

## **CORPORATE GOVERNANCE STATEMENT**

NETCOMPANY GROUP A/S

## TABLE OF CONTENTS

1	INTRODUCTION .....	3
2	THE BOARD OF DIRECTORS .....	3
3	BOARD COMMITTEES .....	3
4	THE EXECUTIVE MANAGEMENT .....	4
5	THE COMPANY'S INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS RELATED TO THE FINANCIAL REPORTING PROCESS .....	4
6	RECOMMENDATIONS ON CORPORATE GOVERNANCE .....	5
1	INTERACTION BY THE COMPANY WITH ITS SHAREHOLDERS, INVESTORS AND OTHER STAKEHOLDERS .....	6
1.1	Communication with the company's shareholders, investors and other stakeholders .....	6
1.2	The general meeting .....	6
1.3	Takeover bids .....	7
1.4	Corporate Social Responsibility .....	7
2	THE DUTIES AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS .....	7
2.1	Overall tasks and responsibilities .....	7
2.2	Members of the board of directors .....	8
3	THE COMPOSITION, ORGANISATION AND EVALUATION OF THE BOARD OF DIRECTORS .....	9
3.1	Composition .....	9
3.2	The board of director's independence .....	10
3.3	Members of the board of directors and the number of other managerial duties .....	11
3.4	Board committees .....	12
3.5	Evaluation of the board of directors and the executive management .....	14
4	REMUNERATION OF MANAGEMENT .....	16
4.1	Remuneration of the board of directors and the executive management .....	16
5	RISK MANAGEMENT .....	17
5.1	Identification of risks and openness in respect of additional information .....	17

## CORPORATE GOVERNANCE STATEMENT

NETCOMPANY GROUP A/S

(CVR-no. 39 48 89 14)

### 1 INTRODUCTION

- 1.1 This Corporate Governance Statement has been adopted by the Board of Directors for Netcompany Group A/S, CVR no. 39 48 89 14 (the "Company").
- 1.2 The statement includes a description of the Company's management structure, a review of how the Company considers the Danish Recommendations on Corporate Governance issued by the Committee on Corporate Governance in December 2020 as well as a description of the main elements of the internal control and risk management systems in connection with the Company's financial reporting.

### 2 THE BOARD OF DIRECTORS

- 2.1 The Company has a two-tier management structure where powers and responsibilities are distributed between the Board of Directors and the Executive Management. No person serves as a member of both corporate bodies. The two bodies are independent. The Board of Directors supervises the work of the Executive Management and is responsible for the overall management and strategic direction as well as financial and other material matters, including the appointment of the members of the Executive Management, while the Executive Management handles the day-to-day management.
- 2.2 The Board of Directors currently consists of five members elected by the general meeting. Bo Rygaard and Juha Christensen have been elected by the Board of Directors as Chairman and Vice Chairman respectively. All of the members of the Board of Directors elected by the general meeting are regarded as "independent". The members of the Board of Directors comprise a group of professionally skilled businesspeople representing diversity and international experience, who possess the expertise required to be in charge of the overall management of a company with shares admitted to trading and official listing on a regulated market and who can ensure that the Company complies with applicable laws and regulations.
- 2.3 The members of the Board of Directors elected by the general meeting are elected for a term of one year. Re-election of board members may take place. The Board of Directors meets at least six times a year and on an ad-hoc basis, if necessary.
- 2.4 The Board of Directors evaluates its work on an annual basis and describes the procedures for such evaluation as well as the overall outcome thereof in the annual report. The Board of Directors also conducts an annual review of the Board of Directors' performance and achievements, including the competencies of each board member, and the cooperation with the Executive Management. Furthermore, the Board of Directors annually evaluates the work, performance and results of the Executive Management.

### 3 BOARD COMMITTEES

- 3.1 The Board of Directors has established three permanent committees for the purpose of assisting the Board of Directors with preparing decisions and submitting recommendations for the entire Board of Directors. Each committee is governed by its own charter, which describes, among other things, the composition of the committee, its meeting schedule and its tasks, duties and responsibilities.
- 3.2 The Board of Directors has established an Audit Committee, a Nomination Committee and a Remuneration Committee.
  - 3.2.1 Audit Committee
    - 3.2.1.1 The Audit Committee is to assist the Board of Directors with the oversight of the financial reporting process, the statutory audit of the Company's financial report, internal control and risk management systems, the Company's whistleblowing procedures and complaints, the supervision of the external

auditor's independence and the procedure for the election of the external auditor. The Audit Committee is comprised of three members of the Board of Directors each appointed for a one-year term, the majority of which are not considered independent.

3.2.1.2 The following members of the Board of Directors are members of the Audit Committee: , Scanes Bentley, Åsa Riisberg, and Susan Cooklin. Åsa Riisberg serves as the chairman of the Audit Committee.

### 3.2.2 Nomination Committee

The purpose of the Nomination Committee is to assess the composition and results of the Board of Directors and the Executive Management, including evaluating the individual members of the management bodies with the aim of ensuring that each member possesses the necessary expertise and experience required to fulfil the expectations of the capital markets. The Nomination Committee shall also present recommendations to the Board of Directors about the nomination of potential board members to be up for election at general meetings. The Nomination Committee is comprised of two members of the Board of Directors each appointed for a one-year term. One member of the Nomination Committee is considered independent.

3.2.2.1 The following members of the Board of Directors are members of the Nomination Committee: Bo Rygaard and Juha Christensen. Juha Christensen serves as the chairman of the Nomination Committee.

### 3.2.3 Remuneration Committee

3.2.3.1 The purpose of the Remuneration Committee is to assist the Board of Directors by preparing and presenting decision proposals and recommendations on the Company's remuneration policy as well as matters related to the remuneration of the Company's Board of Directors and Executive Management, including submitting proposals for the incentive guidelines to be approved by the general meeting. The Remuneration Committee is comprised of two members of the Board of Directors each appointed for a one-year term. The majority of the members of the Remuneration Committee are considered independent.

3.2.3.2 The following members of the Board of Directors are members of the remuneration committee: Bo Rygaard, Juha Christensen, Scanes Bentley, and Hege Skryseth. Juha Christensen serves as the chairman of the Remuneration Committee.

## 4 THE EXECUTIVE MANAGEMENT

4.1 The Board of Directors has appointed an Executive Management consisting of three members. The Executive Management is responsible for the day-to-day operations and management of the Company and is in charge of ensuring that the Company and its operations are compliant with applicable legislation and the Board of Directors' guidelines and instructions. Further, the Executive Management is responsible for implementing the strategy set by the Board of Directors, to make recommendations for amendments hereto and to ensure adequate reporting procedures are in place to provide the Board of Directors with the necessary knowledge about the Company and its business and operations. The Executive Management must also continuously assess the Company's financial position and ensure that its capital resources are adequate.

## 5 THE COMPANY'S INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS RELATED TO THE FINANCIAL REPORTING PROCESS

5.1 The Board of Directors and Executive Management set out the requirements for processes, systems and internal controls in connection with the financial reporting.

5.2 The responsibility for ensuring maintaining effective internal controls and systems is anchored with the Executive Management and the Executive Management ensures implementation of controls considered necessary to mitigate risks identified in relation to the financial reporting process.

5.3 The Audit Committee monitors on an ongoing basis the management of risks and effectiveness of the implemented internal controls in connection with the financial reporting and systems used.

5.4 The Group takes a structured approach towards risk management and identified risks are discussed regularly, including formally at the quarterly meetings of the Executive Management, Audit Committee and the Board of Directors. The level of significance that the Group gives to a particular risk is based on the assessment of the risk based on past events and the specific risk at hand.

## 6 RECOMMENDATIONS ON CORPORATE GOVERNANCE

6.1 The Company is subject to the Recommendations on Corporate Governance from December 2020, which are available on the Committee on Corporate Governance's website [www.corporategovernance.dk](http://www.corporategovernance.dk). As a company listed on Nasdaq Copenhagen A/S, the Company will be required to report on its compliance with these recommendations according to the "comply or explain" principle. The Company's position on each recommendation is described in the following.

6.2 The Company complies with the Recommendations on Corporate Governance in all material respects and have decided to provide further insight to our stakeholders. We have therefore decided to also report on **how** we comply even when fully complying with the recommendations.

We call this the "comply **and** explain" principle.

- 0 -

Approved by the Board of Directors of Netcompany Group A/S on 24 January 2023.

# netcompany

Recommendation		The Company complies	The Company <u>explains</u>
			<i>how</i>
<b>1</b>	<b>INTERACTION BY THE COMPANY WITH ITS SHAREHOLDERS, INVESTORS AND OTHER STAKEHOLDERS</b>		
<b>1.1</b>	<b>Communication with the company's shareholders, investors and other stakeholders</b>		
1.1.1	The Committee recommends 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.	<b>Yes</b>	The Company communicates with shareholders, investors and other stakeholders by e.g. hosting and participating in conference calls, investor presentations and other meetings.
1.1.2	The Committee recommends 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.	<b>Yes</b>	The Company have adopted an Investor Relations Policy in line with the Recommendations on Corporate Governance. The Investor Relations Policy is available on <a href="#">website</a> .
1.1.3	The Committee recommends that the company publishes quarterly reports.	<b>Yes</b>	The Company publishes its financial reports quarterly on its website and by sending a company announcement with highlights to the market.
<b>1.2</b>	<b>The general meeting</b>		
1.2.1	The Committee recommends 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.	<b>Yes</b>	The Company's general meetings are held either partly or fully electronically giving shareholders, who are unable to attend the meeting, the possibility to vote and raise questions to the management prior to or at the general meeting (electronically).  The Company uses electronically viable services to ensure that shareholders have the same rights at the general meetings even if participating electronically.
1.2.2	The Committee recommends that proxies and postal votes to be used at the general meeting enable the shareholders to consider each individual item on the agenda.	<b>Yes</b>	The Company's general meetings are always webcasted and can be seen either live or as a recording afterwards.

# netcompany

Recommendation	The Company complies	The Company <u>explains</u>
		<i>how</i>
		Shareholders can decide its vote for each individual item on the Company's agenda no matter if casting its vote prior to the general meeting, using proxies, or if voting at the general meeting.
<b>1.3 Takeover bids</b>		
1.3.1 The Committee recommends 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.	<b>Yes</b>	The Company have written procedures in place in the event of takeover bids in line with the Recommendations on Corporate Governance in the Company's Takeover Manual (non-public document).
<b>1.4 Corporate Social Responsibility</b>		
1.4.1 The Committee recommends 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.	<b>Yes</b>	The Company have adopted an Environmental-, Social-, Governance policy (ESG policy). The Company annually publishes an ESG-report covering the Company's ESG efforts. The ESG-policy and reports are available on the <a href="#">website</a> .
1.4.2 The Committee recommends that the board of directors adopts a tax policy to be made available on the company's website.	<b>Yes</b>	The Company have adopted a Tax Policy in line with the Recommendations on Corporate Governance. The Tax Policy is available on <a href="#">website</a> .
<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	<b>Yes</b>	The Company have described its purpose and vision on its <a href="#">website</a> and supplements this in the management commentary in connection with the Company's annual report. This is also part of the agenda at the Board meetings.

# netcompany

Recommendation	The Company <u>complies</u>	The Company <u>explains</u>
		<i>how</i>
2.1.2	Yes	<p>The board of directors at least annually discusses the necessary strategic targets and plans in connection with its board meetings. In addition, the board of directors have a dedicated strategy day, where the board of directors can discuss the Company's long-term vision in depth.</p> <p>As part of the board of directors' annual discussions, the expectations and requirements for the executive management are included as well.</p>
2.1.3	Yes	
2.1.4	Yes	
<b>2.2</b>		
2.2.1	Yes	The Company have appointed both a chairman and a vice chairman, who are a close sparring partner.
2.2.2	Yes	The Company's board of directors regularly receive new or supplemental training to ensure that the board have the necessary competencies to run the Company.
2.2.3	Yes	The Company have in its Rules of Procedure described the process if a board member should in an exceptional case be required to take on special duties for the Company.



# netcompany

Recommendation		The Company complies	The Company <u>explains</u>
			<i>how</i>
<b>3</b>	<b>THE COMPOSITION, ORGANISATION AND EVALUATION OF THE BOARD OF DIRECTORS</b>		
<b>3.1</b>	<b>Composition</b>		
3.1.1	<p>The Committee recommends 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>	<b>Yes</b>	<p>The board of directors of the Company have their qualifications listed on the <a href="#">website</a>.</p> <p>In addition, the board of directors' expected qualifications are described in the management commentary and if they live up to the expectations. This is also a part of the Board evaluation, where the Board reviews qualifications and composition of diversity.</p>
3.1.2	<p>The Committee recommends 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>	<b>Yes</b>	<p>The Company have adopted a Diversity &amp; Inclusion Policy in line with the Recommendations on Corporate Governance.</p> <p>The Diversity &amp; Inclusion Policy is available on <a href="#">website</a>. Further, diversity is high on the agenda, and the Board often discusses activities to ensure diversity.</p>
3.1.3	<p>The Committee recommends 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>	<b>Yes</b>	<p>The Company's Diversity &amp; Inclusion Policy is taken into account when candidates for the board of directors are recruited. Further, an external search agency is always used in order to secure a thorough process.</p>
3.1.4	<p>The Committee recommends 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>	<b>Yes</b>	<p>The board of directors up for election at a general meeting have their qualifications, duties, assignments, and whether or not they are independent described in the notice to convene the general meeting.</p>

# netcompany

Recommendation	The Company <u>complies</u>	The Company <u>explains</u>
		<i>how</i>
3.1.5 The Committee recommends 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.	<b>Yes</b>	The Company's board members elected by the general meeting are elected for a one-year term as per the Company's Articles of Associations and each member can be voted for individually by the shareholders.
<b>3.2 The board of director's independence</b>		
3.2.1 The Committee recommends 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. In order to be independent, the member in question may not: <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, c.f. the above-stated criteria.</li> </ul>	<b>Yes</b>	The entire board of directors are independent.

# netcompany

Recommendation	The Company complies	The Company <u>explains</u>
		<i>how</i>
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.		
3.2.2 The Committee recommends 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.	<b>Yes</b>	There is no overlap between the board of directors and executive management.
<b>3.3 Members of the board of directors and the number of other managerial duties</b>		
3.3.1 The Committee recommends 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.	<b>Yes</b>	In accordance with the Company's procedures, the board of directors at least annually evaluates its composition and its members individually in order to ensure that the board and the board members individually have the necessary competencies and time.
3.3.2 The Committee recommends that the management commentary, in addition to the statutory requirements, contains the following information on the individual members of the board of directors: <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> </ul>	<b>Yes</b>	The information listed in the recommendation is described in the management commentary. In addition, the board of directors of the Company have the majority of the information listed at all times on the <a href="#">website</a> for each board member.

# netcompany

Recommendation	The Company <u>complies</u>	The Company <u>explains</u> <i>how</i>
	<ul style="list-style-type: none"> <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>	
<b>3.4 Board committees</b>		
<p>3.4.1 The Committee recommends 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> <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>	<b>Yes</b>	<p>The Company's Committee's charters are all available on the <a href="#">website</a> and the board of directors and its committees' activities are described in the management commentary.</p>
<p>3.4.2 The Committee recommends 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>	<b>Yes</b>	<p>The board committees consist entirely of members of the board of directors and as mentioned for recommendation 3.2.1, all board members are independent.</p>
<p>3.4.3 The Committee recommends 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> </ul>	<b>Yes</b>	<p>The Company's Audit Committee's charter are available on the <a href="#">website</a> and all recommendations for the Audit Committee are followed.</p>

# netcompany

Recommendation	The Company <u>complies</u>	The Company <u>explains</u>
		<i>how</i>
<ul style="list-style-type: none"> <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 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>3.4.4 The Committee recommends 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'</li> </ul>	<b>Yes</b>	<p>The Company's Nomination Committee's charter are available on the <a href="#">website</a> and all recommendations for the Nomination Committee are followed</p>

# netcompany

Recommendation	The Company <u>complies</u>	The Company <u>explains</u>	
		<i>how</i>	
<p>competencies, knowledge, experience and succession as well as reporting on it to the board of directors,</p> <ul style="list-style-type: none"> <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, supervising executive managements' policy for the engagement of executive employees, and</li> <li>• supervising the preparation of a diversity policy for the board of directors' approval.</li> </ul>			
<p>3.4.5 The Committee recommends 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>	<b>Yes</b>	<p>The Company's Remuneration Committee's charter are available on the <a href="#">website</a> and all recommendations for the Remuneration Committee are followed.</p>	
<p><b>3.5 Evaluation of the board of directors and the executive management</b></p>			
<p>3.5.1 The Committee recommends that the board of directors once a year evaluates the board of directors and at least every three years engages external assistance in</p>	<b>Yes</b>		

# netcompany

Recommendation	The Company <u>complies</u>	The Company <u>explains</u> <i>how</i>
	<p>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 the composition of the board of directors with focus on competencies and diversity:</p> <ul style="list-style-type: none"> <li>• the board of directors and the individual member's contribution and results,</li> <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>	
<p>3.5.2 The Committee recommends 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.</p>	<b>Yes</b>	<p>Reference is also made to the "how" as described above for the recommendations 3.1-3.4.</p>
<p>3.5.3 The Committee recommends that the board of directors at least once a year evaluates the work and results of the executive management according to preestablished 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.</p>	<b>Yes</b>	

# netcompany

Recommendation		The Company complies	The Company <u>explains</u>	
			<i>how</i>	
<b>4</b>	<b>REMUNERATION OF MANAGEMENT</b>			
4.1	Remuneration of the board of directors and the executive management			
4.1.1	The Committee recommends 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.	<b>Yes</b>	<p>The remuneration for the board of directors and the executive management is described in detail in the Company's Remuneration Policy available on the <a href="#">website</a>.</p> <p>The Board yearly evaluates whether the terms for both the Board of Directors and Executive Management is competitive and consistent with the company's long-term shareholder interests.</p> <p>The Remuneration Report is also presented at each AGM.</p>	
4.1.2	The Committee recommends that share-based incentive 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.	<b>Yes</b>	<p>The Company's incentive programmes follow the recommendations and does not exec the values set out. Further, the remuneration is described in the Remuneration Report.</p>	
4.1.3	The Committee recommends 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.	<b>Yes</b>		
4.1.4	The Committee recommends 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.	<b>Yes</b>		
4.1.5	The Committee recommends that members of the board of directors are not remunerated with share options and warrants.	<b>Yes</b>	The board of directors are not remunerated with share options and/or warrants.	
4.1.6	The Committee recommends 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.	<b>Yes</b>	The Company have a claw-back clause in its Remuneration Policy ensuring no party is awarded on the basis of misstated data.	



# netcompany

Recommendation		The Company complies	The Company <u>explains</u>	
			<i>how</i>	
<b>5</b>	<b>RISK MANAGEMENT</b>			
<b>5.1</b>	<b>Identification of risks and openness in respect of additional information</b>			
5.1.1	The Committee recommends 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.	<b>Yes</b>	The Company includes the information listed in the recommendation in its management commentary. Further, this is also on the agenda in Board meetings.	
5.1.2	The Committee recommends 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.	<b>Yes</b>	The Company have established a whistleblower arrangement available on its <a href="#">website</a> and reports on any reports received through the whistleblower arrangement annually in connection with the management commentary.	