

CORPORATE GOVERNANCE 2009

Concordia Maritime complies with the terms of the Swedish Code of Corporate Governance and this corporate governance report has been drawn up as part of the application of the Code. The report has been reviewed by auditors.

The governance of Concordia Maritime is based on the Swedish Companies Act and Nasdaq OMS Stockholm's regulations, including the Swedish Code of Corporate Governance (the Code) as well as other applicable Swedish and foreign laws and regulations.

Concordia Maritime reports one deviation from the Code for the accounting year 2009.

Ownership structure

According to the share register maintained by Euroclear AB as of 31 December 2009, Concordia Maritime had 5,006 shareholders. The largest owner is the Stena Sphere, which, since the company was first listed in 1984, has declared that a holding in Concordia Maritime of about 50 percent of the capital is one of its long-term objectives. At year-

end, the Stena Sphere owned approx. 53 percent of the share capital and had 73 percent of the votes.

Information on shareholders and ownership is updated every quarter on Concordia Maritime's website.

Voting right

The share capital consists of Series A shares and Series B shares, both of which entitle their holders to a share in the company's assets and profit and an equally large dividend. The quota value is SEK 8 per share. Each Series A share represents ten votes and each Series B share one vote. At year-end all the Series A shares were controlled by the Stena Sphere. On 31 December 2009, the share capital amounted to SEK 381.8 million divided between 47.73 million shares, of which 43.73 million were Series B shares.

Nomination process

Concordia Maritime's nomination process for the election of board members includes the appointment of a nomination committee consisting of three members. These members shall be the board's Deputy Chairman and one representative of each of the two largest shareholders, in terms of votes, who wish to appoint a representative.

The composition of the nomination committee is based on shareholder statistics as of the last banking day in August the year before the annual general meeting. The names of the representatives on the nomination committee and the shareholders they represent shall be made public as soon as they have been appointed, although no later than six months prior to the annual general meeting. If the shareholdings of the major shareholders change during the nomination process, the composition of the nomination committee may be changed to reflect this.

The guidelines for the largest shareholders' choice of committee member are that the person shall have knowledge and experience relevant to Concordia Maritime. The rules in the Swedish Code of Corporate Governance applying to independent board members shall be observed.

The task of the nomination committee is to submit proposals to the AGM concerning the following questions:

- Chairman of the AGM
- Board members
- Chairman of the Board
- Remuneration of each board member
- Remuneration for work on committees
- The nomination committee for the following year

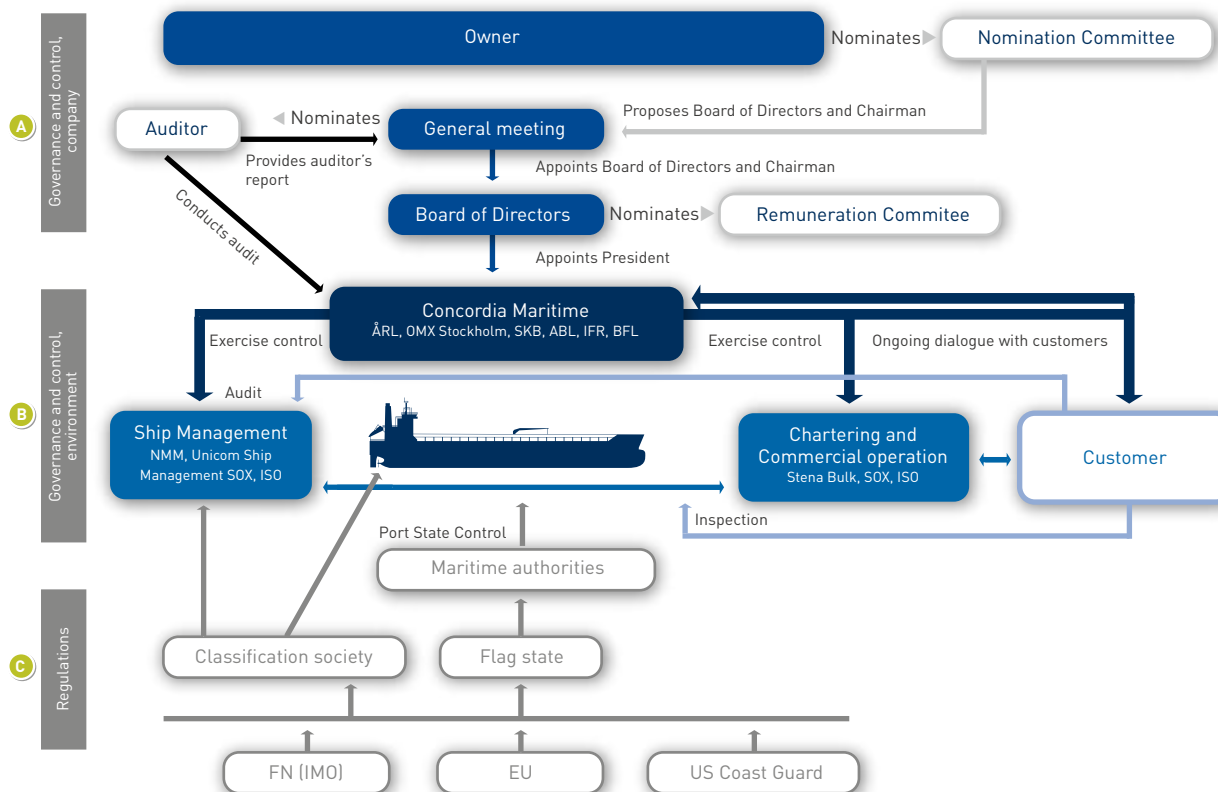
Good corporate governance is a question of clarity in the areas of responsibility and accountability, clarity in the decision-making processes and openness so that the owners can understand and follow the development of the company. In previous annual reports, Concordia Maritime has attached great importance to explaining the company's corporate governance. The ambition of this corporate governance section has been to make the description as relevant, comprehensible and clear as possible.

Gothenburg, March 2010

*Dan Sten Olsson
Chairman of the Board*



Governance and control



The corporate governance and control of Concordia Maritime's operations can be described from several different perspectives.

A From an owner perspective, its operations are governed by a Board of Directors elected by the shareholders. The board formulates the frameworks for the operations and exercises control over the company's management. It has recourse to an elected auditor whose task is to provide an auditor's report for Concordia Maritime AB's annual report and consolidated accounts and the administration of the company by the board and the President.

B As a public and listed Swedish company, Concordia Maritime is also governed by a number of laws and regulations. Among the most important of these are the Swedish Companies Act, the Swedish Annual Accounts Act, International Financial Reporting Standards (IFRS), Nasdaq OMX Nordic stock exchange listing agreement and the Swedish Code of Corporate Governance.

The day-to-day operation of the company is ultimately guided by the customers' demands for effectiveness and reliability. Concordia Maritime has chosen a strategy that involves collaboration with a number of subcontractors for e.g. the commercial operation and ship management functions. This collaboration is regulated by binding contracts as well

as mutual trust. There is an extensive exchange of information between the parties and here, too, the control and reporting systems are well developed.

C In addition to these legal control mechanisms, Concordia Maritime's business activities are subject to and governed by a number of industry-specific regulations. The most important of these are UN, EU and US regulations related to shipping and trade in oil and petroleum products and the oil companies' own ship inspections (vetting). There are also regulations related to individual flag states, classification societies and national maritime authorities. All these bodies exercise continuous control over the activities down to ship level.



The nomination committee's proposals together with a report on its work shall be published no later than in conjunction with the notice convening the AGM. Shareholders shall be given the opportunity to present nomination proposals to the nomination committee.

Nomination committee for the 2010 AGM

The composition of the nomination committee was announced on Concordia Maritime's website on 26 September 2009. In 2009, the nomination committee met once in addition to a number of contacts over the telephone. The nomination committee consisted of C. Mikael von Mentzer (Deputy Chairman, Concordia Maritime), Karl-Magnus Sjölin (Stena Sessan Rederi AB), and Arne Lööv (Fjärde AP-fonden). The nomination committee represented approx. 75.9 per cent of the shareholders' votes.

Shareholders wishing to present proposals for the composition of the nomination committee may do so via e-mail to info@concordia-maritime.se.

Shareholders' meeting

The shareholders' right to make decisions about Concordia Maritime's business is exercised at the shareholders' meeting. To participate in decisions, the shareholder must be present at the shareholders' meet-

ing, either in person or via a proxy. Additionally, the shareholder must be registered in the share register by a certain date prior to the AGM and the company must have been formally informed of his intention to attend the AGM. Decisions at shareholders' meetings are normally taken by simple majority vote. In certain questions, however, the Swedish Companies Act stipulates that decisions be taken by a larger majority of the shares represented at the shareholders' meeting and votes given.

Individual shareholders wishing to have a matter considered at the annual general meeting can normally apply to the board in good time before the shareholders' meeting via info@concordia-maritime.se.

The annual general meeting is held in the Gothenburg region in the first half of every year. At the annual general meeting, decisions are taken on questions concerning approval of the annual report, dividends, remuneration of the board and the auditors, the election of board members and, where appropriate, auditors, guidelines for remuneration of group management together with other important matters.

An extraordinary annual general meeting may be held if the board considers it necessary or if Concordia Maritime's auditors or owners of at least 10 per cent of the shares so request.

Annual General Meeting 2009

The 2008 annual general meeting was held on 28 April 2009. The meeting was attended by 97 shareholders, either in person or via a proxy, representing 77.5 per cent of the votes. All the board members elected by the meeting were present. Also present were the company's auditor and members of the nomination committee.

The decisions taken at the meeting included the following:

- In accordance with board's and the President's proposal, to pay a dividend of SEK 1.00 per share for 2008.
- Re-election of the board members Dan Sten Olsson, C. Mikael von Mentzer,

Mats Jansson, Morten Chr. Mo, Bert Åke Eriksson and Stefan Brocker, (Jens Ole Hansen, employee representative, Jörgen Lorén, employee representative, and Göran Dahlman, Deputy.)

- Re-election of Dan Sten Olsson as Chairman of the Board.
- That the annual fee, not including travel expenses, paid to the members of the board of directors shall amount to SEK 1,400,000, be distributed as follows: SEK 350,000 each to the Chairman and the Deputy Chairman and SEK 175,000 to each of the other members not employed in the Group, and that the auditors shall receive remuneration for reasonable costs as specified in invoices based on the actual time spent on carrying out their assignments.
- Principles for remuneration and terms of employment for the President and other senior executives.
- Routines for the appointment of the nomination committee and its work.

The Board of Directors

The tasks of the Board of Directors

The overall task of the board is to administer the business of the Group on behalf of the owners in such a way that the owners' interest in a good return on capital in the long term is satisfied in the best possible way. The board's work is regulated by, among other things, the Swedish Companies Act, the company's articles of association, the Code and the rules of procedure established by the board for its work. The board makes decisions in questions concerning the Group's overall objectives, strategic direction and more important policies as well as significant questions involving financing, investments, acquisitions and sales. The board monitors and considers, among other things, the follow-up and control of the activities in the Group, the Group's external communications and organisational questions, including the evaluation of the Group's operative management. The board's responsibility includes appointing and, when appropriate,

dismissing the company's president. It also has the overall responsibility for establishing effective systems for internal controls and risk handling.

Rules of procedure and board meetings

Every year, the board establishes rules of procedure for its work. When necessary, these rules of procedure are revised. The chairman's special role and tasks as well as the areas of responsibility for the committees appointed by the board are described in the rules of procedure. According to the rules of procedure, the chairman shall ensure that the board's work is conducted in an effective way and that the board performs its tasks. The chairman shall also organise and distribute the board's work among its members and ensure that the board's decisions are implemented in an efficient manner and that the board carries out an evaluation of its work every year. The rules of procedure also include detailed instructions to the president and other corporate functions concerning what questions require the board's approval. Among other things, the instructions specify the highest amount different decision-making bodies in the Group are entitled to approve in conjunction with credits, investments and other outlays.

The rules of procedure stipulate that the statutory board meeting shall be held directly after the annual general meeting. At this meeting, decisions are taken on, for example, the election of the deputy chairman and who shall sign Concordia Maritime's business name. In addition, the board holds six ordinary meetings per year. Four of these meetings are held in conjunction with the Group's annual report and interim reports. These meetings are normally held in Gothenburg. Additional meetings, including teleconferences, are held when necessary.

Ensuring the quality of financial reporting

Concordia Maritime is a company with a limited number of customers and a limited number of employees. Its business is based on long-term contracts.

There is no specific function for internal controls in the Group as relatively few transactions take place every year and, as a result, the financial reporting at the company is relatively easy to verify.

The President bears the ultimate responsibility for ensuring that internal controls function satisfactorily. Day-to-day work, however, is delegated to the business administration and finance function.

The rules of procedure decided on by the board every year includes detailed instructions concerning what financial reports and other financial information shall be submitted to the board. In addition to the interim reports and the annual report, other financial information relating to the company and its areas of activity are examined and evaluated on an ongoing basis.

Control environment

The core of the internal control of the financial reporting is based on the Group's directives, guidelines and instructions as well as a structure of responsibility and authority that has been adapted to the Group's organisation in order to create and maintain a satisfactory control environment. The principles for internal controls and directives and guidelines for financial reporting are collected in the Group's financial policy.

A fundamental component of Concordia Maritime's control environment is the corporate culture existing in the Group in which management and employees work. Concordia Maritime works actively with communication and training/education as regards the basic values, which are described in an internal document that ties all the business areas together and constitutes an important part of the common culture in the Stena Sphere.

Risk assessment

Risks related to the financial reporting are assessed and monitored by the board as whole. There is no separate audit committee; instead, audit matters are considered by the whole board.

Prior to examining interim reports and the annual report, the board members are given access to relevant information in good time before publication in conjunction with the following board meeting. The reports are then discussed in detail at a board meeting. A few days before publication, Concordia Maritime's CFO reserves time to answer any questions that may be asked by the board members.

The board also examines the most important accounting principles applied in the Group with respect to the financial reporting as well as significant changes in these principles. The external auditors report to the board when necessary but at least once a year.

Financial reporting and information

Concordia Maritime's routines and systems for external communication are intended to provide the market with relevant, reliable, correct and current information about the Group's development and financial position. Concordia Maritime has an information policy that satisfies the demands made on a listed company. Financial information is provided regularly in the form of:

- Interim reports, which are published as press releases
- Annual reports
- Press releases regarding important news that could have a significant impact on the share price
- Presentations and teleconferences for financial analysts, investors and media
- Meetings with financial analysts and investors
- All reports, presentations and press releases are published at the same time on the Group's website www.concordia-maritime.se



Evaluation of the work of the Board of Directors

Led by the Deputy Chairman, the Board of Directors carries out an annual evaluation of its work. The evaluation covers working methods and work climate, the direction of the board's work and access to and the need of special competence on the board. The evaluation is used as an aid in developing the board's work and also forms a basis of the nomination committee's work. The evaluation for 2009 gave as a whole a positive picture of the work of the board of directors.

The composition of the board

Concordia Maritime's Board of Directors consists of six ordinary members and three employee representatives, one of which is a deputy. The employee representatives are elected by the trade unions in accordance with Swedish law. None of the board members is a member of the executive management of the company. One of the board members is a foreign citizen. For information on the board members, see pages 96–97.

Independence

The board is considered to be in compliance with both Nasdaq OMX Stockholm's regulations and the Code's requirements regarding independence. All the board members elected by the annual general meeting, with the exception of Dan Sten Olsson and Bert Åke Eriksson, have been considered independent of both Concordia Maritime's major owners and of the company and its executive management by the nomination committee prior to the annual general meeting in 2010.

Dan Sten Olsson is not considered to be independent of Concordia Maritime's major owners. Dan Sten Olsson is the principal owner of, among others, Stena Sessan Rederi AB, which holds approx. 53 percent of the capital and 73 percent of the total number of votes. Bert Åke Eriksson is the President of Stena Sessan Rederi AB and, consequently, he is not considered to be independent in relation to the principal owner.

The work of the Board of Directors in 2009

In 2009, six ordinary meetings and one telephone meeting were held. All the ordinary meetings were held in Gothenburg.

At the ordinary meetings, the president gives an account of the Group's income and financial position, including the prospects for the following quarters. Additionally, investments, the establishment of new business activities and acquisitions and sales are discussed.

The company's auditor participated in one board meeting in February 2010 when the Final Accounts for 2009 were approved. All the meetings during the year followed an approved agenda, which, together with documentation of each item on the agenda, was given to the members before the board meetings. Karl-Magnus Sjölin, the CFO at Stena Sessan, was the secretary at all the board meetings. Significant questions during the year concerned, among other things, strategy, market assessments and financial risks.

Salary compensation committee

There is a salary compensation committee, the main task of which is to propose principles for the remuneration of members of group management. The committee presents proposals for remuneration guidelines regarding:

- Objectives of and reasons for calculating variable compensation
- The relation between fixed salary and variable compensation
- Changes in fixed salaries or variable compensation
- Criteria for the evaluation of variable compensation, long-term incentives, pensions and other benefits

The committee also decides on salaries and other terms of employment for the President. The committee consists of the Chairman and the Deputy Chairman of the board. In 2009, the committee met twice.

Board members' presence and remuneration

	Independent ¹⁾	Salary compensation committee	Total fee, SEK ²⁾	Presence at board meetings, %
Dan Sten Olsson	Dependent	●	350,000	100
C. Mikael von Mentzer	Independent	●	350,000	100
Stefan Brocker	Independent		175,000	85
Bert Åke Eriksson	Dependent		175,000	100
Mats Jansson	Independent		175,000	100
Morten Chr. Mo	Independent		175,000	85
Jörgen Lorén Employee representative	Independent		25,000	100
Jens Ole Hansen Employee representative	Independent		25,000	57
Göran Dahlman Deputy	Independent		25,000	70
Total			1,475,000	

1) Independent is defined as independent of the company, its management or its major shareholders.

2) Remuneration for the board of directors is decided by the annual general meeting and is paid to the members who are not employed by Concordia Maritime.

For information on board members, see www.concordia-maritime.se

Management and corporate structure

The Concordia Maritime group consists of the parent company Concordia Maritime AB (publ) and a number of subsidiaries, which report to the President. The parent company's organisation is very limited and consists of only its executive management. Other functions are purchased from cooperation partners and subcontractors. At the end of 2009, the Group had 234 employees, 5 of whom were shore-based.

President and group management

Concordia Maritime's group management consists of the CFO and a general manager of the subsidiaries in addition to the President.

The President is appointed by and receives instructions from the Board of Directors. The President is responsible for the daily administration of the company in accordance with the board's guidelines and directions, produces information and decision documentation prior to board meetings and acts as a rapporteur at these meetings. The President is also responsible for communication and ensuring the quality of contacts with the company's cooperation partners.

Pursuant to the rules of procedure, which among other things regulate the relationship between the President and the board of directors, the group management is responsible for formulating the Group's overall strategy, business management, division of financial resources within activities and the Group's financing and risk management. These tasks also include issues concerning company acquisitions and other major projects. The group management is also responsible for compiling the Group's financial reports, communications with the stock market and a number of other issues of general interest to the Group.

Remuneration for group management

Concordia Maritime endeavours to offer total remuneration that is both fair and competitive. All its employees receive

remuneration in the form of a fixed salary and a prospective bonus. Guidelines for remuneration for the group management are decided by the annual general meeting. Remuneration for the President is thereafter decided on by the salary compensation committee. Remuneration for other leading executives is prepared and decided on by the President.

For further information on remuneration, long-term incentive programs and pension plans, see Note 16 in the financial report.

Audit

The auditor provides an auditor's report for Concordia Maritime AB's annual report and consolidated accounts, the administration by the board and the President of Concordia Maritime AB (publ) plus the annual reports for the subsidiaries.

The audit is carried out in compliance with the Swedish Companies Act and audit standards in Sweden in accordance with FAR, which are based on international auditing standards according to the Inter-

national Federation of Accountants (IFAC). The audit of annual financial statements for legal entities outside Sweden is in accordance with legal requirements and other applicable regulations in the countries concerned and with generally accepted accounting standards as defined by IFAC for the issue of audit reports for the legal entities.

An auditor is proposed by the principal owner and elected by the AGM for a period of four years. At the AGM in 2007, Johan Kratz was elected as the company's external auditor until the AGM in 2011.

The auditor's fee is charged on an on-going basis. In 2009, KPMG received fees totalling SEK 1.8 million.

Deviations from the Code

The Swedish Code of Corporate Governance states that the company's auditor should examine the interim reports for Q2 or Q3.

The company has elected to have its auditor examine the interim report for Q4 for effectiveness reasons.

The parent company in the Concordia Maritime Group is the Swedish public joint-stock company Concordia Maritime AB (publ), corporate ID 556068-5819.

In addition to the parent company, the Group consists of 16 wholly or part-owned subsidiaries. The registered office of the Board of Directors is in Gothenburg. The address of the Group's head office is Concordia Maritime AB, 405 19 Gothenburg, Sweden.

Information provided at www.concordia-maritime.se includes:

- More detailed information on internal control documentation, e.g. the articles of association.
- Information from Concordia Maritime's annual general meetings; notices, minutes and financial reports.



BOARD OF DIRECTORS



Dan Sten Olsson

Born 1947. Chairman of the Board. MBA. President and CEO Stena AB. Board member since 1984. Employed by the Stena Group since 1972. Nationality: Swedish

Other current assignments: Chairman of Stena Line Holding B.V., Stena Metall AB, Stena Bulk AB, Stena Sessan AB, Deputy Chairman of the Swedish Shipowners' Association.

Shares held in Concordia Maritime: Via companies. Regarded as dependent in relation to Concordia Maritime's major shareholders.



C. Mikael von Mentzer

Born 1944. Deputy Chairman. M. Pol. Sc. Director, UK. Board member since 1998. Nationality: Swedish

Background: Managing Director Offshore Accommodation Group, Safe Partners AB, Götaverken Arendal AB.

Other current assignments: Board member of Teekay Offshore Partners L.P.

Shares held in Concordia Maritime: 50,000 B shares



Stefan Brocker

Born 1966. Lawyer. Managing Partner and President Mannheimer Swartling Advokatbyrå AB. Board member since 2007. Nationality: Swedish

Other current assignments: Board member Mannheimer Swartling Advokatbyrå AB. Honorary Greek Consul in Gothenburg.

Shares held in Concordia Maritime: 0



Bert Åke Eriksson

Born 1944. B.A. President, Stena Sessan AB Board member since 1998. Nationality: Swedish.

Background: President Rederi AB Gotland, United Tankers AB

Other current assignments: Chairman of Meda AB. Board member of Stena Sessan AB, Stena Adactum AB and Beijer Electronics AB.

Shares held in Concordia Maritime: 0
Regarded as dependent in relation to Concordia Maritime's major shareholders.



Mats Jansson

Born 1945. B.A. Board member since 2005. Nationality: Swedish

Background: CEO Argonaut and NYKCool AB.

Other current assignments: Board member of MGA Holding, Österströms Rederi AB, Malka Oil AB and Chinsay AB

Shares held in Concordia Maritime: 0



Morten Chr. Mo

Born 1948. Certified economist BI (Oslo) and IMEDE (PED), Lausanne. Board member since 2000. Nationality: Norwegian.

Background: Direktør Quillfeldt Rønneberg & CO, President Stemoco Shipping AS.

Other current assignments: Chairman of Stemoco Holding AS, Stemoco Partners AS, MCM Shipping & Investments AS, Finance Development AS, Pecamo AS, BituTank AS and MOCO Projects AS. Board member of CellVision AS, Bitutank Pte. Ltd. Singapore, Bass Pte. Ltd Malaysia and Ashgrove Shipping Ltd. Cyprus. Member of Forum Securities' advisory board

Shares held in Concordia Maritime: 0



Jörgen Lorén

Born 1961. Employee representative. Master Mariner. Dipl CMO (Commercial Management and Organization in Nautical Science). Employed by the Stena Group since 1985. Board member since 2003. Nationality: Swedish

Other current assignments: Chairman of Sveriges Fartygsbefälsförening, Club chairman of SFBF Stena Line, Employee representative at Stena AB, Stena Line Scandinavia AB and Stena Rederi AB.

Shares held in Concordia Maritime: 0



Jens Ole Hansen

Born 1951. Employee representative. Company management training, LO-skolan. Employed by the Stena Group since 1973. Board member since 1995. Nationality: Danish

Other current assignments: Club chairman SEKO Sjöfolk. Board member SEKO Sjöfolk, Stena Marine Management AB. Employee representative at Stena Rederi AB, Stena AB, Stena Line Scandinavia AB.

Shares held in Concordia Maritime: 0



Göran Dahlman

Born 1953. Deputy, employee representative. Company management training, LO-skolan. Employed by the Stena Group since 1989. Board member since 1996. Nationality: Swedish

Background: Götaverken, Bilspedition, SEKO sjöfolk.

Other current assignments: Club chairman SEKO Sjöfolk, ordinary board member of Torslanda Kulturhus. Deputy board member of Stena Marine Management AB and Gatubolaget AB.

Shares held in Concordia Maritime: 0



Sten A. Olsson

Honorary Chairman. Shipowner, Hovås. Chairman of the Board 1984–1990.

AUDITOR

Johan Kratz

Authorised Public Accountant, KPMG
Engagement since 2007.

EXECUTIVE MANAGEMENT



Hans Norén

Born 1957. President.
B.Sc. Economics.
Employed since 1994.
External assignments: Board member of Nordisk Skibsrederforening
Shares held in Concordia Maritime: 0



Göran Hermansson

Born 1975. CFO.
Master of Science in international Accounting and Control.
Employed since 2005 (at Stena since 2001)
External assignments: Member of the financial committee The Swedish Shipowners' Association
Shares held in Concordia Maritime: 0



Barbara Oeuvray

Born 1966. General Manager, Concordia Maritime AG.
Swiss Certified Finance and Accounting Specialist.
Employed since 2005 (at Stena since 1989)
External assignments: Board member Arvak Ltd (COFR)
Shares held in Concordia Maritime: 0



Torbjörn Rapp

Born 1962. Newbuilding Manager.
Employed since 2004.
Shares held in Concordia Maritime: 0

ANNUAL GENERAL MEETING AND DATES FOR INFORMATION

Annual General Meeting

The Annual General Meeting will be held at Lorensbergsteatern, Gothenburg, Sweden, on 27 April 2010, at 2 p.m. when the interim report for the first three months of the year will be issued.

Participation

Shareholders who wish to participate in the AGM must be registered in the share register maintained by Euroclear AB no later than Wednesday, 21 April 2010, and must register with the company at the following address:
Concordia Maritime AB
SE-405 19 Gothenburg, Sweden
or by telephone +46 (0) 31-85 50 19
e-mail: arsstamma@concordia-maritime.se or
via the website: www.concordia-maritime.se,
no later than Wednesday, 21 April 2010.

Dividend

The board of directors proposes a dividend of SEK 1.00 per share. The proposed registration day for dividends is 30 April 2010. If the Annual General Meeting adopts the proposal, the dividend will be paid out by Euroclear AB on 5 May 2010.

Nominee shares

In order to be entitled to participate in the Annual General Meeting, shareholders must have temporarily registered their shares in their own name with Euroclear AB through a bank's trust department or an individual fund manager. Shareholders who wish to re-register shares in their own names must inform the manager of this well before 21 April 2010.

Reporting dates

The Annual Report for 2009 will be sent to all registered shareholders. The interim report for the first three months will be published on 27 April, the interim report for the first six months on 18 August and the third quarter report on 27 October 2010.