

Information on corporate governance November 2017 Statutory statement for corporate governance cf. §107 b in the Financial Statements Act

Corporate governance is about the way a company is managed and controlled and about the general principles and structures regulating the interaction between the company's managing bodies, its owners and other stakeholders.

The Board of Directors in Glunz & Jensen Holding A/S has developed a number of internal procedures to ensure an active, reliable and profitable management as well as operation of the company – and not least continuous maintenance and update of these procedures.

Below see the Recommendations on corporate governance from the Committee on Corporate Governance from May 2013, updated November 2017 related to the policy of Glunz & Jensen Holding A/S.

Both Recommendations on corporate governance and the policies of Glunz & Jensen Holding A/S are changed continuously. The below update is published once a year in connection with the publication of the annual report.

The statement regards the accounting period 01.04.2018 – 31.03.2019



Recommendation	The company complies	The company complies partially	The company does not comply	The explanation for complying partially/not complying with the recommendation:
1. Communication and interaction by the company with its investors and other stakeholders				
1.1. Dialogue between company, shareholders and other stakeholders				
<p>1.1.1. The Committee recommends that the board of directors ensure ongoing dialogue between the company and its shareholders so that the shareholders gain relevant insight into the company potential and in order for the board of directors to be aware of the shareholders' views, interests and opinions in relation to the company.</p>	X			<p><i>The Board of Directors aims at maintaining a seamless and efficient communication and dialogue with its shareholders and other stakeholders. It is the opinion of the Board of Directors that a high degree of openness by presenting information about the development of the company supports the company's work and a fair valuation of the company's shares. Dialogue with shareholders and stakeholders takes place through publication of company announcements and other announcements from the company, financial analyst coverage of the company, individual meetings with shareholders and stakeholders, and participation in investor conference. All announcements include information on whom to contact with questions regarding the specific announcement. All shareholders are welcome to ask the Board of Directors and the Executive Management questions at the company's general meeting. In addition, within the time limit stated in the articles of association the shareholders have the possibility of making proposals to be discussed at the general meeting. Shareholders and stakeholders may obtain updated information from the company website www.glunz-jensen.com and in a simple way establish contact with the company. Company announcements and other announcements are available on the company website immediately after publication at NASDAQ OMX Copenhagen A/S. It is the view of the Board of Directors that openness and transparency are essential conditions for the view of the company and consequently valuation of the company's shares.</i></p>



Recommendation	The company complies	The company complies partially	The company does not comply	The explanation for complying partially/not complying with the recommendation:
1.1.2. The Committee recommends that the board of directors adopt policies on the company's relationship with its stakeholders, including shareholders and that the Board of Directors ensure that the interests of the stakeholders are respected in accordance with company policies.	X			<i>The company has adopted policies on the company's relationship with its stakeholders.</i>
1.1.3. The Committee recommends that the company publish quarterly reports.		X		<i>The company publishes half year reports at NASDAQ OMX and on the company's website. The company publishes Q1 and Q3 announcements commenting the development in the company.</i>
1.2. General meeting				
1.2.1. The Committee recommends that in organising the company's general meeting, the Board of Directors plans the meeting to support active ownership.	X			<p><i>The company's articles of association determine the time limits to be observed in connection with summoning of a general meeting.</i></p> <p><i>The date of the ordinary general meeting is published in connection with the announcement of the company's financial calendar.</i></p> <p><i>From the date of the summoning of the general meeting relevant documents for the general meeting may be downloaded from the company's website.</i></p>
1.2.2. The Committee recommends that proxies or votes by post for the general meeting allow shareholders to consider each individual item on the agenda.	X			<p><i>Shareholders who are not present at general meetings may exercise their influence by way of proxy to another person, including to the Board of Directors.</i></p> <p><i>Detailed rules for the holding of the general meeting are described in the articles of association of Glunz & Jensen Holding A/S which can be downloaded from the company website.</i></p>



Recommendation	The company complies	The company complies partially	The company does not comply	The explanation for complying partially/not complying with the recommendation:
1.3. Take-over bids				
1.3.1. The Committee recommends that the company set up contingency procedures in the event of takeover bids, from the time that the board of directors has reason to believe that a takeover bid will be made. The contingency procedures should establish that the Board of Directors should 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 themselves.	X			<p><i>In case the situation should arise, the Board of Directors will act in accordance with the recommendation.</i></p> <p><i>The company monitors the actual trading of Glunz & Jensen Holding A/S shares in details at least once per week.</i></p>
2. Tasks and responsibilities of the board of directors				
2.1. Overall tasks and responsibilities				
2.1.1. The Committee recommends that at least once annually the Board of Directors consider the matters that should be included in the board's performance of its work.	X			<p><i>In connection with the Annual General Meeting, the Board of Directors plans the board meetings for the coming year and determines its most substantial tasks for the year.</i></p>



Recommendation	The company complies	The company complies partially	The company does not comply	The explanation for complying partially/not complying with the recommendation:
2.1.2. The Committee recommends that at least once annually the Board of Directors consider the overall strategy of the company with a view to ensuring value creation in the company.	X			<i>The Board of Directors follows the recommendation by reviewing, assessing and revising, if necessary, the company's strategy plan and reporting procedures at least once a year.</i>
2.1.3. The Committee recommends that the Board of Directors ensure that the company has a capital and share structure which supports that the strategy and long-term value creation of the company are in the best interest of the shareholders and the company, and that the Board of Directors explains this in the management commentary and/or on the company's website.	X			<i>The Board of Directors are focused on the capital structure in relation to planned activities.</i>
2.1.4. The Committee recommends that the Board of Directors annually review and approve guidelines for the Executive Management; this includes establishing requirements for the Executive Management reporting to the Board of Directors.	X			<p><i>At least once a year, the Board of Directors evaluates the company's rules of procedure and the Instructions to the Executive Board and adjusts, if necessary.</i></p> <p><i>The Board of Directors is informed in detail every month through review of monthly reports which are followed by an internal teleconference. In addition, the Board of Directors receives reporting and information on the company and other substantial activities at the Board meetings. The Chairman of the Board receives continually additional information which is passed on to the other board member, if relevant.</i></p> <p><i>It is the responsibility of the Executive Management to ensure that the Board of Directors continually receives information about the company activities required by the Board of Directors. Issues that cannot await the regular reporting are reported immediately.</i></p>



Recommendation	The company complies	The company complies partially	The company does not comply	The explanation for complying partially/not complying with the recommendation:
2.1.5. The Committee recommends that at least once annually the Board of Directors discuss the composition, developments, risks and succession plans of the Executive Management.	X			<i>As part of the Board of Directors' annual plan, the composition of the Executive Management as well as developments, risks and succession plans are discussed once a year at a board meeting.</i>
2.2. Corporate social responsibility				
2.2.1. The Committee recommends that the Board of Directors adopt policies on corporate social responsibility.			X	<i>The Board of Director's will adopt a series of measures and policies in 2019/20 on corporate social responsibility.</i>
2.3. Chairman and vice-chairman of the board of directors				
2.3.1. The Committee recommends appointing a vice-chairman of the Board of Directors who will assume the responsibilities of the chairman in the event of the chairman's absence, and who will also act as effective sparring partner for the chairman.	X			<p><i>After the Annual General Meeting at the first meeting the Board of Directors elects from its own members a Chairman and a Vice-Chairman.</i></p> <p><i>At the first meeting the Board of Directors determines its internal division of work hereunder handling of the current contact with the Executive Management. In case nothing else has been adopted and registered these tasks are handled by the Chairman of the Board of Directors. In the absence of the Chairman of the Board of Directors, the Vice Chairman will take over his duties and authorities. In case the Chairman of the Board of Directors or the Vice Chairmen resign or will be unable to work for a long period, a renewed appointment will take place.</i></p>



Recommendation	The company complies	The company complies partially	The company does not comply	The explanation for complying partially/not complying with the recommendation:
<p>2.3.2. The Committee recommends that, if the Board of Directors, in exceptional cases, asks the Chairman of the Board of Directors or other Board members to perform special activities for the company, including briefly participating in the day-to-day management, a board resolution to that effect be passed to ensure that the Board of Directors maintains its independent, general management and control function. Resolutions on the chairman's or other Board members participation in day-to-day management and the expected duration hereof should be publicly announced.</p>	X			<p><i>The Board of Directors has currently not asked the Chairman to undertake special tasks for the company. If this becomes relevant, it will take place in accordance with this recommendation</i></p>
<p>3. Composition and organization of the board of directors</p>				
<p>3.1. Composition</p>				
<p>3.1.1. The Committee recommends that the Board of Directors annually evaluate and in the management commentary, accounts for</p> <ul style="list-style-type: none"> • the competencies that it must have to best perform its tasks, • the composition of the Board of Directors, and • the special competencies of each member. 	X			<p><i>The Board of Directors has identified the competences and professional experience required by the total Board of Directors to be able to support the long-term growth of the Group.</i></p> <p><i>At least once a year, the Board of Directors will assess if the development of the Group has resulted in a need for changed competences of the Board of Directors.</i></p> <p><i>The Board members' profiles, individual competences and other directorships appear from the company website and in the annual report.</i></p>
<p>3.1.2. The Committee recommends that the Board of Directors annually discuss the company's activities to ensure relevant diversity at management levels and prepare and adopt a policy on diversity. This policy should be published on the company's website.</p>	X			<p><i>The company follows the recommendation as the policy adopted by the Board of Directors is communicated in the commentary which is published, also on the company website.</i></p>



The company complies	The company complies partially	The company complies partially	The company does not comply	The explanation for complying partially/not complying with the recommendation:
3.1.3. The Committee recommends that the selection and nomination of candidates' for the Board of Directors be carried out through a careful and transparent process approved by the Board of Directors. When assessing its composition and nominating new candidates, the Board of Directors should in addition to the need for competencies and qualifications take into consideration the need for integration of new talent and diversity.	X			<i>Members of the Board of Directors approve the selection and nomination of through a careful and transparent process</i>
3.1.4. The Committee recommends that the notice convening a general meeting where the agenda includes the election of members to the board of directors, include (in addition to the statutory requirements) a description of the qualifications of the nominated candidates, including information about the candidates' other executive functions, including positions on executive boards, boards of directors and supervisory boards, including board committees, in Danish and foreign enterprises, and demanding organisational tasks Furthermore, it should be indicated if the candidates to the board of directors are considered independent.	X			<i>The company announces the election of members to the Board of Directors and their individual competences appear in the announcing of the annual general meeting, on the company website and in the company's annual report.</i>
3.1.5. The Committee recommends that members of the company's Executive Management be not members of the Board of Directors and that a resigning chief executive officer be not directly elected as chairman or vice chairman for the same company	X			<i>The company complies.</i>
3.1.6. The Committee recommends that members of the Board of Directors elected by the general meeting be up for election every year at the annual general meeting.			X	<i>The Board of Directors will propose at the June 2019 AGM to change the articles of association in order for all Board of Directors to be elected annually.</i>
3.2. Independence of the Board of Directors				
3.2.1. The Committee recommends that at least half of the members of the Board of Directors elected by the general meeting be independent persons, in order for the Board of Directors to be able to act independently of special interests. To be considered independent, this person may not:	X			<i>One board member elected at the general meeting, Rolf Pfiffner, is considered not to be independent due to his professional relationship with the main shareholder Heliograph GmbH who has controlling interest. The other board members elected at the general meeting are all independent.</i>



Recommendation	The company complies	The company complies partially	The company does not comply	The explanation for complying partially/not complying with the recommendation:
<ul style="list-style-type: none"> • be or within the past five years have been member of the Executive Management, or senior staff member in the company, a subsidiary undertaking or an associate, • within the past five years, have received larger remuneration from the company/group, a subsidiary or an associate company in a different capacity than as member of the board of directors, • represent or be associated with a controlling shareholder, • within the past year, have had significant business relations (e.g. personal or indirectly as partner or employee, shareholder, customer, supplier or member of management in companies with corresponding connection) with the company, a subsidiary or an associated company. • be or within the past three years have been employed or been a partner in the same company as the auditor elected by the general meeting, • be part of the Executive Management in a company with cross-management representation in the company, • have been member of the Board of Directors for more than 12 years, or • be a close relative of persons who are not considered independent. <p>Even if a member of the board of directors is not covered by the above criteria, certain conditions may exist that will lead the board of directors to decide that one or more members cannot be regarded as independent.</p>				<p><i>The annual report includes a description of the present Board of Directors hereunder the individual member's Executive Board positions and directorships in other companies.</i></p> <p><i>In addition, the annual report holds information about the individual Board member's shareholding in the company.</i></p> <p><i>The Executive Management is not a member of the Board of Directors.</i></p>
<p>3.3. Members of the board of directors and the number of other executive functions</p>				
<p>3.3.1. The Committee recommends that each member of the Board of Directors assesses the expected time commitment for each function so that the member does not take on more functions than he/she can complete satisfactorily level for the company.</p>	<p>X</p>			<p><i>The company has laid down no absolute rules for the acceptable number of managerial offices held by a Board member besides being a Board member of the company. The company is of the opinion that the number of offices manageable for a Board member is individual just as the workload related to a managerial office may vary considerably from one company to the other.</i></p>



Recommendation	The company complies	The company complies partially	The company does not comply	The explanation for complying partially/not complying with the recommendation:
<p>3.3.2. The Committee recommends that the management commentary, in addition to the provisions laid down by legislation, includes the following information about the members of the Board of Directors:</p> <ul style="list-style-type: none"> • the position of the relevant person, • the age and gender of the relevant person, • the person's competencies and qualifications that are relevant to the company, • whether the member is considered independent, • the date of appointment to the Board of Directors of the member, • expiry of the current election period, • the member's participation in the meetings of the Board of Directors and committee meetings <ul style="list-style-type: none"> • other management functions, including memberships in executive boards, Boards of Directors, and supervisory boards, including board committees in Danish and foreign enterprises and demanding organizational tasks, and • the number of shares, options, warrants and similar in the company, and other group companies of the company, owned by the member, as well as changes in the portfolio of the member of the securities mentioned which have occurred during the financial year. 	X			<p><i>The company informs in its annual report about the positions of the Board members and the Executive management, other managerial offices, age and gender. In addition, the number of shares held in Glunz & Jensen Holding A/S and changes hereof since the previous annual report are informed.</i></p> <p><i>The time of the Board members' commencement in the Board of Directors appears from the annual report. This clearly indicates if the member has been re-elected and when the actual election period expires.</i></p> <p><i>The independence of the Board of Directors is continuously assessed and information hereof appears from the annual report of the company.</i></p>
<p>3.3.3. The Committee recommends that the annual evaluation procedure, cf. section 3.5, include an evaluation of what is regarded as a reasonable level for the number of other management functions, where the number, level and complexity of the other individual management functions are taken into account.</p>	X			<p><i>The Board of Directors assess the reasonable level.</i></p>



Recommendation	The company complies	The company complies partially	The company does not comply	The explanation for complying partially/not complying with the recommendation:
3.4. Board committees				
3.4.1. The Committee recommends that the company publish the following on the company's website: <ul style="list-style-type: none"> • the terms of reference of the board committees, • the most 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. 			X	<i>The Board of Directors have assessed that the tasks and responsibilities of the Board committees are best handled by the joint Board of Directors.</i>
3.4.2. The Committee recommends that a majority of the members of a board committee be independent.			X	<i>The Board of Directors have assessed that the tasks and responsibilities of the Board committees are best handled by the joint Board of Directors.</i>
3.4.3. The Committee recommends that the Board of Directors set up among its members an audit committee and that a chairman is appointed who is not the chairman of the Board of Directors.			X	<i>The Board of Directors have assessed that the tasks and responsibilities of the audit committee are best handled by the joint Board of Directors.</i>



Recommendation	The company complies	The company complies partially	The company does not comply	The explanation for complying partially/not complying with the recommendation:
<p>3.4.4. The Committee recommends that, prior to the approval of the annual report, the audit committee monitors and reports to the Board of Directors about:</p> <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 for the current year. 	X			<p><i>The Board of Directors continuously monitors the process of financial reporting and the effectiveness of the internal control and risk management systems and the statutory audit. Besides, the Board of Directors monitors and checks the independence of the external auditor.</i></p>
<p>3.4.5. The Committee recommends that the audit committee:</p> <ul style="list-style-type: none"> • annually assesses the need for an internal audit, and in such case, presents mandates and recommendations on selecting, appointing and removing the head of any internal audit function and on the budget of the internal audit function, and • ensure that if an internal audit has been established, a description of its functions is approved by the Board of Directors, • ensure that if an internal audit has been established, adequate resources and competencies are allocated to carry out the work, and • monitor the Executive Management's follow-up on the conclusions and recommendations of the internal audit function. 	X			<p><i>Once a year, the Board of Directors evaluates the need for an internal audit function. Due to the size of the company the Board of Directors sees no need for an actual internal audit function. However, internal procedures have been made in order to separate performing and controlling functions in the Finance department.</i></p>
<p>3.4.6. The Committee recommends that the Board of Directors establish a nomination committee, which is at least, responsible for the following preparatory tasks:</p> <ul style="list-style-type: none"> • describing the qualifications required by the Board of Directors and the Executive Management, and for a given position, indicating the time expected to be spent on carrying out a specific position, as well as assessing the competences, knowledge and experience found in the two governing bodies combined, • annually assessing the structure, size, composition and results of the Board of Directors and the Executive Management and, recommend any changes to the Board of Directors, • annually assessing the competences, knowledge, 			X	<p><i>The Board of Directors have decided not to establish a nomination Committee and will consider establishing it in 2019/20.</i></p>



Recommendation	The company complies	The company complies partially	The company does not comply	The explanation for complying partially/not complying with the recommendation:
<p>experience and succession of the individual members of management, and report to the Board of Directors in this respect,</p> <ul style="list-style-type: none"> • recommending candidates for the Board of Directors and the Executive Management, and • proposing an action plan for the Board of Directors on the future composition of the Board of Directors including proposals for specific changes. 				
<p>3.4.7. The Committee recommends that the Board of Directors establish a remuneration committee, which at the least, responsible for the following preparatory tasks:</p> <ul style="list-style-type: none"> • recommending the remuneration policy (including the “General Guidelines for incentive-based Remuneration”) to the Board of Directors and the Executive management for approval by the Board of Directors prior to approval by the general meeting, • making proposals to the Board of Directors on remuneration for members of the Board of Directors and the Executive Management, as well as ensuring that the remuneration is in compliance with the company’s remuneration policy and the assessment of the performance of the persons concerned. The committee should have information about the total remuneration that members of the Board of Directors and the Executive Management receive from other companies in the group • recommending a remuneration policy applicable for the company in general and • assisting with the preparation of the annual remuneration report. 	X			<p><i>The Board of Directors have established a remuneration Committee at the Board of Director meeting on March 28th, 2019.</i></p>



Recommendation	The company complies	The company complies partially	The company does not comply	The explanation for complying partially/not complying with the recommendation:
3.4.8. The Committee recommends that the remuneration committee do not consult with the same external advisers as the Executive Management of the company	X			<i>The Board of Directors and the Executive Board will not consult the same external advisers.</i>
3.5. Evaluation of the performance of the Board of Directors and the executive board				
<p>3.5.1. The Committee recommends that the Board of Directors establish an evaluation procedure for an annual evaluation of the Board of Directors and the individual members, External assistance should be obtained at least every third year. The evaluation should inter alia include:</p> <ul style="list-style-type: none"> • contribution and results, • cooperation with the executive board, • the chairman's leadership of the board of directors, • the composition of the board of directors (including competencies, diversity and the number of members), • the work in the committees and the committee structure, and • the organisation and quality of the material that is submitted to the board of directors. <p>The evaluation procedure and the general conclusions should be described in the management commentary and on the company's website. The chairman should account for the evaluation of the board of directors, including the process and general conclusions, on the general meeting prior to the election of the board of directors.</p>	X			<i>An evaluation procedure has been established to evaluate annually the contributions and results of the total Board of Directors and the individual board members as well as the collaboration with the Executive Management. External assistance has not been used during 2018/19.</i>
3.5.2. The Committee recommends that at least once annually, the board of directors evaluate the work and performance of the executive board in accordance with pre- defined criteria. Furthermore, the board of directors should evaluate the need for changes to the structure and composition of the executive board, in light of the company's strategy.	X			<i>In connection with the preparation of the ordinary general meeting, the Board of Directors evaluate the work and performance of the executive board in accordance with pre-defined criteria.</i>



Recommendation	The company complies	The company complies partially	The company does not comply	The explanation for complying partially/not complying with the recommendation:
<p>3.5.3. The Committee recommends that at least once annually, the Board of Directors evaluate the work and performance of the Executive Board in accordance with pre-defined criteria. Furthermore, the Board of Directors should evaluate the need for changes to the structure and composition of the Executive Management, in light of the company's strategy.</p>	X			<p><i>The Board of Directors evaluates the work and result of the Executive Management once a year.</i></p>
<p>3.5.4. The Committee recommends that the Executive Management and the Board of Directors establish a procedure according to which their cooperation is evaluated annually through a formalized dialogue between the Chairman of the Board of Directors and the chief executive officer and that the outcome of the evaluation be presented to the Board of Directors.</p>	X			<p><i>Once a year, the cooperation between the Board of Directors and the Executive Board is evaluated hereunder determination of requirements to the punctual, precise and adequate reporting by the Executive Board to the Board of Directors and to other communication between the Board of Directors and the Executive Board. This evaluation is integrated in the total evaluation of the Board of Directors.</i></p>
<p>4. Remuneration of management</p>				
<p>4.1. Form and content of the remuneration policy</p>				
<p>4.1.1. The Committee recommends that the Board of Directors prepare a remuneration policy for the Board of Directors and the Executive Management, which includes:</p> <ul style="list-style-type: none"> • a detailed description of the components of the remuneration for members of the Board of Directors and the Executive Management, • the reasons for choosing the individual components of the remuneration • a description of the criteria that form the basis for the balance between the individual components of the remuneration, and • an explanation for the correlation between the remuneration policy and the company's long-term long term creation and relevant related goals. <p>The remuneration policy should be approved by the general meeting at least every four years and upon any material amendments and published on the company's website.</p>	X			<p><i>The Board of Directors finds it important that the company offers competitive terms of employment to the Executive Management and the other managers and estimates currently the elements required to motivate and keep competent and result-oriented managers. At the annual general meeting in 2017 a share-related warrant program was adopted.</i></p> <p><i>The key employees of the Group are offered a result-oriented bonus scheme.</i></p> <p><i>The remuneration policy is submitted for approval at the annual general meeting. The remuneration of the Executive Management and the Board of Directors is informed in the annual report.</i></p> <p><i>The remuneration of the Board of Directors is based on a fixed fee and does not include share options.</i></p>



Recommendation	The company complies	The company complies partially	The company does not comply	The explanation for complying partially/not complying with the recommendation:
<p>4.1.2. The Committee recommends that, if the remuneration policy includes variable components,</p> <ul style="list-style-type: none"> • limits be set on the variable components of the total remuneration package, • a reasonable and balanced composition be ensured between remuneration for members of management and the value creation for shareholders in the short and long term, • clarity be established about the performance criteria and measurability for award of variable components, • it is ensured that variable remuneration criteria and measurability for the award of variable components, • it is ensured that variable remuneration not only consists of short term remuneration components, and that long-term remuneration components must have a vesting or maturity period of at least three years, and • it be ensured that the company has the ability to reclaim, in full or in part, variable components of remuneration that were paid on the basis of information, which subsequently are found to be incorrect. 	X			<p><i>Only the Executive Management is granted a result-related bonus. The Board of Directors receives a fixed annual remuneration.</i></p>
<p>4.1.3. The Committee recommends that remuneration of members of the Board of Directors does not include share options.</p>	X			<p><i>The Board of Directors are not taking part in a share option program.</i></p>



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<p>4.1.4. The Committee recommends that if, in relation to long-term incentive programmes, a share-based remuneration is used, the programmes should have a vesting or maturity period of at least three years after being allocated and should be roll-over programmes. i.e. the options should be granted periodically.</p>	X			<p><i>At the annual general meeting in 2017 a share-related incentive warrant program was adopted.</i></p> <p><i>The key employees of the Group are offered a result-oriented bonus scheme.</i></p> <p><i>The remuneration policy is submitted for approval at the annual general meeting. The remuneration of the Executive Management and the Board of Directors is informed in the annual report.</i></p>
<p>4.1.5. The Committee recommends that the total value of the remuneration relating to the notice period, including severance pay, does not exceed two years of remuneration, including all components of the remuneration.</p>	X			<p><i>Agreements on termination payments shall not exceed two years' annual remuneration.</i></p>
<p><i>4.2. Disclosure of the remuneration policy</i></p>				
<p>4.2.1. The Committee recommends that the company's remuneration policy and compliance with this policy be explained and justified annually in the chairman's statement at the company's general meeting.</p>	X			<p><i>The remuneration policy is submitted for approval at the annual general meeting.</i></p> <p><i>The Chairman's statement at the annual general meeting includes information on the company's compliance with the general guidelines for incentive pay.</i></p>
<p>4.2.2. The Committee recommends that shareholders at the general meeting consider proposals for approval of remuneration for the Board of Directors for the current financial year.</p>	X			<p><i>The remuneration policy is submitted for approval at the annual general meeting.</i></p>



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<p>4.2.3. The Committee recommends that the company prepares a remuneration report that includes information on the total remuneration received by each member of the Board of Directors and the Executive Management from the company and other companies in the group and associated companies for the last three years, including information on the most important content of retention and resignation arrangements and that the correlation between the remuneration and the company strategy and relevant related goals be explained.</p>			X	<p><i>The annual report discloses only information about the total remuneration for the total Board of Directors and for each individual of the Executive Board. Individual remuneration of Board members is not disclosed as the company is of the opinion that it is essential that the shareholders may judge the total remuneration and the development hereof.</i></p>
<p>5. Financial reporting, risk management and audits</p>				
<p>5.1. Identification of risks and transparency about other relevant information</p>				
<p>5.1.1. The Committee recommends that the Board of Directors in the management commentary account for the most important strategic and business-related risks, risks in connection with the financial reporting as well as for the company's risk management.</p>	X			<p><i>The Board of Directors and the Executive Management estimate currently material risks and internal controls in connection with the company activities and their possible influence on the financial reporting process. At least once a year the Board of Directors and the Executive Board make a general risk assessment of risks in connection with the financial reporting process.</i></p> <p><i>The business-related risks connected to the realization of the company's short-term strategy and the general targets have been described briefly in the annual report.</i></p>



Recommendation	The company complies	The company complies partially	The company does not comply	The explanation for complying partially/not complying with the recommendation:
5.2. Whistleblower scheme				
5.2.1. The Committee recommends that the Board of Directors establish a whistleblower scheme for expedient and confidential notification of serious wrongdoing or suspicions thereof.		X		<i>The Board of Directors have decided to implement a whistle blower scheme.</i>
5.3. Contact to auditor				
5.3.1. The Committee recommends that the Board of Directors ensure regular dialogue and exchange of information between the auditor elected by the general meeting and the Board of Directors, including that the Board of Directors and the audit committee meet with the auditor elected by the general meeting at least once annually without the Executive Management present. This also applies to the internal auditor, if any.	X			<i>The Board of Directors meets with the company auditor at least once a year and always at the Board of Directors meeting where the annual report is approved to be released to the market.</i>
5.3.2. The Committee recommends that the audit agreement and auditors fee be agreed by the Board of Directors and the auditor elected by the general meeting based on a recommendation from the audit committee.	X			<i>The audit agreement and auditors' fee are agreed on a yearly basis between the Board of Directors and the auditor.</i>

