

## **Corporate governance**

Monberg & Thorsen's B shares are listed on Nasdaq OMX Copenhagen, and Monberg & Thorsen in principle complies with the corporate governance recommendations as set out at [www.corporategovernance.dk](http://www.corporategovernance.dk).

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 fully relevant 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 6 May 2013 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 26 February 2015

The report relates to the financial period **01.01.-31.12.2014**

Recommendation	Com- plied with	Partly com- plied with	Not com- plied with	The company partly complies with/does not comply with the rec- ommendation for the following rea- son:
<b>1. Communication and interaction by the company with its investors and other stakeholders</b>				
<i>1.1. Dialogue between company, shareholders and other stakeholders</i>				
1.1.1. The Committee <b>recommends</b> that the board of directors ensure ongoing dialogue between the company and its shareholders in order for the shareholders to gain relevant insight into the company's potential and policies, and in order for the board of directors to be aware of the shareholders' views, interests and opinions on the company.	√			<p>Monberg &amp; 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 <b>recommends</b> that the board of directors adopt policies on the company's relationship with its stakeholders, including shareholders and other investors, and that the board ensures that the interests of the shareholders are respected in accordance with company policies.	√			<p>The company's IR policy is available on the company's website <a href="http://www.monthor.com">www.monthor.com</a></p>

Recommendation	Com- plied with	Partly com- plied with	Not com- plied with	The company partly complies with/does not comply with the rec- ommendation for the following rea- son:
1.1.3. The Committee <b>recommends</b> that the company publish quarterly reports.	√			
<i>1.2. General meeting</i>				
1.2.1. The Committee <b>recommends</b> that, when 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, although not</p>

Recommendation	Com- plied with	Partly com- plied with	Not com- plied with	The company partly complies with/does not comply with the recommendation for the following reason:
				<p>later than six weeks before the general meeting.</p> <p>Communications and reports from the company are available in both electronic and paper form, 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 <b>recommends</b> that proxies granted 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.
<b>1.3. Takeover bids</b>				
1.3.1. The Committee <b>recommends</b> 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. According to such contingency procedures, 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>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 &amp; Thorsen, if any, may result in changes related to ownership and other terms and conditions for the</p>

Recommendation	Com- plied with	Partly com- plied with	Not com- plied with	The company partly complies with/does not comply with the rec- ommendation for the following rea- son:
				company's shareholding in MT Højgaard.
<b>2. Tasks and responsibilities of the board of directors</b>				
<i>2.1. Overall tasks and responsibilities</i>				
2.1.1. The Committee <b>recommends</b> that at least once a year the board of directors take a position on the matters related to the board's performance of its responsibilities.	√			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.
2.1.2. The Committee <b>recommends</b> that at least once a year the board of directors take a position on the overall strategy of the company with a view to ensuring value creation in the company.	√			Both Monberg & Thorsen and MT Højgaard work in accordance with three to five-year 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.
2.1.3. The Committee <b>recommends</b> that the board of directors ensure that the company has a capital and share structure ensuring 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 presents this in the management commentary on the company's annual report and/or on the company's website.	√			The Board of Directors reviews the capital and share structure on an ongoing basis.  The company's share capital amounts to DKK 71,700,000 divided into:

Recommendation	Complied with	Partly complied with	Not complied with	The company partly complies with/does not comply with the recommendation for the following reason:
				<p>A shares: 768,000 shares of DKK 20 each DKK 15,360,000</p> <p>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 31.12.14, the company's holding of treasury shares totalled 2,645 shares. The company did not buy or sell any treasury shares in 2014.</p> <p>Ejnar og Meta Thorsens Fond holds all the company's A shares, which account for approx. 21% of the total share capital, and approx. 18% of the B shares, and consequently holds approx. 79% of the total number of votes.</p> <p>Ejnar og Meta Thorsens Fond is a commercial foundation, the sole object of</p>

Recommendation	Com- plied with	Partly com- plied with	Not com- plied with	The company partly complies with/does not comply with the rec- ommendation for the following rea- son:
				<p>which is to work for the furtherance of socially beneficial objectives in Den- mark or abroad. There are no con- straints in the foundation instrument in relation to ownership of shares in Mon- berg or Monberg &amp; Thorsen. The foun- dation has advised the Board of Direc- tors that it wants to be a stable share- holder 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 capi- tal. The authorisation expires on 27 April 2015. The Board of Directors also has authority to increase the B share capital by up to DKK 20 million. The increase may be effected without any preemption rights for the company's existing shareholders, provided it is effected as consideration for the com- pany's acquisition of a going concern or specific assets. Such acquisition is con- ditional upon the new B shares being negotiable instruments. The authorisa- tion expires on 27 April 2015.</p>
2.1.4. The Committee <b>recommends</b> that the board of directors annually review and approve guidelines for the executive board; this includes es-	√			The rules of procedure are reviewed in connection with the Board of Directors' meeting for the first quarter. This en-

Recommendation	Com- plied with	Partly com- plied with	Not com- plied with	The company partly complies with/does not comply with the recommendation for the following reason:
<p>establishing requirements for the executive board on timely, accurate and adequate reporting to the board of directors.</p>				<p>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>
<p>2.1.5. The Committee <b>recommends</b> that at least once a year the board of directors discuss the composition of the executive board, as well as developments, risks and succession plans.</p>	√			<p>Discussed in both Monberg &amp; Thorsen and MT Højgaard on an ongoing basis. Monberg &amp; Thorsen is a holding company. Its sole activity is its 46% ownership interest in MT Højgaard, which is expected to be listed separately. The principal activities are therefore carried out in MT Højgaard.</p>
<p>2.1.6. The Committee <b>recommends</b> that once a year the board of directors discuss the company's activities to ensure relevant diversity at management levels, including setting specific goals and accounting for its objectives and progress made in achieving the objectives in the management commentary on the company's annual report and/or on the website of the company.</p>	√			<p>The Board of Directors of Monberg &amp; Thorsen consists of six members, two women and four men, and women and men are consequently equally represented (40/60). 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. Reference is made to</p>



Recommendation	Com- plied with	Partly com- plied with	Not com- plied with	The company partly complies with/does not comply with the rec- ommendation for the following rea- son:
				the details on this provided in MT Højgaard's annual report 2014.
<i>2.2. Corporate social responsibility</i>				
2.2.1. The Committee <b>recommends</b> that the board of directors adopt policies on corporate social responsibility.	√			<p>Monberg &amp; 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 <a href="http://www.monthor.com">www.monthor.com</a></p> <p>The principal activities are undertaken in the MT Højgaard 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 MT Højgaard's website <a href="http://www.mth.com">www.mth.com</a>, where the CSR report 2014 can be viewed.</p>
<i>2.3. Chairman and vice-chairman of the board of directors</i>				
2.3.1. The Committee <b>recommends</b> 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.	√			The Chairman and 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 Direc-

Recommendation	Com- plied with	Partly com- plied with	Not com- plied with	The company partly complies with/does not comply with the recommendation for the following reason:
				tors are described in the rules of procedure, which are reviewed annually.
2.3.2. The Committee <b>recommends</b> ensuring that, if the board of directors, in exceptional cases, asks the chairman of the board of directors to perform special operating activities for the company, including briefly participating in the day-to-day management, a board resolution to that effect be passed to ensure that the board of directors maintains its independent, overall management and control function. Resolutions on the chairman's participation in day-to-day management and the expected duration hereof should be published in a company announcement.	√			If such an exceptional situation were to arise, the recommendations will be complied with.

### 3. Composition and organisation of the board of directors

#### 3.1. Composition

3.1.1. The Committee **recommends** that the board of directors annually accounts for

- the skills it must have to best perform its tasks,
- the composition of the board of directors, and
- the special skills of each member.

✓

3.1.2. The Committee **recommends** that the selection and nomination of candidates for the board of directors be carried out through a thoroughly transparent process approved by the overall board of directors. When assessing its composition and nominating new candidates, the board of directors must take into consideration the need for integration of new talent and diversity in relation to age, international experience and gender.

✓

3.1.3. The Committee **recommends** that a description of the nominated candidates' qualifications, including information about the candidates'

- other executive functions, e.g. memberships in executive boards, boards of directors, and supervisory boards, including board committees in foreign enterprises, be accompanied by the notice convening the general meeting when election of members to the board of directors is on the agenda.

- demanding organisational tasks, and information
- about whether candidates to the board of directors are considered independent.

✓

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 in which the principal business activities are being carried out.

In connection with the election of a new member to the Board of Directors, the Chairman of the Board of Directors interviews the selectively chosen candidate in order to ensure that his or her profile suits the vacant seat.

In connection with the notice convening the general meeting a description of the background of the nominated candidates for the Board of Directors is given, along with information about memberships of other executive boards and boards of directors in both Danish and foreign companies as well as any demanding organisational posts.

A description is also provided of the

				<p>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>
3.1.4. The Committee <b>recommends</b> that the company's articles of association stipulate a retirement age for members of the board of directors.	√			<p>The age of the individual members of the Board of Directors is disclosed in the annual report.</p> <p>According to the Board of Directors' rules of procedure, Board members must retire not later than at the first general meeting following their 70th birthday, except where special circumstances apply.</p>
3.1.5. The Committee <b>recommends</b> that members of the board of directors elected by the general meeting be up for election every year at the annual general meeting.	√			
<b>3.2. Independence of the board of directors</b>				
3.2.1. The Committee <b>recommends</b> 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>The Board of Directors complies with the independence criteria at the present time. The following members of the Board of Directors are independent:</p>

<p>To be considered independent, this person may not:</p> <ul style="list-style-type: none"> <li>• be or within the past five years have been member of the executive board, or senior staff member in the company, a subsidiary undertaking or an associate,</li> <li>• within the past five years, have received larger emoluments from the company/group, a subsidiary undertaking or an associate in another capacity than as member of the board of directors,</li> <li>• represent the interests of a controlling shareholder,</li> <li>• within the past year, have had significant business relations (e.g. personal or indirectly as partner or employee, shareholder, customer, supplier or member of the executive management in companies with corresponding connection) with the company, a subsidiary undertaking or an associate.</li> <li>• be or within the past three years have been employed or partner at the external auditor,</li> <li>• have been chief executive in a company holding cross-memberships with the company,</li> <li>• have been member of the board of directors for more than 12 years, or</li> <li>• have been close relatives with persons who are not considered independent.</li> </ul>				<p>Lars Goldschmidt Niels Lykke Graugaard Curt Germundsson</p>
<p><i>3.3. Members of the board of directors and the number of other executive functions</i></p>				
<p>3.3.1. The Committee <b>recommends</b> that each member of the board of directors assesses the expected time commitment for each function in order that the member does not take on more functions than he/she can manage satisfactorily for the company.</p>	<p>√</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 &amp; Thorsen's experience, Board</p>

			members are rarely absent from Board meetings.																								
<p>3.3.2. The Committee <b>recommends</b> 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"> <li>• the position of the relevant person,</li> <li>• the age and gender of the relevant person,</li> <li>• whether the member is considered independent,</li> <li>• the date of appointment to the board of directors of the member,</li> <li>• expiry of the current election period,</li> <li>• other executive functions, e.g. memberships in executive boards, boards of directors, and supervisory boards, including board committees in foreign enterprises and enterprises</li> <li>• demanding organisational tasks, and</li> <li>• the number of shares, options, warrants and similar in the company, and other group companies of the company, owned by the member, as well as changes in the portfolio of the member of the securities mentioned which have occurred during the financial year.</li> </ul>	√		<p>The details for each member of the Board of Directors are provided on page 6 of the annual report 2014.</p> <p>The company's Board of Directors and Executive Board have the following shareholdings in Monberg &amp; Thorsen:</p> <table data-bbox="1576 520 2063 906" style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding: 2px;">Anders Colding Friis:</td> <td style="text-align: right; padding: 2px;">2,350</td> </tr> <tr> <td style="padding: 2px;">shares</td> <td></td> </tr> <tr> <td style="padding: 2px;">Niels Lykke Graugaard:</td> <td style="text-align: right; padding: 2px;">8,299</td> </tr> <tr> <td style="padding: 2px;">shares</td> <td></td> </tr> <tr> <td style="padding: 2px;">Henriette Thorsen:</td> <td style="text-align: right; padding: 2px;">3,438</td> </tr> <tr> <td style="padding: 2px;">shares</td> <td></td> </tr> <tr> <td style="padding: 2px;">Christine Thorsen:</td> <td style="text-align: right; padding: 2px;">3,065</td> </tr> <tr> <td style="padding: 2px;">shares</td> <td></td> </tr> <tr> <td style="padding: 2px;">Curt Germundsson:</td> <td style="text-align: right; padding: 2px;">400</td> </tr> <tr> <td style="padding: 2px;">shares</td> <td></td> </tr> <tr> <td style="padding: 2px;">Lars Goldschmidt:</td> <td style="text-align: right; padding: 2px;">370</td> </tr> <tr> <td style="padding: 2px;">shares</td> <td></td> </tr> </table> <p>The members of the Board of Directors and Executive Board do not hold options, warrants or similar.</p>	Anders Colding Friis:	2,350	shares		Niels Lykke Graugaard:	8,299	shares		Henriette Thorsen:	3,438	shares		Christine Thorsen:	3,065	shares		Curt Germundsson:	400	shares		Lars Goldschmidt:	370	shares	
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### 3.4. Board committees

<p>3.4.1. The Committee <b>recommends</b> that the company publish the following on the company's website:</p> <ul style="list-style-type: none"> <li>• the terms of reference of the board committees,</li> <li>• the most important activities of the committees during the year, and the number of meetings held by each committee, and</li> <li>• the names of the members of each committee, including the chairmen of the committees, as well as information on which members are independent members and which members have special qualifications.</li> </ul>		√		<p>At the present time, the company does not have any board committees, as Monberg &amp; Thorsen is a holding company with one employee.</p> <p>The Board of Directors agrees in the recommendations and will comply with them if the need arises to set up a board committee.</p>
<p>3.4.2. The Committee <b>recommends</b> that a majority of the members of a board committee be independent.</p>		√		
<p>3.4.3. The Committee <b>recommends</b> that the board of directors set up a formal <u>audit committee</u> composed such that</p> <ul style="list-style-type: none"> <li>• the chairman of the board of directors is not chairman of the audit committee, and</li> <li>• between them, the members should possess such expertise and experience as to provide an updated insight into and experience in the financial, accounting and audit aspects of companies whose shares are admitted to trading on a regulated market.</li> </ul>		√		<p>The full Board of Directors acts as audit committee. Monberg &amp; Thorsen's principal activity is its 46% ownership interest in MT Højgaard.</p> <p>The Board of Directors of MT Højgaard has appointed an audit committee that reports on its findings to the Board of Directors of Monberg &amp; Thorsen. A member of the Board of Directors of Monberg &amp; Thorsen sits on MT Højgaard's audit committee.</p>
<p>3.4.4. The Committee <b>recommends</b> that, prior to the approval of the annual report and other financial reports, the audit committee monitors and reports to the board of directors about:</p> <ul style="list-style-type: none"> <li>• significant accounting policies,</li> <li>• significant accounting estimates,</li> <li>• related party transactions, and</li> <li>• uncertainties and risks, including in relation to the outlook for the current year.</li> </ul>	√			<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 <b>recommends</b> that the audit committee:</p> <ul style="list-style-type: none"> <li>• annually assesses the need for an internal audit, and in such case, makes recommendations on selecting, appointing and removing the head of the internal audit function and on the budget of the internal audit function, and audit function, and</li> <li>• monitor the executive board’s follow-up on the conclusions and recommendations of the internal audit function.</li> </ul>	√			<p>Both Monberg &amp; 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>
<p>3.4.6. The Committee <b>recommends</b> that the board of directors establish a <u>nomination committee</u> chaired by the chairman of the board of directors with at least the following preparatory tasks:</p> <ul style="list-style-type: none"> <li>• describe the qualifications required by the board of directors and the executive board, and for a specific membership, state the time expected to be spent on having to carry out the membership, as well as assess the competences, knowledge and experience of the two governing bodies combined,</li> <li>• annually assess the structure, size, composition and results of the board of directors and the executive board, as well as recommend any changes to the board of directors,</li> <li>• annually assess the competences, knowledge and experience of the individual members of management, and report to the board of directors in this respect,</li> <li>• consider proposals from relevant persons, including shareholders and members of the board of directors and the executive board for candidates for the board of directors and the executive board, and <ul style="list-style-type: none"> <li>• propose an action plan to the board of directors on the future composition of the board of directors, including proposals for specific changes.</li> </ul> </li> </ul>	√			<p>A Nomination Committee has been appointed consisting of the Chairman and Deputy Chairman 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>
<p>3.4.7. The Committee <b>recommends</b> that the board of directors establish a remuneration committee with at least the following preparatory tasks:</p> <ul style="list-style-type: none"> <li>• to recommend 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</li> </ul>	√			<p>A Remuneration Committee has been appointed consisting of the Chairman and Deputy Chairman of the Board of Directors.</p>



<p>general meeting,</p> <ul style="list-style-type: none"> <li>• make proposals to the board of directors on remuneration for members of the board of directors and the executive board, as well as ensure that the remuneration is in compliance with the company's remuneration policy and the assessment of the performance of the persons concerned. The committee should have information about the total amount of remuneration that members of the board of directors and the executive board receive from other companies in the group, and</li> <li>• recommend a remuneration policy applicable for the company in general.</li> </ul>				<p>The company's remuneration policy is discussed annually and was adopted most recently at the Annual General Meeting on 28 April 2008. The policy can be viewed at <a href="http://www.monthor.com">www.monthor.com</a></p>
<p>3.4.8. The Committee <b>recommends</b> that the remuneration committee do not consult with the same external advisers as the executive board of the company.</p>	<p>√</p>			<p>Has not been relevant. The Board of Directors agrees in the recommendation.</p>

### 3.5. Evaluation of the performance of the board of directors and the executive board

<p>3.5.1. The Committee <b>recommends</b> that the board of directors establish an evaluation procedure where contributions and results of the board of directors and the individual members, as well as collaboration with the executive board are annually evaluated. Significant changes deriving from the evaluation should be included in the management commentary or on the company's website.</p>	<p>√</p>			<p>Each year, the Chairman of the Board of Directors carries out a structured, questionnaire-based evaluation of the Board of Directors' work. 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 Chairman of the Board of Directors evaluates the Executive Board's work and performance annually through a personal interview.</p>
<p>3.5.2. The Committee <b>recommends</b> that in connection with preparation of the general meeting, the board of directors consider whether the number of members is appropriate in relation to the requirements of the company. This should help ensure a constructive debate and an effective decision-making process in which all members are given the opportunity to participate actively.</p>	<p>√</p>			
<p>3.5.3. The Committee <b>recommends</b> that at least once every year the board of directors evaluate the work and performance of the executive board in accordance with predefined clear criteria.</p>	<p>√</p>			
<p>3.5.4. The Committee <b>recommends</b> 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>√</p>			

## 4. Management remuneration

### 4.1. Form and content of the management remuneration

4.1.1. The Committee **recommends** that the board of directors prepare a clear and transparent remuneration policy for the board of directors and the executive board, including

- 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, and
- a description of the criteria on which the balance between the individual components of remuneration is based.

The remuneration policy should be approved by the general meeting and published on the company's website.

√

4.1.2. The Committee **recommends** that, if the remuneration policy includes variable components,

- limits be set on the variable components of the total remuneration package,
- a reasonable and balanced linkage be ensured between remuneration for governing body members, expected risks and the value creation for shareholders in the short and long term,
- there be clarity about performance criteria and measurability for award of variable components,
- there be criteria ensuring that qualifying periods for variable components in remuneration agreements are longer than one calendar year, and
- an agreement is made which, in exceptional cases, entitles the company to reclaim in full or in part variable components of remuneration that were paid on the basis of data, which proved to be misstated.

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4.1.3. The Committee **recommends** that remuneration of members of

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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. The overall guidelines for incentive pay are set out under Corporate Governance on the website in the section on corporate governance.

The members of the Executive Board are paid fixed remuneration. Besides their normal remuneration, they may receive a separate fee/bonus for special tasks undertaken by them.

The fee for 2013 and 2014 was DKK 200,000 for ordinary members of the Board of Directors with a supplement for the Chairman and Deputy Chairman. The Chairman receives a supplement of twice the normal remuneration and the Deputy Chairman a supplement equivalent to the normal remuneration.

the board of directors does not include share options.				<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>As stated in the annual report, 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>
4.1.4. The Committee <b>recommends</b> that if share-based remuneration is provided, such programmes be established as roll-over programmes, i.e. the options are granted periodically and should have a maturity of at least three years from the date of allocation.	√			
4.1.5. The Committee <b>recommends</b> that agreements on termination payments should not amount to more than two years' annual remuneration.	√			
<b>4.2. Disclosure of the remuneration policy</b>				
4.2.1. The Committee <b>recommends</b> 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 <b>recommends</b> that the proposed remuneration for the board of directors for the current financial year be approved by the shareholders at the general meeting.	√			Approved as part of the report.
4.2.3. The Committee <b>recommends</b> that the total remuneration granted to each member of the board of directors and the executive board by the company and other companies in the group, including information on the most important contents of retention and retirement/resignation schemes, be disclosed in the annual report and that the linkage with the remuneration policy be explained.	√			Details on this are provided in the annual report under the Corporate governance section on pages 10 and 11 and in note 7 to the annual report 2014.

## 5. Financial reporting, risk management and audits

### 5.1. Identification of risks and transparency about other relevant information

5.1.1. The Committee **recommends** that the board of directors in the management commentary review and 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.

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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.

### 5.2. Whistleblower scheme

5.2.1. The Committee **recommends** that the board of directors decide whether to establish a whistleblower scheme for expedient and confidential notification of possible or suspected wrongdoing.

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MT Højgaard introduced a whistleblowing procedure in 2014.

### 5.3. Contact to auditor

5.3.1. The Committee **recommends** that the board of directors ensure regular dialogue and exchange of information between the auditor and the board of directors, including that the board of directors and the audit committee at least once a year meet with the auditor without the executive board present. This also applies to the internal auditor, if any.

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The auditors participate, as a minimum, in the meeting of the Board of Directors at which the annual report is considered. In addition, the Chairmanship meets with the company's auditors at least once a year.

5.3.2. The Committee **recommends** that the audit agreement and auditors' fee be agreed between the board of directors and the auditor on the basis of a recommendation from the audit committee.

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