

Marts 2022

## **Statutory corporate governance statement, cf. section 107b of the Danish Financial Statements Act**

This statement is part of the management report in Brødrene Hartmann A/S' annual report for 2021 covering the period 1 January to 31 December 2021.

The statement includes a description of Hartmann's management structure as well as a description of the main elements of the company's internal control and risk management systems in connection with financial reporting. In addition, the statement provides Hartmann's standings on the Danish Committee on Corporate Governance's recommendations implemented in Nasdaq Copenhagen's Rules for issuers of shares. These recommendations are available at [www.corporategovernance.dk](http://www.corporategovernance.dk).

### **Management structure**

#### **Shareholders**

Shareholders can exercise their rights at the general meeting, which is the company's supreme governing body. All shareholders are entitled to attend and vote at general meetings, in person or by proxy. Resolutions passed at general meetings are generally passed by a simple majority of votes. However, resolutions to amend the company's articles of association and certain other resolutions require the support of two-thirds of both the votes cast and of the voting stock represented at the general meeting.

#### **Board of directors**

Hartmann's board of directors is responsible for the overall management of the company and resolves matters relating to Hartmann's strategic development, financial forecasts, risk factors, acquisitions and divestments as well as major development and investment projects. Furthermore, the board of directors supervises the executive board.

The board of directors consists of six members, four of whom are elected by the shareholders and two by the employees. Board members elected by the shareholders are elected for terms of one year and are eligible for re-election. Board members elected by the employees are elected for terms of four years in accordance with the provisions of the Danish Companies Act.

Board members are nominated for election at the general meeting on the basis of an overall assessment of individual competencies and their contribution to an appropriate composition of the combined competencies and the profile of the board of directors. Priority is given to ensuring that the board of directors possesses skills in the areas of international management, packaging business, business-to-business sales and marketing, international production and supply chain management as well as finance, accounting and risk management. In connection with the nomination of new candidates for the board of

directors at a general meeting, a presentation is submitted to shareholders of the candidates' competencies, other directorships and managerial positions as well as of the criteria applied in the nomination.

The work of the board of directors is governed by rules of procedure, which have been prepared in accordance with the provisions of the Danish Companies Act and are subject to annual review. In 2021, the board of directors held 8 meetings. An external consultant performed the self-evaluation of the board and an evaluation of the cooperation between the executive board and the board of directors in 2021. The process was based on a questionnaire, individual conversations and a thorough review of the results. The evaluation formed the basis for discussions about potential cooperation improvements, the board's competencies, efforts and composition collaboration with the executive board and the committee structure. The evaluation did not entail changes to the composition or work of the board of directors.

Hartmann has established an audit committee whose main duties are monitoring the group's risk management, preparation of financial statements, financial reporting and internal controls as well as monitoring and communicating with the auditor appointed by the shareholders. In addition, the board of directors has charged the audit committee with receiving and considering reports made through the company's whistleblower programme. The committee is comprised of at least two board members, meets six or seven times a year and reports to the board of directors on a regular basis. The committee convened seven times in 2021.

The board of directors has established a combined nomination and remuneration committee to increase the efficiency and improve the quality of the board of directors' efforts to ensure that the board of directors and the executive board constantly possess the right level of competence, knowledge and experience. The committee is comprised of at least two board members, meets at least one time per year and reports to the board of directors. In 2020, the committee convened three times.

The charters of the committees are available at [investor.hartmann-packaging.com](https://investor.hartmann-packaging.com).

The members of the executive board participate in board meetings with a view to ensuring that the board of directors is kept well informed about the company's operations. The members of the executive board may speak but cannot vote at board meetings, and they are not present when matters reserved for the board of directors are considered.

### **Executive board**

The executive board of Hartmann is appointed by the board of directors and is responsible for the company's day-to-day management, including the development of the company's operations, results of operations and internal development. The executive board is responsible for implementing Hartmann's strategy and the overall resolutions approved by the board of directors.

### **Remuneration of members of the board of directors and the executive board**

Hartmann seeks to ensure that the remuneration of the board of directors and the executive board is at a competitive and reasonable level compared with companies of the same size and complexity as that of Hartmann to ensure that Hartmann is able to attract and retain competent executives.

The members of the board of directors receive a fixed fee, the amount of which is subject to shareholder approval. The members of the board of directors are not eligible for any incentive-based remuneration.

The remuneration and employment terms of the members of the executive board are determined by the board of directors, which also evaluates the work of the executive board. The members of the executive board receive a fixed annual salary and a performance-related cash bonus. The remuneration paid in 2021 is specified in note 9 to the financial statements in the annual report for 2021, and Hartmann's remuneration policy and remuneration report are available at [investor.hartmann-packaging.com](https://investor.hartmann-packaging.com).

**Changes to the board of directors**

At the annual general meeting held on 27 April 2021, member of the board of directors, Karen Hækkerup, withdrew from the board of directors after not seeking re-election.

## **Internal controls and risk management**

In connection with its financial reporting process, Hartmann has set up a number of internal controls to ensure that the company's financial reporting gives a true and fair view free from material misstatement.

The internal control and risk management systems also ensure that the financial reporting is in compliance with applicable laws and standards.

The audit committee regularly considers whether there is a need for establishing an internal audit function. Due to Hartmann's limited size and limited accounting and auditing complexity, these tasks are undertaken by the central finance function and the individual subsidiaries.

Hartmann continually enhances its control and risk management systems, which serve to reduce the risk of errors or irregularities not being detected and corrected in due time. These systems may be divided into:

- Control environment
- Risk assessment
- Control activities
- Information and communication
- Monitoring

### **Control environment**

At regular intervals, the audit committee assesses Hartmann's overall organisational structure and organisation and the staffing of the functions that are important to internal controls and risk management.

The overall operational responsibility for risk management and internal controls relating to financial reporting rests with the executive board. In collaboration with the local management of the individual subsidiaries, the executive board assesses whether the group has an appropriate and effective control environment. The executive board reports regularly to the board of directors on the development of Hartmann's operations, the company's financial performance and risk exposure.

Hartmann's central finance function is responsible for risk management and internal controls relating to the financial reporting. The finance function prepares group policies and instructions in the accounting area and ensures that the company has permanent procedures in place for the preparation of financial statements, including an assessment of new accounting regulations and the presentation of the financial reporting to Hartmann's stakeholders.

The financial reporting process is subject to systematic, ongoing evaluation in collaboration with the audit committee. The tasks and focus areas of the audit committee are updated every year in the form of an annual plan. According to the annual plan, the tasks of the audit committee include monitoring the financial reporting process in connection with the publication of annual and interim reports, including a review of accounting policies and significant accounting estimates and judgments.

### **Risk assessment**

The audit committee regularly assesses Hartmann's most significant risk exposures. The assessment is based on regular reporting by the executive board and reporting in connection with significant external or internal events. The assessment also comprises a formal assessment of the risks relating to all important resolutions, e.g. in relation to major investments etc.

The board of directors regularly assesses risks that directly or indirectly affect the financial reporting, including risks relating to IT, fraud or irregularities.

### **Control activities**

Compliance with the rules on internal control and risk management is controlled locally and as part of the controlling of companies and activities. Hartmann's control activities are intended to ensure that its rules and procedures are complied with, that errors, irregularities and flaws are minimised and that rules and procedures are developed.

The auditor appointed by the shareholders reports any material weaknesses of the internal control and risk management systems to the audit committee and the board of directors or, in the event of less severe matters, to the executive board. The audit committee, the board of directors and the executive board are responsible for addressing such weaknesses.

### **Information and communication**

Hartmann's financial reporting procedures are set out in reporting instructions, which are updated as and when needed. The instructions are intended to ensure that Hartmann complies with its disclosure requirements in accordance with laws, executive orders and other regulations. Hartmann seeks to maintain a high information and communication level in order to ensure a high level of quality in its regular reporting, which forms the basis of the company's presentation of financial statements and financial control.

### **Monitoring**

Hartmann monitors and collects financial reporting data through an integrated finance and information system, which provides the finance function with a high degree of transparency in relation to the individual business units. This enables the finance function to analyse the reported data for errors or irregularities and to detect any weaknesses in the internal controls, as well as any non-compliance with the company's procedures, policies, etc.

The executive board and the board of directors receive monthly reports.

## Corporate governance recommendations

According to section 107b of the Danish Financial Statements Act and Nasdaq’s rules for Issuers of shares, Hartmann is required to report on its compliance with the recommendations of the Committee on Corporate Governance using the “comply-or-explain” principle.

Accordingly, the board of directors has considered the recommendations and finds that Hartmann complies with the majority of them. Apart from the recommendations and Nasdaq’s rules, Hartmann’s corporate governance is also based on the Danish Companies Act, the Danish Financial Statements Act, IFRS, the EU’s Market Abuse Regulation (MAR), the Danish Capital Markets Act, Hartmann’s articles of association and best practice for businesses of the same size and with the same global coverage as Hartmann.

Recommendation	The company <u>com- plies</u>	The company <u>explains</u>	
		<i>why</i>	<i>how</i>
<b>1. Interaction with the company’s shareholders, investors and other stakeholders</b>			
<b>1.1. Communication with the company’s shareholders, investors and other stakeholders</b>			
<b>1.1.1. The Committee recommends</b> that the management through ongoing dialogue and interaction ensures that shareholders, investors and other stakeholders gain the relevant insight into the company's affairs, and that the board of directors obtains the possibility of hearing and including their views in its work.	x		
<b>1.1.2. The Committee recommends</b> that the company adopts policies on the company’s relationships with its shareholders, investors and if relevant other stakeholders in order to ensure that the various interests are included in the company’s considerations and that such policies are made available on the company’s website.	x		
<b>1.1.3. The Committee recommends</b> that the company publishes quarterly reports.	x		

Recommendation	The company <u>com-</u> <u>plies</u>		The company <u>explains</u>	
			<i>why</i>	<i>how</i>
<b>1.2. The general meeting</b>				
<b>1.2.1. The Committee recommends</b> that the board of directors organises the company's general meeting in a manner that allows shareholders, who are unable to attend the meeting in person or are represented by proxy at the general meeting, to vote and raise questions to the management prior to or at the general meeting. The Committee recommends that the board of directors ensures that shareholders can observe the general meeting via webcast or other digital transmission.		x		
<b>1.2.2. The Committee recommends</b> that proxies and postal votes to be used at the general meeting enable the shareholders to consider each individual item on the agenda.		x		
<b>1.3. Takeover bids</b>				
<b>1.3.1. The Committee recommends</b> that the company has a procedure in place in the event of takeover bids, containing a "road map" covering matters for the board of directors to consider in the event of a takeover bid, or if the board of directors obtains reasonable grounds to suspect that a takeover bid may be submitted. In addition, it is recommended that it appears from the procedure that the board of directors abstains from countering any takeover bids by taking actions that seek to prevent the shareholders from deciding on the takeover bid, without the approval of the general meeting.		x		
<b>1.4. Corporate Social Responsibility</b>				
<b>1.4.1. The Committee recommends</b> that the board of directors adopts a policy for the company's corporate social responsibility, including social responsibility and sustainability, and that the policy is available in the management commentary and/or on the company's website. The Committee recommends that the board of directors ensures compliance with the policy.		x		

Recommendation	The company <u>com-</u> <u>plies</u>		The company <u>explains</u>	
			<i>why</i>	<i>how</i>
1.4.2. The Committee recommends that the board of directors adopts a tax policy to be made available on the company's website.		x		
<b>2. The duties and responsibilities of the board of directors</b>				
<b>2.1. Overall tasks and responsibilities</b>				
2.1.1. The Committee recommends that the board of directors in support of the company's statutory objects according to its articles of association and the long-term value creation considers the company's purpose and ensures and promotes a good culture and sound values in the company. The company should provide an account thereof in the management commentary and/or on the company's website.		x		
2.1.2. The Committee recommends that the board of directors at least once a year discusses and on a regular basis follows up on the company's overall strategic targets in order to ensure the value creation in the company.		x		
2.1.3. The Committee recommends that the board of directors on a continuously basis takes steps to examine whether the company's share and capital structure supports the strategy and the long-term value creation in the interest of the company as well as the shareholders. The Committee recommends that the company gives an account thereof in the management commentary.		x		
2.1.4. The Committee recommends that the board of directors prepares and on an annual basis reviews guidelines for the executive management, including requirements in respect of the reporting to the board of directors.		x		
<b>2.2. Members of the board of directors</b>				



Recommendation	The company <u>com-</u> <u>plies</u>		The company <u>explains</u>	
			<i>why</i>	<i>how</i>
<p><b>2.2.1. The Committee recommends</b> that the board of directors, in addition to a chairperson, appoints a vice chairperson, who can step in if the chairperson is absent and who can generally act as the chairperson’s close sparring partner.</p>		x		
<p><b>2.2.2. The Committee recommends</b> that the chairperson in cooperation with the individual members of the board of directors ensures that the members up-date and supplement their knowledge of relevant matters, and that the members’ special knowledge and qualifications are applied in the best possible manner.</p>		x		
<p><b>2.2.3. The Committee recommends</b> that if the board of directors, in exceptional cases, requests a member of the board of directors to take on special duties for the company, for instance, for a short period to take part in the daily management of the company, the board of directors should approve this in order to ensure that the board of directors maintains its independent overall management and control function. It is recommended that the company publishes any decision on allowing a member of the board of directors to take part in the daily management, including the expected duration thereof.</p>		x		
<p><b>3. The composition, organisation and evaluation of the board of directors</b></p>				
<p><b>3.1. Composition</b></p>				
<p><b>3.1.1. The Committee recommends</b> that the board of directors on an annual basis reviews and in the management commentary and/or on the company’s website states</p> <ul style="list-style-type: none"> <li>• which qualifications the board of directors should possess, collectively and individually, in order to perform its duties in the best possible manner, and</li> <li>• the composition of and diversity on the board of directors.</li> </ul>		x		

Recommendation	The company <u>com-</u> <u>plies</u>		The company <u>explains</u>	
			<i>why</i>	<i>how</i>
<p><b>3.1.2. The Committee recommends</b> that the board of directors on an annual basis discusses the company's activities in order to ensure relevant diversity at the different management levels of the company and adopts a diversity policy, which is included in the management commentary and/or available on the company's website.</p>		x		
<p><b>3.1.3. The committee recommends</b> that candidates for the board of directors are recruited based on a thorough process approved by the board of directors. The Committee recommends that in assessing candidates for the board of directors – in addition to individual competencies and qualifications – the need for continuity, renewal and diversity is also considered.</p>		x		
<p><b>3.1.4. The Committee recommends</b> that the notice convening general meetings, where election of members to the board of directors is on the agenda - in addition to the statutory items - also includes a description of the proposed candidates'</p> <ul style="list-style-type: none"> <li>• qualifications,</li> <li>• other managerial duties in commercial undertakings, including board committees,</li> <li>• demanding organisational assignments and</li> <li>• independence.</li> </ul>		x		
<p><b>3.1.5. The Committee recommends</b> that members to the board of directors elected by the general meeting stand for election every year at the annual general meeting, and that the members are nominated and elected individually.</p>		x		
<p><b>3.2. The board of director's independence</b></p>				
<p><b>3.2.1. The Committee recommends</b> that at least half of the members of the board of directors elected in general meeting are independent in order for the board of directors to be able to act independently avoiding conflicts of interests.</p>		x		

Recommendation	The company <u>com-</u> <u>plies</u>		The company <u>explains</u>	
		<i>why</i>	<i>how</i>	
<p>In order to be independent, the member in question may not:</p> <ul style="list-style-type: none"> <li>• be or within the past five years have been a member of the executive management or an executive employee in the company, a subsidiary or a group company,</li> <li>• within the past five years have received large emoluments from the company/group, a subsidiary or a group company in another capacity than as member of the board of directors,</li> <li>• represent or be associated with a controlling shareholder,</li> <li>• within the past year have had a business relationship (e.g. personally or indirectly as a partner or an employee, shareholder, customer, supplier or member of a governing body in companies with similar relations) with the company, a subsidiary or a group company, which is significant for the company and/or the business relationship,</li> <li>• be or within the past three years have been employed with or a partner in the same company as the company's auditor elected in general meeting,</li> <li>• be a CEO in a company with cross-memberships in the company's management,</li> <li>• have been a member of the board of directors for more than twelve years, or</li> <li>• be closely related to persons, who are not independent, cf. the above-stated criteria.</li> </ul> <p>Even if a member of the board of directors does not fall within the above-stated criteria, the board of directors may for other reasons decide that the member in question is not independent.</p>				
<p><b>3.2.2. The Committee recommends</b> that members of the executive management are not members of the board of directors and that members retiring from the executive management does not join the board of directors immediately thereafter.</p>	x			

Recommendation	The company <u>com-</u> <u>plies</u>		The company <u>explains</u>	
			<i>why</i>	<i>how</i>
<b>3.3. Members of the board of directors and the number of other managerial duties</b>				
<p><b>3.3.1. The Committee recommends</b> that the board of directors and each of the members on the board of directors, in connection with the annual evaluation, cf. recommendation 3.5.1., assesses how much time is required to perform the board duties. The aim is for the individual member of the board of directors not to take on more managerial duties than the board member in question is able to perform in a satisfactory manner.</p>		x		
<p><b>3.3.2. The Committee recommends</b> that the management commentary, in addition to the statutory requirements, contains the following information on the individual members of the board of directors:</p> <ul style="list-style-type: none"> <li>• position, age and gender,</li> <li>• competencies and qualifications relevant to the company,</li> <li>• independence,</li> <li>• year of joining the board of directors,</li> <li>• year of expiry of the current election period,</li> <li>• participation in meetings of the board of directors and committee meetings,</li> <li>• managerial duties in other commercial undertakings, including board committees, and demanding organisational assignments, and</li> <li>• the number of shares, options, warrants, etc. that the member holds in the company and its group companies and any changes in such holdings during the financial year.</li> </ul>		x		
<b>3.4. Board committees</b>				
<p><b>3.4.1. The Committee recommends</b> that the management describes in the management commentary:</p> <ul style="list-style-type: none"> <li>• the board committees' most significant activities and number of meetings in the past year, and</li> </ul>		x		

Recommendation	The company <u>com-</u> <u>plies</u>		The company <u>explains</u>	
			<i>why</i>	<i>how</i>
<ul style="list-style-type: none"> <li>the members on the individual board committees, including the chairperson and the independence of the members of the committee in question.</li> </ul> <p>In addition, it is recommended that the board committees' terms of reference are published on the company's website.</p>				
<p><b>3.4.2. The Committee recommends</b> that board committees solely consist of members of the board of directors and that the majority of the members of the board committees are independent.</p>		x		
<p><b>3.4.3. The Committee recommends</b> that the board of directors establishes an audit committee and appoints a chairperson of the audit committee, who is not the chairperson of the board of directors. The Committee recommends that the audit committee, in addition to its statutory duties, assists the board of directors in:</p> <ul style="list-style-type: none"> <li>supervising the correctness of the published financial information, including accounting practices in significant areas, significant accounting estimates and related party transactions,</li> <li>reviewing internal control and risk areas in order to ensure management of significant risks, including in relation to the announced financial outlook,</li> <li>assessing the need for internal audit,</li> <li>performing the evaluation of the auditor elected by the general meeting,</li> <li>reviewing the auditor fee for the auditor elected by the general meeting,</li> <li>supervising the scope of the non-audit services performed by the auditor elected by the general meeting, and</li> <li>ensuring regular interaction between the auditor elected by the general meeting and the board of directors, for instance, that the board of directors and the audit committee at least once a year meet with the auditor without the executive management being present.</li> </ul> <p>If the board of directors, based on a recommendation from the audit</p>		x		

Recommendation	The company <u>com-</u> <u>plies</u>		The company <u>explains</u>	
			<i>why</i>	<i>how</i>
<p>committee, decides to set up an internal audit function, the audit committee must:</p> <ul style="list-style-type: none"> <li>• prepare terms of reference and recommendations on the nomination, employment and dismissal of the head of the internal audit function and on the budget for the department,</li> <li>• ensure that the internal audit function has sufficient resources and competencies to perform its role, and</li> <li>• supervise the executive management’s follow-up on the conclusions and recommendations of the internal audit function.</li> </ul>				
<p><b>3.4.4. The Committee recommends</b> that the board of directors establishes a nomination committee to perform at least the following preparatory tasks:</p> <ul style="list-style-type: none"> <li>• describing the required qualifications for a given member of the board of directors and the executive management, the estimated time required for performing the duties of this member of the board of directors and the competencies, knowledge and experience that is or should be represented in the two management bodies,</li> <li>• on an annual basis evaluating the board of directors and the executive management’s structure, size, composition and results and preparing recommendations for the board of directors for any changes,</li> <li>• in cooperation with the chairperson handling the annual evaluation of the board of directors and assessing the individual management members’ competencies, knowledge, experience and succession as well as reporting on it to the board of directors,</li> <li>• handling the recruitment of new members to the board of directors and the executive management and nominating candidates for the board of directors’ approval,</li> <li>• ensuring that a succession plan for the executive management is in place,</li> <li>• supervising executive managements’ policy for the engage-</li> </ul>		x		

Recommendation	The company <u>com- plies</u>		The company <u>explains</u>	
			<i>why</i>	<i>how</i>
<ul style="list-style-type: none"> <li>ment of executive employees, and</li> <li>supervising the preparation of a diversity policy for the board of directors' approval.</li> </ul>				
<p><b>3.4.5. The Committee recommends</b> that the board of directors establishes a remuneration committee to perform at least the following preparatory tasks:</p> <ul style="list-style-type: none"> <li>preparing a draft remuneration policy for the board of directors' approval prior to the presentation at the general meeting,</li> <li>providing a proposal to the board of directors on the remuneration of the members of the executive management,</li> <li>providing a proposal to the board of directors on the remuneration of the board of directors prior to the presentation at the general meeting,</li> <li>ensuring that the management's actual remuneration complies with the company's remuneration policy and the evaluation of the individual member's performance, and</li> <li>assisting in the preparation of the annual remuneration report for the board of directors' approval prior to the presentation for the general meeting's advisory vote.</li> </ul>		x		
<b>3.5. Evaluation of the board of directors and the executive management</b>				
<p><b>3.5.1. The Committee recommends</b> that the board of directors once a year evaluates the board of directors and at least every three years engages external assistance in the evaluation. The Committee recommends that the evaluation focuses on the recommendations on the board of directors' work, efficiency, composition and organisation, cf. recommendations 3.1.-3.4. above, and that the evaluation as a minimum always includes the following topics:</p> <ul style="list-style-type: none"> <li>the composition of the board of directors with focus on competencies and diversity</li> <li>the board of directors and the individual member's contribution and results,</li> </ul>		x		

Recommendation	The company <u>com-</u> <u>plies</u>		The company <u>explains</u>	
			<i>why</i>	<i>how</i>
<ul style="list-style-type: none"> <li>the cooperation on the board of directors and between the board of directors and the executive management,</li> <li>the chairperson's leadership of the board of directors,</li> <li>the committee structure and the work in the committees,</li> <li>the organisation of the work of the board of directors and the quality of the material provided to the board of directors, and</li> <li>the board members' preparation for and active participation in the meetings of the board of directors.</li> </ul>				
<b>3.5.2. The Committee recommends</b> that the entire board of directors discusses the result of the evaluation of the board of directors and that the procedure for the evaluation and the general conclusions of the evaluation are described in the management commentary, on the company's website and at the company's general meeting.		x		
<b>3.5.3. The Committee recommends</b> that the board of directors at least once a year evaluates the work and results of the executive management according to pre-established criteria, and that the chairperson reviews the evaluation together with the executive management. In addition, the board of directors should on a continuous basis assess the need for changes in the structure and composition of the executive management, including in respect of diversity, succession planning and risks, in light of the company's strategy.		x		
<b>4. Remuneration of management</b>				
<b>4.1. Remuneration of the board of directors and the executive management</b>				
<b>4.1.1. The Committee recommends</b> that the remuneration for the board of directors and the executive management and the other terms of employment/service is considered competitive and consistent with the company's long-term shareholder interests.		x		
<b>4.1.2. The Committee recommends</b> that share-based incentive		Not applicable	Hartmann does not make use of	Remuneration for the executive



Recommendation	The company <u>com- plies</u>		The company <u>explains</u>	
			<i>why</i>	<i>how</i>
schemes are revolving, i.e. that they are periodically granted, and that they primarily consist of long-term schemes with a vesting or maturity period of at least three years.			share-based remuneration.	board is comprised of a fixed salary, pension, short-term cash bonus and other benefits.
<b>4.1.3. The Committee recommends</b> that the variable part of the remuneration has a cap at the time of grant, and that there is transparency in respect of the potential value at the time of exercise under pessimistic, expected and optimistic scenarios.		Not applicable	Hartmann does not make use of share-based remuneration.	Remuneration for the executive board is comprised of a fixed salary, pension, short-term cash bonus and other benefits.
<b>4.1.4. The Committee recommends</b> that the overall value of the remuneration for the notice period, including severance payment, in connection with a member of the executive management's departure, does not exceed two years' remuneration including all remuneration elements.		x		
<b>4.1.5. The Committee recommends</b> that members of the board of directors are not remunerated with share options and warrants.		x		
<b>4.1.6. The Committee recommends</b> that the company has the option to reclaim, in whole or in part, variable remuneration from the board of directors and the executive management if the remuneration granted, earned or paid was based on information, which subsequently proves to be incorrect, or if the recipient acted in bad faith in respect of other matters, which implied payment of a too large variable remuneration.		x		
<b>5. Risk management</b>				
<b>5.1. Identification of risks and openness in respect of additional information</b>				
<b>5.1.1. The Committee recommends</b> that the board of directors based on the company's strategy and business model considers, for instance, the most significant strategic, business, accounting and liquidity risks. The company should in the management commentary give an account of these risks and the company's risk management.		x		

Recommendation	The company <u>com-</u> <u>plies</u>	The company <u>explains</u>	
		<i>why</i>	<i>how</i>
<p><b>5.1.2. The Committee recommends</b> that the board of directors establishes a whistleblower scheme, giving the employees and other stakeholders the opportunity to report serious violations or suspicion thereof in an expedient and confidential manner, and that a procedure is in place for handling such whistleblower cases.</p>	x		