		The remuneration of the members of the Board of Directors for the current calendar year is presented at the general meeting.
7. Financial reporting			
<i>7.1. Other relevant information</i>			
7.1.1. The Committee recommends that the annual report and other financial reports be supplemented by additional financial and non-financial information, if deemed necessary or relevant in relation to the information needs of the recipients.	Comply		<p>DFDS's financial reporting complies with IFRS (International Financial Reporting Standards), which is deemed to fulfill the recipient's requirements for information</p> <p>In 2011 DFDS publishes its first Corporate Responsibility Report which is incorporated in the annual report for 2011. Aside from that DFDS does not publish detailed non-financial information because it is not believed that the usefulness of such information will match the corresponding cost of its preparation.</p>
<i>7.2. Going concern assumption</i>			
7.2.1. The Committee recommends that, upon consideration and approval of the annual report,	Comply		In connection with the consideration and approval of the annual accounts the Board of Directors will assess the fundamental conditions and uncertainties on

Recommendation	The company complies	The company does not comply	The company complies/does not comply with the recommendation due to the following reason:
the supreme governing body decide whether the business is a going concern, including supporting assumptions or qualifications where necessary.			which the presentation of the accounts is based – including the going concern requirement.
8. Risk management and internal control			
<i>8.1. Identification of risks</i>			
8.1.1. The Committee recommends that the central governing body at least once every year identify the most important business risks associated with the realisation of the company's strategy and overall goals as well as the risks associated with financial reporting.	Comply		The risks associated with DFDS' business are identified continuously by the management. DFDS strives to reduce the financial and operational risks by protection through the use of hedging and security policies and procedures, together with the observance of all relevant rules and codes of practice for DFDS' activities. Strategic and commercial risks are evaluated continuously in connection with annual strategic work and on-going reporting, and in particular in connection with major investment projects.
8.1.2. The Committee recommends that the executive board currently report to the supreme governing body on the development within the most important areas of risk and compliance with adopted policies, frameworks etc. in order to enable the supreme governing body to track the development and make the necessary decisions.	Comply		Reports to the Board of Directors and the audit committee about financial and operational risks, including the control hereof, are provided as an integral part of the reporting process to the Board.
<i>8.2. Whistleblowing</i>			
8.2.1. The Committee recommends that the supreme governing body decide whether to establish a whistleblowing scheme for expedient and confidential notification of possible or suspected wrongdoing.	Comply		The Board of Directors has decided to establish a whistleblowing scheme. The Board of Directors will continually monitor developments in the area and revisit the question at a later stage.
<i>8.3. Openness about risk management</i>			

Recommendation	The company complies	The company does not comply	The company complies/does not comply with the recommendation due to the following reason:
8.3.1. The Committee recommends that the management commentary in the annual report include information about the company's management of business risks.	Comply		Further details regarding DFDS' policy for control of operational and financial risks can be found in the annual report.
9. Audit			
<i>9.1. Contact to auditor</i>			
9.1.1. The Committee recommends that the supreme governing body maintain a regular dialogue and exchange of information with the auditor.	Comply		<p>In addition to the audit committee's three annual meetings with the auditor, a meeting between the Board of Directors and the auditor is held at least once per year.</p> <p>Usually the auditor twice a year issues a Long-form audit report to the Board of Directors in respect of the audit carried out and the results hereof.</p> <p>In connection with presenting the annual accounts the audit committee and the Executive Committee will discuss essential areas within the scope of general accounting standards, including accounting discretion.</p>
9.1.2. The Committee recommends that the auditor agreement and auditors' fee be agreed between the supreme governing body and the auditor on the basis of a recommendation from the audit committee.	Comply		<p>DFDS' annual reports are audited by an independent, authorised auditor or an independent firm of authorised accountants, who are elected by the annual general meeting for a period of one year at a time. Prior to election, the audit committee will evaluate the auditor's competence and independence.</p> <p>The audit committee shall submit the audit agreement to the Board of Directors for approval, on the basis of a proposal from the management.</p>
9.1.3. The Committee recommends that the supreme governing body and the audit committee meet with the auditor at least once every year without the executive board present. This also applies to the internal auditor, if any.	Comply		The Board of Directors and, thus, the audit committee have, in accordance with the rules of procedure for the audit committee, found it appropriate that the management initially shall attend the meetings of the committee. However, members of the management will not attend the committee's meetings with the company's auditor held in connection with the work on the annual accounts.
<i>9.2. Internal audit</i>			

Recommendation	The company complies	The company does not comply	The company complies/does not comply with the recommendation due to the following reason:
<p>9.2.1. The Committee recommends that the supreme governing body, on the basis of a recommendation from the audit committee, once every year decide whether to establish an internal audit for support and control of the company's internal control and risk management systems and state the reasons for its decision in the annual report.</p>	<p>Comply</p>		<p>The Board of Directors currently considers, on the basis of DFDS' size and financial structure, that there is no need to establish an internal audit function.</p>