



**COMPENSATION COMMITTEE  
CHARTER**

**DANAOS CORPORATION**

LAST REVISED: DECEMBER 2015

The purpose of this Charter is to delegate authority to and specify the composition, duties, and responsibilities of the Compensation Committee (the “Committee”) of the Board of Directors (the “Board”) of Danaos Corporation (the “Company”).

### **I. COMMITTEE PURPOSE AND AUTHORIZATION**

The Committee is appointed by the Board to assist the Board in compensation matters. The Committee’s primary duties and responsibilities are to:

- Develop and make recommendations to the Board with respect to the Company’s compensation policies.
- Determine the compensation to be paid to the Company’s executive officers.
- Administer the Company’s compensation and benefits programs for employees, non-employee directors and other service providers.

The Committee is authorized to retain, at the Company’s expense, compensation consultants, special legal counsel, accounting professionals, or other consultants or experts it deems necessary in the performance of its duties. The Committee has the authority to conduct any investigation appropriate to fulfilling its responsibilities, and it has direct access to anyone in the organization.

### **II. COMMITTEE COMPOSITION**

The Committee shall be comprised of such number of directors of the Company, as the Board determines from time to time. At least a majority of the members of the Committee shall be “independent” directors, as defined under Section 303A.02 of the Listed Company Manual of the New York Stock Exchange and in the Company’s Corporate Governance Guidelines. Each member of the Committee shall have sufficient knowledge and familiarity in the area of compensation practices and policies to discharge the duties and responsibilities as a member of the Committee. The foregoing notwithstanding, no action of the Committee shall be void or deemed to be without authority solely because of a failure of any member to meet the requirements of this Part II.

Members of the Committee shall be appointed by the Board and may be removed by the Board. Members shall serve until their successors are duly appointed (except in the case of removal), which appointments shall be made each year following the Annual Meeting of Stockholders. If the Board does not designate a Chair of the Committee, the Chair shall be selected by the members of the Committee.

### **III. MEETINGS AND ORGANIZATION**

The Committee shall meet as often as it may deem necessary and appropriate in its judgment, but in no event less than once per year. A majority of the members shall constitute a quorum, and decisions shall be made by act of a majority of the members present at a meeting. The Chair of the committee may call special meetings as circumstances require. Participation in meetings by telephone or other interactive means shall be permitted. The executive officers of the Company, employees, and professional persons may attend meetings, but all or part of at least one meeting per year will be conducted with no officers (other than an officer who is a member of the Committee) or employees present. The Committee shall keep regular minutes of its proceedings, which shall be available to the Board, and shall make reports to the Board as requested by the Board.

The Committee may delegate its authority to one or more subcommittees, which shall be comprised of at least two members of the Committee. In addition, a member of the Committee may recuse himself or herself with respect to any matter before the Committee. Such delegation or recusal may take place in order to ensure compliance with legal and regulatory obligations, to ensure timely decision making or for other purposes. Any such delegation or recusals shall meet applicable requirements of Section 303A.05 of the New York Stock Exchange Listed Company Manual, and any subcommittee shall remain subject to the terms of this Charter. Authority with respect to ministerial duties of the Committee, including day-to-day administration of compensation and benefit plans and payment of fees for professional services provided to the Committee, may be performed by officers and employees of the Company in accordance with the terms of plans, Committee resolutions, retention and fee terms approved in advance by the Committee, and other directions given by the Committee.

#### **IV. COMMITTEE RESPONSIBILITIES AND DUTIES**

##### **➤ *Duties and Responsibilities In Setting Compensation***

The Committee shall perform the duties and responsibilities identified below, without limiting the scope of authority granted under this Charter but subject to the provisions under Section IV.B below.

1. Determine the compensation of the Company's executive officers, based on the Committee's evaluation of the performance of the Company and individual business units and departments, and the performance of the executive officer in light of pre-set Company, business unit, departmental or individual goals and objectives, information regarding competitive compensation, and such other factors and circumstances as the Committee may deem relevant.
2. Recommend to the Board the compensation of Board members, including Board and committee retainer fees, equity-based compensation, and other similar items as appropriate.
3. Establish, revise and administer equity-based compensation plans.
4. Establish, revise and administer all other compensation and benefit plans, policies, programs, contracts and arrangements for employees, other service providers, and non-employee directors. This includes authority to negotiate or implement employment agreements and consulting contracts, severance and termination agreements, change-in-control agreements, health and welfare benefits, insurance protections, and other benefits of any type, including perquisites and expense account policies.
5. Establish, revise and administer all other policies reasonably related to compensation and employment, including guidelines mandating ownership of Company stock by executive officers and directors and restrictions on competition by former employees.

##### **➤ *Approval Requirements***

The Board intends that the Committee coordinate closely with the Board in implementing compensation decisions, while retaining authority to act independently in appropriate cases. The Committee, in carrying out its duties and responsibilities, shall be subject to the following:

1. Significant decisions of the Committee relating to compensation of executive officers should be presented as recommendations to the Board of Directors, with the Board to act on such recommendations.
2. The Committee, however, shall have authority to act directly on any matter relating to the CEO or other executive officers, in the interest of timely decision-making, in order

to comply with any applicable regulatory scheme, in furtherance of prior directions of the Board, due to the relative insignificance of the matter, or if the Committee otherwise determines it is in the best interests of the Company to act independently, always taking into consideration that the Company may be a “controlled company” within the meaning of the New York Stock Exchange corporate governance standards.

3. Committee actions that have a material effect on the amount or timing of compensation or benefits to nonemployee directors shall in all cases be subject to the approval or ratification of the Board, unless specific authority for the Committee to take such action has been delegated by the Board.
4. Compensatory plans or arrangements shall also be subject to approval of the Company’s stockholders, to the extent required by law or the rules of the New York Stock Exchange.

➤ ***Outside Advisors***

The Committee shall have the authority, in its sole discretion, to retain or obtain the advice of any compensation consultant, legal counsel or other adviser to assist the Committee in carrying out its responsibilities. The Committee shall be directly responsible for the appointment, compensation and oversight of the work of any compensation consultant, legal counsel and other adviser retained by the Committee (collectively, the “Compensation Advisers”). The Company shall provide appropriate funding, as determined by the Committee, for payment of reasonable compensation to each Compensation Adviser retained by the Committee.

Prior to selecting, or receiving advice from, a Compensation Adviser (other than the Company’s in-house legal counsel), the Committee shall conduct an independence assessment based on the following factors:

- the provision of other services to the Company by the person that employs the Compensation Adviser;
- the amount of fees received from the Company by the person that employs the Compensation Adviser, as a percentage of the total revenue of that person;
- the policies and procedures of the person that employs the Compensation Adviser that are designed to prevent conflicts of interest;
- any business or personal relationship of the Compensation Adviser with a member of the Committee;
- any stock of the Company owned by the Compensation Adviser;
- any business or personal relationship of the Compensation Adviser or the person employing the Compensation Adviser with an executive officer of the Company; and
- any other factors that the Committee deems relevant in assessing the independence of such Compensation Adviser.

Although the Committee shall be required to make such independence assessment before selecting, or receiving advice from, any compensation consultant, legal counsel or other adviser, the Committee shall not be under any obligation to select and receive advice solely from compensation consultants, legal counsel and other advisers who in fact meet the applicable independence standards. Accordingly, the Committee may retain the services of any compensation consultants, legal counsel or other advisors the Committee chooses, including those who are not otherwise independent in accordance with the factors set forth above, but after the Committee has considered those factors in the selection process.

The independence assessment described above shall not, however, be required if the consultant, legal counsel or adviser’s role is limited to (i) consulting on any broad-based plan

that does not discriminate in scope, terms, or operation, in favor of executive officers or directors of the Company, and that is available generally to all salaried employees, and/or (ii) providing information that either is not customized for a particular issuer or that is customized based on parameters that are not developed by the adviser and about which the adviser does not provide advice.

The foregoing provisions of this Section “Outside Advisors” shall not require the Committee to implement or act consistently with the advice or recommendation of the selected Compensation Adviser or otherwise affect the Committee’s ability to exercise its own judgment in the fulfillment of its duties hereunder.

➤ ***Other Committee Responsibilities***

The Committee shall perform the following additional functions:

1. If requested by the Board, annually prepare a report on executive compensation as required for publication in the Company’s proxy statement for the Annual Meeting of Stockholders.
2. Review and reassess the adequacy of this Charter at least annually. Submit proposed revisions to the Charter to the Board for approval and have the document published by the Company in accordance with applicable regulations and listing requirements.

**V. ANNUAL PERFORMANCE REVIEW**

Annually, the performance of the Committee shall be subject to review and evaluation by the Nominating and Governance Committee (this may be in conjunction with the evaluation of the Board). This will include a review of the compliance by the Committee with this Charter. The results of the evaluation shall be reported to the Board.

*This Compensation Committee Charter was adopted by the Board on September 18, 2006; last revised on December 11, 2015.*