

DONG Energy's remuneration policy for the supervisory board and the executive board

DONG Energy's remuneration policy for the supervisory board and for the executive board members registered with the Danish Commerce and Companies Agency includes both fixed and incentive-based compensation. The purpose is to ensure common interests between the company's shareholders and the company's decision-makers defined as the supervisory board and the executive board. Moreover, market-conform remuneration for the members of the supervisory board and the executive board is requested in order to retain such members and attract qualified candidates when and if it becomes relevant. At an extraordinary general meeting held on 17 January 2008, DONG Energy's general guidelines for incentive-based compensation to the supervisory board and the executive board were adopted. The guidelines have been published at www.dongenergy.com.

Supervisory board members

Remuneration for the supervisory board should be at the level of the remuneration paid in other large Danish companies with international activities.

Remuneration for the supervisory board for the next financial year is to be approved at the annual general meeting under a separate item on the agenda. Proposals for remuneration for the supervisory board for the next financial year are to be included in the notice convening the annual general meeting.

Each supervisory board member receives fixed annual remuneration, and the chairman and the deputy-chairman receive an annual supplement for their extended supervisory-board tasks in addition to this.

Services provided under the auspices of the supervisory board's audit and risk committee and remuneration committee entitle the members to additional remuneration. Moreover, the chairman of each of the two committees receives an additional annual pay. Expenses, e.g. travelling and accommodation expenses in connection with supervisory board meetings, are refunded according to vouchers submitted. Share options, warrants, shares at a discount or other incentive schemes are not offered to supervisory board members.

Chief executive officers

The remuneration committee of the supervisory board makes a proposal for remuneration for the executive board, which proposal is subsequently approved by all members of the supervisory board. At the moment, the executive board consists of the company's chief executive officer and the group chief financial officer.

The remuneration paid is compared to the remuneration level in similar large Danish companies with international activities. Moreover, pay conditions and the development thereof are assessed and compared with similar positions in international energy companies within the company's geographical area of activity.

The remuneration consists of a fixed basic salary, a short-term variable salary following the company's financial year and other employee benefits. Pension scheme contributions are included in the basic salary of executive board members. As a result of the suspension of the listing procedure, no long-term, share-based incentive programme has been introduced.

Members of the executive board receive no fee for membership of supervisory boards in DONG Energy's subsidiaries and associates.

Fixed basic salary

The overall fixed basic salary, inclusive of pension scheme contribution, for a member of the executive board amounts to between 77% and 100% of the total remuneration, depending on the extent of the payment of variable salary, cf. below, however, as to additional variable salary of up to 20% further of the fixed salary under exceptional circumstances. In addition to this, there are personal work-related benefits.

Short-term incentive programme

The non-share based incentive programme for the executive board is a variable salary for a term of 12 months.

The performance targets of the variable salary consists of three different elements, specifically (i) DONG Energy's financial value creation, (ii) performance by the individual member of the executive board within strategic areas of responsibility and/or specific projects, and (iii) performance by the individual member of the executive board in relation to DONG Energy's values and the daily management in general.

The payment of variable salary depends on whether or not the set performance targets have been achieved in part or in full. The remuneration committee of the supervisory board sets performance targets and assesses the performance by the chief executive officer, whereas the chairman of the supervisory board and the chief executive officer set the performance targets for the group chief financial officer.

If all performance targets are fully achieved, the individual member of the executive board can obtain a variable salary amounting to 30% of his or her fixed annual salary.

At the estimate of the supervisory board, the individual member of the executive board will – in exceptional circumstances – be able to achieve additional variable salary of up to 20% of his or her fixed annual salary, where such additional variable salary is tied to specific performance targets.

Long-term incentive programme

In the overall guidelines for the incentive-based remuneration adopted at DONG Energy's extraordinary general meeting on 17 January 2008, reference is made to a share-based incentive programme. As the listing of DONG Energy was suspended on 21 January 2008, this programme has not been implemented.

Pension

The pension scheme contribution for the registered members of the executive board is included in their fixed basic salary. The executive board members have the option of becoming a member of DONG Energy's employer-managed pension scheme. This scheme has been taken out as a defined contribution scheme.

Employee benefits/personal benefits

A number of work-related benefits are available to the executive board members, inclusive of company car, free telephone, fax machine, domestic broadband link and business-related magazines. The extent/size of the individual benefits is negotiated with the individual member of the executive board. Moreover, the executive board members are covered by DONG Energy's insurance schemes.

The dependants of executive board members, meaning co-habiting spouse / cohabitant at the same address of registered residence, alternatively children under the age of 25 years, are fur-

ther guaranteed 12 months' post-employment benefit in the event of the death of a member of the executive board during employment.

Termination

DONG Energy may terminate the employment at 12 months' notice. A member of the executive board may terminate the employment with DONG Energy at 6 months' notice.

Severance pay

The employment contract of the chief executive officer provides for severance pay which means that 33½ months' salary is paid in the event of resignation following dismissal by DONG Energy. Such severance pay is paid in addition to salary during the period of notice. For the group chief financial officer, resignation following dismissal by DONG Energy results in the payment of remuneration equalling 24 months' salary. The severance pay is paid in addition to salary during the period of notice.

Approved by the supervisory board of DONG Energy on 26 January 2009