

Corporate Governance

Monberg & Thorsen's B shares are listed on Nasdaq Copenhagen, and Monberg & Thorsen in principle complies with the corporate governance recommendations as set out at www.corporategovernance.dk/english.

The Board of Directors is still of the opinion that these recommendations are being practised in the management of the Monberg & Thorsen Group. In some areas, the principles are complied with in part only, as the corporate governance recommendations are not all relevant in their entirety in view of the company's size and activities.

The company's position on the Corporate Governance principles is explained in detail in several places on this website. These include the sections on Business Concept and Strategy, Corporate Governance, Shareholder Information, Ethical Policy, Information Policy, Overall Guidelines for Incentive Pay, and the Articles of Association, to which reference is made.

In the following, Monberg & Thorsen has taken a position on all recommendations dated 23 November 2017 from the Committee on Corporate Governance, applying the "comply or explain" principle.

These rules are available in Danish and English. In case of doubt, the Danish version shall prevail.

Updated 8 November 2018

The report concerns the financial year 01.01.2018 – 31.12.2018

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				
<i>1.1. Dialogue between company, shareholders and other stakeholders</i>				
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 and in order for the board of directors to be aware of the shareholders' views, interests and opinions in relation to the company.	√			<p>Monberg & Thorsen's management wishes to ensure good information to and dialogue with its shareholders. The Board of Directors and the Executive Board maintain ongoing dialogue with major shareholders and other shareholders that contact them.</p> <p>The company holds meetings with analysts and professional investors.</p>
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.	√			The company's IR policy is available on the company's website www.monthor.com
1.1.3. The Committee recommends that the company publish quarterly reports	√			The company publishes quarterly reports.

<i>Recommendation</i>	The company complies	The company complies partially	The company does not comply	The explanation for complying partially/not complying with the recommendation
<i>1.2. General meeting</i>				
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.	√			<p>General meetings are held in Greater Copenhagen, where all major institutional shareholders have offices. Annual General Meetings are normally well-attended.</p> <p>The general meeting is the company's supreme governing body, and the Board of Directors attaches importance to the shareholders being thoroughly briefed about the business to be decided at the general meeting.</p> <p>General meetings are convened with not less than three weeks' notice and not more than five weeks' notice.</p> <p>The general meeting provides shareholders with an opportunity to ask the Board of Directors questions, and shareholders are entitled to submit any proposed resolutions for consideration at the general meeting, but not later than six weeks before the general meeting.</p> <p>Communications and reports from the company are available in electronic form or can be downloaded from the company's website www.monthor.com, and this website is continuously updated with all information of relevance to the shareholders in accordance with our information policy.</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.	√			A proxy form with tick boxes for each agenda item is distributed.

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<i>1.3. Takeover bids</i>				
<p>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.</p>		√		<p>The company has not established a formal contingency procedure, but the Board of Directors agrees in the recommendation, which was being met in full as early as 2000 in connection with the rejection of a specific takeover bid.</p> <p>A shareholders' agreement has been entered into on ownership of the shares in MT Højgaard. Under this agreement, the completion of a take-over bid for Monberg & Thorsen, if any, may result in changes related to ownership and other terms and conditions for the company's shareholding in MT Højgaard.</p>
2. Tasks and responsibilities of the board of directors				
<i>2.1. Overall tasks and responsibilities</i>				
<p>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.</p>	√			<p>The Board of Directors' rules of procedure are discussed annually in relation to this. Reference is also made to the Corporate Governance section on this website.</p>
<p>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.</p>	√			<p>Both Monberg & Thorsen and MT Højgaard work in accordance with strategy plans and targets that are reviewed and aligned to current market conditions and the current economic climate and financial position on a continuous basis to ensure value creation in the company.</p>

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<p>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 explain this in the management commentary and/or on the company's website.</p>	<p>√</p>			<p>The Board of Directors reviews the capital and share structure on an ongoing basis.</p> <p>The company's share capital amounts to DKK 71,700,000 divided into:</p> <p>A shares: 768,000 shares of DKK 20 each DKK 15,360,000 B shares: 2,817,000 shares of DKK 20 each DKK 56,340,000</p> <p>Each A share with a nominal value of DKK 20 entitles the holder to ten votes, and each B share with a nominal value of DKK 20 entitles the holder to one vote.</p> <p>At 08.11.18, the company's holding of treasury shares totalled 2,948 shares. The company did not buy or sell any treasury shares in 2018.</p> <p>Ejnar og Meta Thorsens Fond holds all the company's A shares, which account for approximately 21% of the total share capital, and approximately 23% of the B shares, and consequently holds approximately 81% of the total number of votes.</p> <p>Ejnar og Meta Thorsens Fond is a commercial foundation, the sole object of which is to work for the furtherance of socially beneficial objectives in Denmark or abroad. There are no constraints in the foundation instrument in relation to ownership of shares in Monberg & Thorsen or MT Højgaard. The foundation has advised the Board of Directors that it wants to be a stable shareholder in the company and does not wish to relinquish its voting rights.</p> <p>The Board of Directors has authority to buy back up to 10% of the share capital. The authorisation expires on 27 April 2020.</p>

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2.1.4. The Committee recommends that the board of directors annually review and approve guidelines for the executive board; this includes establishing requirements for the executive board's reporting to the board of directors.	√			<p>The rules of procedure are reviewed in connection with the Board of Directors' meeting for the first quarter. This ensures that the rules are adequate and match the company's activities and needs, and that newly elected board members gain full insight into the rules of procedure.</p> <p>The Executive Board's reporting to the Board of Directors is discussed on an ongoing basis to ensure that it covers the needs of the Board of Directors.</p>
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 board.	√			Discussed in both Monberg & Thorsen and MT Højgaard on an ongoing basis. Monberg & Thorsen is a holding company. Its sole activity is its 46% ownership interest in MT Højgaard. The principal activities are therefore carried out in MT Højgaard.
2.2. Corporate social responsibility				
2.2.1. The Committee recommends that the board of directors adopt policies on corporate social responsibility.	√			<p>Monberg & Thorsen wishes to demonstrate corporate responsibility, i.e. show consideration for people and the environment, thereby acting in a socially and ethically responsible manner in all business areas in accordance with our ethical policy at www.monthor.com</p> <p>The principal activities are undertaken in MTH GROUP, and corporate social responsibility is an integral part of this company and creates the basis for sustainable development of the business. We therefore refer to MTH GROUP's website, www.mthgroup.eu, where the CSR report for 2017 can be viewed.</p>

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<i>2.3. Chairman and vice-chairman of the board of directors</i>				
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.	√			<p>The Chairman and any Deputy Chairman of the Board of Directors are elected at a Board meeting immediately after the general meeting. The tasks, duties and responsibilities of the Chairman and Deputy Chairman of the Board of Directors are described in the rules of procedure, which are reviewed annually.</p> <p>Because the company is a holding company with limited activities, no Deputy Chairman has been elected at present.</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 should 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.	√			If such an exceptional situation were to arise, the recommendations will be complied with.

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3. Composition and organisation of the board of directors				
3.1. Composition				
<p>3.1.1. The Committee recommends that the board of directors annually evaluate and in the management commentary account 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. 	√			<p>In elections to the Board of Directors in the enterprises, efforts are always made to ensure a professionally composed Board of Directors that, collectively, possesses the necessary knowledge and experience of board work as well as knowledge of social, commercial and cultural factors in the markets in which the Group has its principal business activities.</p> <p>In connection with the election of a new member to the Board of Directors, the selectively chosen candidate is interviewed by the Chairman and discussed by the Board, to ensure that his or her profile suits the vacant seat.</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. The policy should be published on the company's website.</p>		√		<p>Due to the company's size and organisation, an objective and a formal policy for diversity have not been defined.</p> <p>The Board of Directors of Monberg & Thorsen consists of three members, two women and one man, and women and men are consequently equally represented. In MT Højgaard, which is the Group's principal activity, a target has been set for the number of women on the Board and MT Højgaard is also focusing on increasing the proportion of women at the company's other management levels.</p>
<p>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.</p>	√			<p>See comments under 3.1.1 above.</p>

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<p>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 nominated candidates, including information about the candidates'</p> <ul style="list-style-type: none"> • 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. <p>Furthermore, it should be indicated if the candidates to the board of directors are considered independent.</p>	√			<p>In connection with the notice convening the general meeting, a description of the background of the nominated candidates is given, along with information on memberships of executive boards or boards of directors in both Danish and foreign companies as well as any demanding organisational posts. A description is also provided of the candidates' educational background, professional qualifications and the skills deemed to be relevant to the Board's work.</p> <p>All members of the Board of Directors are up for re-election every year. This provides the company's shareholders with an opportunity to discuss the recruitment criteria, composition and diversity of the Board at the Annual General Meeting each year.</p>
<p>3.1.5. The Committee recommends that members of the company's executive board 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.</p>	√			No overlapping.
<p>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.</p>	√			All members of the Board of Directors elected by the shareholders in general meeting are up for re-election every year.

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3.2. Independence of the board of directors				
<p>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.</p> <p>To be considered independent, this person may not:</p> <ul style="list-style-type: none"> • be or within the past five years have been a member of the executive board, or senior staff member in the company, a subsidiary or an associated company, • within the last five years, have received significant remuneration from the company/group, a subsidiary or an associated 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. personally 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 a member of the board of directors for more than 12 years, or • be a close relative with 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>√</p>	<p>No Board members are independent.</p>

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3.3. Members of the board of directors and the number of other management functions												
<p>3.3.1. The Committee recommends that each member of the board of directors assess the expected time commitment for each function so that the member does not take on more functions than he/she can complete at a satisfactory level for the company.</p>	√			<p>There are no formal requirements with respect to the number of seats each member of the Board of Directors may hold on other boards of directors, but when they are elected it is pointed out to new members of the Board of Directors that it is important for them to ensure that they have sufficient time for their duties and that they perform them diligently and conscientiously. In Monberg & Thorsen's experience, Board members are rarely absent from Board meetings.</p>								
<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 person in question, • the person's competencies and qualifications that are relevant to the company • whether the member is considered independent, • the member's date of appointment to the board of directors, • expiry of the current election term, • the member's participation in the meetings on the board of directors and committee meetings, • other management functions, including memberships in executive boards, boards of directors, and supervisory boards, including board committees in Danish and foreign enterprises and demanding organisational tasks, and • the number of shares, options, warrants and similar owned by the member in the company and other group companies, as well as changes to the member's portfolio of the mentioned securities which have occurred during the financial year. 	√			<p>The information for each Board member is provided in the company's annual report. Compared with the 2017 annual report, information on participation in meetings has been added.</p> <p>The members of the company's Board of Directors and Executive Board had the following shareholdings in Monberg & Thorsen on 8 November 2018:</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 70%;">Henriette Thorsen:</td> <td style="text-align: right;">3,888 shares</td> </tr> <tr> <td>Christine Thorsen:</td> <td style="text-align: right;">5,092 shares</td> </tr> <tr> <td>Anders Heine Jensen:</td> <td style="text-align: right;">0 shares</td> </tr> <tr> <td>Lars Goldschmidt:</td> <td style="text-align: right;">613 shares</td> </tr> </table> <p>The members of the Board of Directors and Executive Board do not hold options, warrants or similar.</p>	Henriette Thorsen:	3,888 shares	Christine Thorsen:	5,092 shares	Anders Heine Jensen:	0 shares	Lars Goldschmidt:	613 shares
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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.			√	Not considered relevant due to the company's size and organisation.
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 regarding which members are independent members and which members have special competencies. 		√		At the present time, no management committees have been set up, as Monberg & Thorsen is a holding company with one employee. The Board of Directors agrees in the recommendations and will comply with them if the need to set up a management committee arises.
3.4.2. The Committee recommends that a majority of the members of a board committee be independent.		√		See comments under 3.4.1 above.
3.4.3. The Committee recommends that the members of the board of directors set up an <u>audit committee</u> and that a chairman is appointed who is not the chairman of the board of directors.	√			The full Board of Directors acts as audit committee. Monberg & Thorsen's principal activity is its 46% ownership interest in MT Højgaard. The Board of Directors of MT Højgaard has appointed an audit committee that reports on its findings to the Board of Directors of Monberg & Thorsen. A member of the Board of Directors of Monberg & Thorsen sits on MT Højgaard's audit committee.

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<p>3.4.4. The Committee recommends that, prior to the approval of the annual report and other financial reports, the audit committee monitor and report 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. 	√			<p>This task is taken care of by the full Board of Directors. Matters of material relevance to the annual report are also discussed with the auditor.</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 function and, in such a 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, • ensure that if an internal audit has been established, a description of its functions is available and 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 board's follow-up on the conclusions and recommendations of the internal audit function. 	√			<p>Both Monberg & Thorsen and MT Højgaard consider annually whether there is a need for an internal audit function. This is not relevant at the present time.</p>

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<p>3.4.6. The Committee recommends that the board of directors establish a <u>nomination committee</u>, 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 board and for a given position, indicating the time expected to be spent carrying out a specific position, as well as assessing the competencies, knowledge and experience found in the two governing bodies, • annually assessing the structure, size, composition and results of the board of directors and the executive board and recommend any changes to the board of directors, • annually assessing the competencies, knowledge, experience and succession of the individual members of management and report to the board of directors in this respect, • recommending candidates for the board of directors and the executive board, and • proposing an action plan to the board of directors on the future composition of the board of directors, including proposals for specific changes. 	√			<p>A Nomination Committee has been appointed consisting of the Chairman and a member of the Board of Directors. In elections to the Board of Directors in the enterprises, efforts are always made to ensure a professionally composed Board of Directors that, collectively, possesses the necessary knowledge and experience of board work as well as knowledge of social, commercial and cultural factors in the markets in which the Group has its principal business activities.</p> <p>In connection with the election of a new member to the Board of Directors, the Chairman of the Board interviews the selectively chosen candidate to ensure that his or her profile suits the vacant seat.</p> <p>These tasks are taken care of by the Chairman of the Board of Directors/the full Board of Directors.</p>

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<p>3.4.7. The Committee recommends that the board of directors establish a <u>remuneration committee</u>, which is at 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 board 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 board, 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 on the total remuneration that members of the board of directors and the executive board 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. 	√			<p>A Remuneration Committee has been appointed consisting of the Chairman and a member of the Board of Directors.</p> <p>The company’s remuneration policy is discussed annually and was adopted most recently at the Annual General Meeting on 5 April 2018. The policy can be viewed at www.monthor.com</p>
<p>3.4.8. The Committee recommends that the remuneration committee do not consult with the same external advisers as the executive board of the company.</p>	√			<p>Has not been relevant. The Board of Directors agrees in the recommendation.</p>

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<i>3.5. Evaluation of the performance of the board of directors and the executive board</i>				
<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>	√			<p>Each year, the Chairman of the Board of Directors carries out a structured, questionnaire-based evaluation of the Board of Directors' work, performance and composition. The evaluation also comprises the collaboration between the Board of Directors and the Executive Board.</p> <p>The Board of Directors continuously evaluates whether its members' skills require updating or strengthening in relation to their tasks.</p> <p>The conclusions of the Board of Directors' self-evaluation are uploaded to the company's website and reported on in the management's review in the annual report.</p>
<p>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.</p>	√			<p>The Chairman of the Board of Directors evaluates the Executive Board's work and performance annually through a personal interview.</p>
<p>3.5.3. The Committee recommends that the executive board and the board of directors establish a procedure according to which their cooperation is evaluated annually through a formalised 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>	√			<p>See comments above.</p>

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4. Remuneration of management				
<i>4.1. Form and content of the remuneration policy</i>				
<p>4.1.1. The Committee recommends that the board of directors prepare a remuneration policy for the board of directors and the executive board, 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 board, • 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 value creation and relevant related goals. <p>The remuneration policy should be approved by the general meeting at least every fourth year and upon any material amendments and it should be published on the company's website.</p>	√			<p>Information about the remuneration policy and the remuneration paid to the members of the Board of Directors and the Executive Board is disclosed in the annual report and on the website. Overall guidelines on incentive pay are set out in a separate section of the website under Monberg & Thorsen -> Corporate Governance.</p> <p>Executive Board remuneration is fixed. Besides their normal remuneration, they may receive a separate fee/bonus for special tasks undertaken by them.</p> <p>Remuneration of members of the Board of Directors for 2018 and 2019 is DKK 100,000 for ordinary members. The Chairman receives a supplement equivalent to the normal remuneration.</p> <p>Besides their normal remuneration, the Chairman or members may be paid a fee for special tasks undertaken by them, although no member may receive a supplementary fee of more than twice their ordinary remuneration.</p> <p>The members of the Board of Directors and the Executive Board do not hold either options or warrants, and no pension schemes have been agreed for either the Board of Directors or the Executive Board.</p>

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<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 performance 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. 	√			Not relevant – no variable components. See comments under 4.1.1 above.
<p>4.1.3. The Committee recommends that remuneration of members of the board of directors does not include share options or warrants.</p>	√			Not relevant – no options. See comments under 4.1.1 above.
<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>	√			Not relevant – no incentive programmes. See comments under 4.1.1 above.
<p>4.1.5. The Committee recommends that the total value of the remuneration relating to the notice period, including severance pay, do not exceed two years of remuneration, including all components of the remuneration.</p>	√			Not relevant – no notice periods, including remuneration during the notice period, exceed two years of remuneration. See comments under 4.1.1 above.

<i>Recommendation</i>	The company complies	The company complies partially	The company does not comply	The explanation for complying partially/not complying with the recommendation
<i>4.2. Disclosure of remuneration</i>				
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.	√			Referred to in the chairman's statement at the Annual General Meeting.
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.	√			Approved as part of the report.
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 board 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 company strategy and relevant related goals be explained. The remuneration report should be published on the company's website.	√			From 2018 onwards, the annual report will include a remuneration report.
5. Financial reporting, risk management and audits				
<i>5.1. Identification of risks and transparency about other relevant information</i>				
5.1.1. The Committee recommends that the board of directors consider and 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.	√			The annual reports of both Monberg & Thorsen and MT Højgaard explain the most important risk factors and the principles for managing and hedging these. The enterprises manage and report financial, insurable and other commercial risks independently. The consolidated companies report all material factors in this respect to the Board of Directors of Monberg & Thorsen.

<i>Recommendation</i>	The company complies	The company complies partially	The company does not comply	The explanation for complying partially/not complying with the recommendation
<i>5.2. Whistleblower scheme</i>				
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.	√			MT Højgaard introduced a whistleblowing procedure in 2014.
<i>5.3. Contact to auditor</i>				
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 board present. This also applies to the internal auditor, if any.	√			The auditors participate, as a minimum, in the meeting of the Board of Directors at which the annual report is considered. In addition, the Chairman of the Board meets with the company's auditors at least once a year.
5.3.2. The Committee recommends that the audit agreement and auditor's fee be agreed by the board of directors and the auditor elected by the general meeting based on a recommendation from the audit committee.	√			