

## 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 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 Business 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 8 April 2010 from the Committee on Corporate Governance, applying the "comply or explain" principle.


√ = The recommendation is complied with.

(√) = The recommendation is complied with in part only/in an adjusted form because of the company's size.

Updated 28 May 2010

Recommendation	Complied with	Not complied with	<p><b>The company complies with/does not comply with the recommendation for the following reason:</b></p> <p>According to section 107 b(1)(iii) of the Danish Financial Statements Act the company must state the reason(s) for its decision not to comply with parts of the recommendations. Here, the company can state why it is not complying with a given recommendation, and what it is doing instead.</p> <p>Where a recommendation is complied with, the company is not under obligation to provide an explanation, but it may be an advantage to do so to show what the company is doing to comply with a given recommendation. Such information can also be provided here.</p>
<p><b>The role of the shareholders and their interaction with the management of the company</b></p>			
<p><i>1.1. Dialogue between the company and its shareholders</i></p>			
<p>1.1.1. The Committee <b>recommends</b> that the central governing body, for example through investor relations activities, ensure an ongoing dialogue between the company and its shareholders in order that the central governing body knows the shareholders' attitude, interests and views in relation to the company and that investor relations material be made available to all investors on the company's website.</p>	<p>√</p>		<p>The Board of Directors and the Executive Board maintain ongoing dialogue with major shareholders and are invited to attend analyst and investor presentations.</p>
<p><i>1.2. Capital and share structures</i></p>			
<p>1.2.1. The Committee <b>recommends</b> that the central governing body every year evaluate whether the company's capital and share structures continue to be in the interests of the shareholders and the company and account for this evaluation in the management commentary in the annual report and/or on the company's website.</p>	<p>√</p>		<p>The company's share capital is divided into A shares and B shares. Each A share entitles the holder to ten votes and each B share entitles the holder to one vote.</p> <p>Ejnar og Meta Thorsens Fond holds all A shares in the company, which account for around 21% of the total share capital, and around 8% of the B shares. 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</p>

			<p>&amp; Thorsen A/S or its consolidated companies.</p> <p>The Board of Directors considers the ownership structure to be appropriate in view of the Group's present size and market value, with the stable ownership structure securing the long-term value generation. The ownership structure does not prevent continued development of the Group.</p> <p>The Board of Directors also considers the capital structure to be satisfactory. It is the Group's policy to have a capital structure and financial gearing that reflect its activities and risk profile. This also applies to the capital structure of both MT Højgaard and Dyrup. This is intended to secure the Group's and consolidated companies' credit ratings, providing scope for investments and a stable dividend policy.</p> <p>The shareholders in general meeting have authorised the Board of Directors to purchase up to 10% of the share capital if adjustment of the capital is necessary.</p> <p>The shareholders in general meeting have also authorised the Board of Directors to increase the company's B capital by up to DKK 20 million if required in connection with the acquisition of a going concern.</p> <p>All the company's B shares are listed on Nasdaq OMX Copenhagen and are consequently deemed to be free floating. Large institutional investors and the founder families, including Ejnar og Meta Thorsens Fond, hold around 65%, while the remaining B shares are held by the remaining around 1,500 shareholders. Liquidity in the share is deemed to be adequate. A market maker agreement has been concluded with Danske Bank.</p>
<p><i>1.3. General meeting</i></p>			
<p>1.3.1. The Committee <b>recommends</b> that the supreme governing body and the executive board promote active ownership, including shareholders' attendance at general meetings.</p>	<p>√</p>		<p>General meetings are held in Greater Copenhagen, where all large institutional shareholders have offices. Annual General Meetings are normally well-attended.</p> <p>General meetings are convened with not less than three weeks' notice and not more than five weeks' notice.</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>

1.3.2. The Committee <b>recommends</b> that the central governing body resolve or submit to the general meeting the question whether the general meeting shall be conducted by physical attendance or as a partly or entirely electronic general meeting.	√		The company's size does not warrant the holding of on-line general meetings via video conferences or the Internet.
1.3.3 The Committee <b>recommends</b> that proxies given to the supreme governing body allow shareholders to consider each individual item on the agenda.	√		It has previously only been possible for shareholders to grant a general proxy, but shareholders will be able to take a position on each item on the agenda in future.
1.3.4. The Committee <b>recommends</b> that all members of the supreme governing body and the executive board be present at the general meeting.	√		This recommendation is normally always complied with.
<b>1.4. Takeover bids</b>			
1.4.1. The Committee <b>recommends</b> that the central governing body, from the moment it obtains knowledge that a takeover bid will be submitted, do 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.	√		 <p data-bbox="1218 919 2145 1010">The Board of Directors agrees in the recommendations, which were being met in full as early as 2000 in connection with the rejection of a specific takeover bid.</p>
1.4.2. The Committee <b>recommends</b> that the central governing body give the shareholders the opportunity to decide whether or not they wish to dispose of their shares in the company under the terms offered.	√		

<b>2. The role of stakeholders and their importance to the company and the company's corporate social responsibility</b>			
<i>2.1. The company's policy in relation to its stakeholders and corporate social responsibility</i>			
2.1.1. The Committee <b>recommends</b> that the central governing body identify the company's key stakeholders and their main interests in relation to the company.	√		<p>Our ethical policy forms the overall framework for all our policies and consequently our activities. We wish to demonstrate corporate responsibility, show consideration for people and the environment, thereby acting in a socially and ethically responsible manner in all business areas.</p> <p>The policy states, among other things, that we must comply with local legislation, that we do not accept bribery, forced labour, child labour and discrimination.</p> <p>In continuation of this policy, we focus especially on social issues where we can make a difference and where we believe that our action will create the most value for society and ourselves.</p> <p>Monberg &amp; Thorsen is a holding company. Its key activity is its ownership of Dyrup and MT Højgaard. By far the majority of our activities is carried out by these two companies.</p>
2.1.2. The Committee <b>recommends</b> that the central governing body adopt a policy on the company's relationship with its stakeholders, including the investors, and ensure that the interests of the stakeholders are respected in accordance with the company's policy on such issues.	√		
<i>2.2. Corporate social responsibility</i>			
2.2.1. The Committee <b>recommends</b> that the central governing body adopt a policy on corporate social responsibility.	√		<p>Our ethical policy forms the overall framework for all our policies and consequently our activities. We wish to demonstrate corporate responsibility, show consideration for people and the environment, thereby acting in a socially and ethically responsible manner in all business areas.</p> <p>The policy states, among other things, that we must comply with local legislation, that we do not accept bribery, forced labour, child labour and discrimination.</p> <p>In continuation of this policy, we focus especially on social issues where we can make</p>

			<p>a difference and where we believe that our action will create the most value for society and ourselves.</p> <p>Monberg &amp; Thorsen is a holding company. Its key activity is its ownership of Dyrup and MT Højgaard. By far the majority of our activities is carried out by these two companies.</p> <p>The focus in recent years has been on the environment and occupational health and safety, which are described in detail in the annual reports of these two companies. The annual reports form an integral part of Monberg &amp; Thorsen's annual report, and reference is made to these annual reports for further details on the action in these areas, which is expected to be stepped up in the years ahead.</p>
<b>3. Openness and transparency</b>			
<i>3.1. Disclosure of information to the market</i>			
3.1.1. The Committee <b>recommends</b> that the central governing body adopt a communication strategy.	√		<p>Our information policy is available on our website under Investor Zone.</p> <p>The information policy ensures that the disclosure obligations established by Nasdaq OMX Copenhagen are complied with in full.</p>
3.1.2. The Committee <b>recommends</b> that information from the company to the market be published in both Danish and English.	√		All communications are published in Danish as well as in English, and the Danish and English websites are, as far as possible, identical.
3.1.3. The Committee <b>recommends</b> that the company publish quarterly reports.	√		The interim financial report for the third quarter of 2001 was the first interim financial report published by Monberg & Thorsen A/S.
<b>4. The tasks and responsibilities of the supreme and central governing bodies</b>			
<i>4.1. Overall tasks and responsibilities</i>			
4.1.1. The Committee <b>recommends</b> that the central governing body determine the company's overall strategy at least once every year with a view to sustaining value creation in the company.	√		Both Monberg & Thorsen and MT Højgaard and Dyrup work according to three to five-year strategy plans and targets that are being 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.

4.1.2. The Committee <b>recommends</b> that the supreme governing body at least once every year discuss and ensure that the necessary qualifications and financial resources are in place in order for the company to achieve its strategic goals.	√		Reviewed on a continuous basis in both Monberg & Thorsen and MT Højgaard and Dyrup.
4.1.3. The Committee <b>recommends</b> that the supreme governing body at least once every year define its most important tasks related to the financial and managerial control of the company, including how to supervise the work of the executive board.	√		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.
<b>4.2. Procedures</b>			
4.2.1. The Committee <b>recommends</b> that the supreme governing body review its rules of procedure annually to ensure that they are adequate and always match the activities and needs of the company.	√		<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 Board of Directors' rules of procedure establish clear guidelines relating to its tasks and responsibilities in connection with its management of the Monberg &amp; Thorsen Group.</p> <p>This ensures that the Board of Directors continuously takes care of the overall strategic management and financial and managerial supervision of the company and continuously evaluates the Executive Board's work.</p>
4.2.2. The Committee <b>recommends</b> that the supreme governing body annually review and approve procedures for the executive board, including establish requirements for the executive board's timely, accurate and adequate reporting to the supreme governing body and for any other communication between the two governing bodies.	√		<p>To assist in the Board of Directors' supervision of the company's activities the Executive Board prepares a detailed report on the company's activities for each meeting of the Board of Directors, which is sent to the members of the Board of Directors together with the notice of meeting. The report includes information about essential developments in the company's cash flow, order book, guarantee commitments, significant transactions, financing and significant risks.</p> <p>At each meeting of the Board of Directors, the Executive Board reports, on the basis of the issued report, on the company's operations since the last meeting of the Board of Directors.</p>

			The Board of Directors also ensures that the Executive Board reports, at least once a year, at a meeting of the Board of Directors, on market conditions and other special factors in the sectors in which the consolidated companies operate.
<b>4.3. The chairman and deputy chairman of the supreme governing body</b>			
4.3.1. The Committee <b>recommends</b> that a deputy chairman of the supreme governing body be appointed, who must be able to act in the chairman's absence and also act as an effective sounding board for the chairman.	√		<p>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>The Chairman ensures that meetings of the Board of Directors are duly convened and chairs all meetings. The company always endeavours to ensure that the Board of Directors' negotiations take place when all members of the Board of Directors are present, that all decisions are made when all members are present, and that the frequency of meetings ensures that the Board of Directors acts as an active sounding board for the Executive Board.</p>
4.3.2. The Committee <b>recommends</b> the preparation of a scope of work and task list specifying the tasks, duties and responsibilities of the chairman and deputy chairman.	√		
4.3.3. The Committee <b>recommends</b> that the chairman of the supreme governing body organise, convene and chair meetings to ensure efficiency in the body's work and to create the best possible working conditions for the members, individually and collectively.	√		
4.3.4. The Committee <b>recommends</b> that, if the board of directors in exceptional cases asks its chairman to perform special tasks for the company, including briefly participate in the day-to-day management, a board resolution to that effect should be passed and precautions taken to ensure that the board of directors will maintain responsibility for the overall management and control function. A reasonable distribution of duties must be ensured between the chairman, the deputy chairman, the other members of the board of directors and the executive board.	√		If such an exceptional situation were to arise, the recommendations will be complied with.

Information about agreements on the chairman's participation in the day-to-day management and the expected duration hereof must be disclosed in a company announcement.			
<b>5. Composition and organisation of the supreme governing body</b>			
<i>5.1. Composition</i>			
5.1.1. The Committee <b>recommends</b> that the supreme governing body annually specify the skills it must have to best perform its tasks and that the specification be posted on the website. Proposals for the nomination/replacement of members of the supreme governing body to be submitted to the general meeting should be prepared in the light hereof.	√		<p>In elections to the Board of Directors in both the parent company and the consolidated companies efforts are 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 primary business activities.</p> <p>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.</p> <p>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.</p> <p>A description is also provided of the candidates' educational background, professional qualifications and the skills that are deemed to be relevant to the Board of Directors' 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, at the annual general meeting every year, the recruitment criteria, composition and diversity of the Board of Directors.</p>
5.1.2. The Committee <b>recommends</b> that the supreme governing body ensure a formal, thorough and transparent process for selection and nomination of candidates to the supreme governing body. When assessing its composition and nominating new candidates, the supreme governing body must take into consideration the need for integration of new talent and the need for diversity in relation to international experience, gender and age, etc.	√		
5.1.3. The Committee <b>recommends</b> that a description of the nominated candidates' qualifications, including information about other executive functions, e.g. memberships of executive boards, boards of directors and supervisory boards, including board committees, held by the candidates in both Danish and foreign companies as well as information on demanding organisational tasks should accompany the notice convening the general meeting when election of members to the supreme governing body is on the agenda.	√		

5.1.4. The Committee <b>recommends</b> that every year, the annual report contain an account of the composition of the supreme governing body, including its diversity, and of any special skills possessed by the individual members.	√		In the annual report information is disclosed about current memberships of Executive Boards and Boards of Directors and demanding organisational tasks for each member of the Board of Directors.
<i>5.2. Training of members of the supreme governing body</i>			
5.2.1. The Committee <b>recommends</b> that new members joining the supreme governing body be given an introduction to the company.	√		<p>On their election, all new members of the Board of Directors receive information about the Group and are advised on the legal, regulatory and other responsibilities applicable to board members in listed companies.</p> <p>New board members are offered Dansk Industri's (Confederation of Danish Industries) course on the work of the Board of Directors.</p> <p>Board members are individually responsible for actively acquainting themselves with and keeping up to date with respect to the conditions in the company and the industry in question.</p>
5.2.2. The Committee <b>recommends</b> that the supreme governing body annually assess whether the skills and expertise of its members need to be updated.	√		
<i>5.3. Number of members of the supreme governing body</i>			
5.3.1. The Committee <b>recommends</b> that the supreme governing body have only as many members as to allow a constructive debate and an effective decision-making process enabling all members to play an active role.	√		<p>According to the Articles of Association, the Board of Directors must consist of 4 to 6 external board members and the employee representatives. The Board of Directors currently consists of six externally elected members.</p> <p>The size and composition of the Board of Directors are continuously reviewed on the basis of the company's needs.</p>
5.3.2. The Committee <b>recommends</b> that in connection with the preparation for each year's general meeting, the supreme governing body consider whether the number of members is appropriate in relation to the requirements of the company.	√		

**5.4. The independence of the supreme governing body**

5.4.1. In order for the members of the supreme governing body to act independently of special interests, the Committee **recommends** that at least half of the members elected by the general meeting be independent persons.

The independent supreme governing body member may not:

- be, or have been within the last five years, a member of the executive board/managerial staff of the company or an associated company,
- have received significant additional remuneration from the company/group or an associated company apart from a fee for its services in the capacity as a member of the supreme governing body,
- represent the interests of a controlling shareholder,
- within the last year, have had a material business relationship (e.g. personally or indirectly as a partner or an employee, shareholder, customer, supplier or member of a governing body of companies with similar relations) with the company or an associated company,
- be, or have been within the last three years, an employee or partner of the external audit firm,
- hold cross-memberships of governing bodies,
- have been a member of the supreme governing body for more than 12 years, or
- have close family ties with persons that are not regarded as independent persons.

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The Board of Directors complies with the independence criteria at the present time, and there are no members of the Executive Board on the Board of Directors.

<p>5.4.2. The Committee <b>recommends</b> that at least once every year, the supreme governing body list the names of the members who are regarded as independent persons and also disclose whether new candidates for the supreme governing body are considered independent persons.</p>	√		<p>In future, this information will be provided in the notice convening the general meeting. At the present time, Lars Goldschmidt, Poul Lind and Torben Ballegaard Sørensen are independent.</p>
<p><b>5.5. Members of the supreme governing body elected by the employees</b></p>			
<p>5.5.1. The Committee <b>recommends</b> that the individual company explain, in the company's annual report or on its website, the system of employee-elected board members and the company's use hereof in companies where the employees have chosen to apply the provisions of the Companies Act on employee representation.</p>	√		<p>There are three employee representatives on the Board of Directors in accordance with the relevant rules.</p> <p>According to Section 49 of the Danish Companies Act, employees in groups with more than 35 employees are entitled to elect a number of board members among the employees corresponding to half of the board members elected by the shareholders in general meeting. In the case of Monberg &amp; Thorsen, this means that the employees are entitled to elect three employees to the parent company's Board of Directors. The term of office of employee representatives on the Board of Directors is four years.</p>
<p><b>5.6. Meeting frequency</b></p>			
<p>5.6.1. The Committee recommends that the supreme governing body meet at regular intervals according to a predetermined meeting and work schedule or when meetings are deemed necessary or appropriate as required by the company and that the number of meetings held be disclosed in the annual report.</p>	√		<p>The Board of Directors met a total of nine times during the year under review. At present, seven board meetings are planned for the coming year. In accordance with the board's rules of procedure, the Board of Directors must meet at least six times between Annual General Meetings.</p>
<p><b>5.7. Expected time commitment and the number of other executive functions</b></p>			
<p>5.7.1. The Committee <b>recommends</b> that each member of the supreme governing body assess the expected time commitment for each function in order that the member does not take on more functions than he/she can manage in a satisfactory way 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 &amp; Thorsen's experience, board members are rarely absent from board meetings.</p>

<p>5.7.2. The Committee <b>recommends</b> that the annual report contain the following information about the members of the supreme governing body:</p> <ul style="list-style-type: none"> <li>• the member's occupation,</li> <li>• the member's other executive functions, e.g. memberships of executive boards, boards of directors and supervisory boards, including board committees, in Danish and foreign companies as well as demanding organisational tasks, and</li> <li>• the number of shares, options and warrants, etc. that the member holds in the company and its consolidated companies and any changes in such holdings during the financial year.</li> </ul>	√		<p>In the annual report information is disclosed about current memberships of Executive Boards and Boards of Directors and demanding organisational tasks for each member of the Board of Directors.</p> <p>In the 2009 annual report information was disclosed concerning the shareholdings of the members of the Executive Board and Board of Directors. At 31 December 2009, these shareholdings totalled 97,720 shares, equivalent to 2.7% of the share capital.</p> <p>The members of the Board of Directors and the Executive Board do not hold either options or warrants.</p> <p>The requested information will be provided for each member in the 2010 annual report.</p> <p>According to the Group's internal code of conduct relating to trading in securities issued by the company, the members of the company's Board of Directors and Executive Board may buy and sell such securities only for a period of up to four weeks following the publication of the preliminary announcement of financial statements and interim financial reports.</p>
<p><b>5.8. Retirement age</b></p>			
<p>5.8.1. The Committee <b>recommends</b> that the company's articles of association fix a retirement age for members of the supreme governing body and that the annual report contain information on such retirement age as well as the age of each member of the board of directors.</p>	√		<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's rules of procedure, members of the Board of Directors retire not later than at the first General Meeting following their 70th birthday, except where special circumstances apply.</p>
<p><b>5.9. Election period</b></p>			
<p>5.9.1. The Committee <b>recommends</b> that members of the supreme governing body elected by the general meeting be up for re-election every year at the annual general meeting.</p>	√		<p>According to the company's Articles of Association, all members of the Board of Directors retire by rotation at the Annual General Meeting each year. Re-election is permitted.</p> <p>The year in which the individual member of the Board of Directors joined the Board of Directors is stated in the annual report.</p>
<p>5.9.2. The Committee <b>recommends</b> that the annual report state when the individual member of the supreme governing body joined the body, whether the member was re-elected and when the current election period expires.</p>	√		

5.10. Board committees			
<p>5.10.1. The Committee <b>recommends</b> that the company publish the following information in the management commentary in its annual report or on the company's website:</p> <ul style="list-style-type: none"> <li>• the terms of reference for the board committees,</li> <li>• 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>	(√)		At the present time, the company does not have any board committees, as Monberg & Thorsen is a holding company with only two employees.
<p>5.10.2. The Committee recommends that a majority of the members of a board committee be independent members.</p>	√		It is expected that this recommendation will be complied with if the company were to appoint a board committee.
<p>5.10.3. The Committee <b>recommends</b> that the supreme governing body establish an actual <u>audit committee</u>.</p>	√		The full Board of Directors acts as audit committee.
<p>5.10.4. The Committee <b>recommends</b> that the following be taken into account in composing the audit committee:</p> <ul style="list-style-type: none"> <li>• the chairman of the supreme governing body should not be chairman of the audit committee, and</li> <li>• between them, the members should possess such an amount of expertise and experience as to provide an updated insight into and experience in the financial, accounting and audit conditions of companies whose shares are admitted to trading on a regulated market.</li> </ul>	√		The full Board of Directors acts as audit committee and possesses the requisite skills.

<p>5.10.5. The Committee <b>recommends</b> that, prior to the approval of the annual report and other financial reports, the audit committee monitor and report to the supreme governing body 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.</li> </ul>	√		<p>All significant matters are discussed, as a minimum, at all board meetings at which financial reports for subsequent publication are considered. Matters of material relevance to the annual report are also discussed with the company's auditors.</p>
<p>5.10.6. The Committee <b>recommends</b> that the audit committee:</p> <ul style="list-style-type: none"> <li>• annually consider whether there is a need for an internal audit function, and if so,</li> <li>• formulate recommendations on selecting, appointing and removing the head of the internal audit function and on the budget of the internal audit function, and</li> <li>• monitor the executive board's follow-up on the conclusions and recommendations of the internal audit function.</li> <li>•</li> </ul>	√		<p>Both Monberg &amp; Thorsen, MT Højgaard and Dyrup consider annually whether there is a need for an internal audit function. This is not relevant at the present time.</p>
<p>5.10.7. The Committee <b>recommends</b> that the supreme governing body establish a <u>nomination committee</u> with at least the following preparatory tasks:</p> <ul style="list-style-type: none"> <li>• describe the qualifications required in the two governing bodies and for a given position, state the expected time commitment for a position and evaluate the balance of skills, knowledge and experience available in the two governing bodies,</li> <li>• annually evaluate the structure, size, composition and performance of the governing bodies and make recommendations to the supreme governing body with regard to any changes,</li> <li>• annually evaluate the skills, knowledge and experience of the individual members of the</li> </ul>	(√)		<p>In elections to the Board of Directors in both the parent company and the consolidated companies efforts are 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 primary business activities.</p> <p>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.</p> <p>The tasks are taken care of by the Chairman of the Board of Directors/the full Board of Directors.</p>

<p>governing bodies and report such details to the supreme governing body,</p> <ul style="list-style-type: none"> <li>consider proposals submitted by relevant persons, including shareholders and members of the governing bodies, for candidates for executive positions, and identify and recommend to the supreme governing body candidates for the governing bodies.</li> </ul>			
<p>5.10.8. The Committee <b>recommends</b> that the supreme governing body establish a <u>remuneration committee</u> with at least the following preparatory tasks:</p> <ul style="list-style-type: none"> <li>make proposals, for the approval of the supreme governing body prior to approval at the general meeting, on the remuneration policy, including the overall principles of incentive pay schemes, for members of the supreme governing body and the executive board,</li> <li>make proposals to the supreme governing body on remuneration for members of the supreme governing body and the executive board and ensure that the remuneration is consistent with the company's remuneration policy and the evaluation of the performance of the persons concerned. The Committee should have information about the total amount of remuneration that members of the supreme governing body and the executive board receive from other companies in the group, and</li> <li>Oversee that the information in the annual report on the remuneration of the supreme governing body and the executive board is correct, true and sufficient.</li> </ul>	<p>(√)</p>		<p>The company does not have a proper remuneration committee, as Monberg &amp; Thorsen is a holding company with only two employees. This task is taken care of by the Chairman of the Board of Directors/the full Board of Directors.</p>

5.10.9. The Committee <b>recommends</b> that the remuneration committee do not consult with the same external advisers as the executive board of the company.	√		The company does not normally use external consultants.
<i>5.11. Evaluation of the performance of the supreme governing body and the executive board</i>			
5.11.1. The Committee <b>recommends</b> that the supreme governing body undertake an annual evaluation of the performance and achievements of the supreme governing body and of the individual members of the body.	√		<p>Each year, the Chairman of the Board of Directors carries out a structured evaluation of the Board of Directors' work, performance and composition based on questionnaires. 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>
5.11.2. The Committee <b>recommends</b> that the chairman be in charge of the evaluation of the supreme governing body, that the outcome be discussed in the supreme governing body and that the details of the procedure of self-evaluation and the outcome be disclosed in the annual report.	√		
5.11.3. The Committee <b>recommends</b> that the supreme governing body at least once every year evaluate the work and performance of the executive board in accordance with pre-defined criteria.	√		
5.11.4. The Committee <b>recommends</b> that the executive board and the supreme governing body establish a procedure according to which their cooperation is evaluated annually through a formalised dialogue between the chairman of the supreme governing body and the chief executive officer and that the outcome of the evaluation be presented to the supreme governing body.	√		

## 6. Remuneration of members of the governing bodies

### 6.1. Content and form of the remuneration policy

6.1.1. The Committee <b>recommends</b> that the supreme governing body adopt a remuneration policy applicable to the supreme governing body and the executive board.	√		<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 for incentive pay are set out in the Corporate Governance section on the website under Corporate Governance Details.</p> <p>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.</p> <p>The Group enterprises have introduced bonus pay for the top management tiers.</p> <p>Remuneration of members of the Board of Directors for 2009 was DKK 200,000 for ordinary members, with a supplement for the Chairman and the Deputy Chairman. The Chairman receives a supplement equivalent to twice the normal remuneration and the Deputy Chairman 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>
6.1.2. The Committee <b>recommends</b> that the remuneration policy and any changes to the policy be approved by the general meeting of the company.	√		
6.1.3. The Committee <b>recommends</b> that the remuneration policy include a thorough description of the components of the remuneration for members of the supreme governing body and the executive board.	√		
6.1.4. The Committee <b>recommends</b> that the remuneration policy include: <ul style="list-style-type: none"> <li>• the reasons for choosing the individual components of the remuneration, and</li> <li>• a description of the criteria on which the balance between the individual components of the remuneration is based.</li> </ul>	√		
6.1.5. The Committee <b>recommends</b> that, if the remuneration policy includes variable components, <ul style="list-style-type: none"> <li>• limits be set on the variable components of the total remuneration package,</li> <li>• 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,</li> <li>• there be clarity about performance criteria</li> </ul>	√		

<p>and measurability for award of variable components, and</p> <ul style="list-style-type: none"> <li>• there be criteria ensuring that vesting periods for variable components of remuneration agreements are longer than one calendar year.</li> </ul>			
6.1.6. The Committee <b>recommends</b> that remuneration of members of the supreme governing body do not include share or warrant programmes.	√		
6.1.7. The Committee <b>recommends</b> that if members of the executive board receive share-based remuneration, such programmes be established as roll-over programmes, i.e. the options are granted periodically and should not be exercisable earlier than three years from the date of grant. An explanation of the relation between the redemption price and the market price at the time of grant should be provided.	√		
6.1.8. The Committee <b>recommends</b> that, in exceptional cases, companies should be able to reclaim in full or in part variable components of remuneration that were paid on the basis of data, which proved to be manifestly misstated.	√		
6.1.9. The Committee <b>recommends</b> that termination payments should not amount to more than two years' annual remuneration.	√		
<b>6.2. Disclosure of the remuneration policy</b>			
6.2.1. The Committee <b>recommends</b> that the remuneration policy be clear and easily understandable and that it be disclosed in the annual report and posted on the company's website.	√		The remuneration policy is clear and easily understandable and is referred to in both the annual report and on the website under the sections on Corporate Governance and Incentive Pay.

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.

6.2.2. The Committee <b>recommends</b> that the company's remuneration policy and compliance with this policy be explained and justified in the chairman's statement at the company's general meeting.	√		The remuneration policy is referred to in the Chairman's report at the general meeting.
6.2.3. The Committee <b>recommends</b> that the total remuneration granted to each member of the supreme governing body and the executive board by the company and other consolidated companies be disclosed in the (consolidated) financial statements and that the linkage with the remuneration policy be explained.	√		Information is disclosed about remuneration, which is always in accordance with existing policies.
6.2.4. The Committee <b>recommends</b> that the details of any defined-benefit schemes offered to members of the supreme governing body or the executive board and the actuarial value of such schemes as well as changes during the year be included as part of the information on the total remuneration.	√		The company does not offer any defined-benefit schemes to members of the Board of Directors or the Executive Board.
6.2.5. The Committee <b>recommends</b> that the most important aspects of retention and severance programmes be disclosed in the company's annual report.	√		No special retention or severance programmes have been agreed with members of the Board of Directors or the Executive Board.
6.2.6. The Committee <b>recommends</b> that the proposal for remuneration of the supreme governing body for the current financial year be approved by the shareholders at the general meeting.	√		According to the Articles of Association the shareholders in general meeting approve the remuneration of the members of the Board of Directors for the past financial year.  This recommendation will be incorporated in the company's Articles of Association at the Annual General Meeting in 2011.

<b>7. Financial reporting</b>			
<i>7.1. Other relevant information</i>			
7.1.1. The Committee <b>recommends</b> that the annual report and other financial reports be supplemented by additional financial and non-financial information, if deemed necessary or relevant in relation to the information needs of the recipients.	√		<p>The annual report is prepared in accordance with International Financial Reporting Standards (IFRS).</p> <p>Monberg &amp; Thorsen has applied and will continue to apply accounting policies of the highest standard.</p> <p>In keeping with the financial reporting trend towards significantly more segment information, the annual reports of Dyrup and MT Højgaard are enclosed in Monberg &amp; Thorsen's annual report and should be regarded as an integral part of it.</p> <p>The annual reports of Dyrup and MT Højgaard include financial information as well as environmental information for the individual company, including information relating to occupational health and safety, knowledge resources and skills.</p>
<i>7.2. The going concern assumption</i>			
7.2.1. The Committee <b>recommends</b> that, upon consideration and approval of the annual report, the supreme governing body decide whether the business is a going concern, including supporting assumptions or qualifications where necessary.	√		<p>The Board of Directors reviews the company's capital structure and financial resources on a continuous basis and ensures that these are satisfactory at both group level and consolidated company level. The financial resources are considered to be satisfactory, and the going concern criteria are complied with in full.</p> <p>At the end of 2009, the Group's financial resources totalled DKK 1.4 billion, consisting of cash, securities and undrawn credit facilities. This included the proportionate share of DKK 0.6 billion from MT Højgaard, which, with financial resources totalling DKK 1.3 billion, has strong financial resources that are expected to be maintained in 2010.</p> <p>Standing at DKK 0.3 billion, Dyrup's financial resources are at a satisfactory level.</p> <p>The parent company's financial resources total DKK 0.4 billion, consisting primarily of short-term Danish bonds and cash. The Group's overall financial resources are expected to be slightly lower at the end of 2010.</p>

<b>8. Risk management and internal control</b>			
<i>8.1. Identification of risks</i>			
8.1.1. The Committee <b>recommends</b> that the central governing body at least once every year identify the most important business risks associated with the realisation of the company's strategy and overall goals as well as the risks associated with financial reporting.	√		This is being reviewed on a continuous basis and specifically in connection with the financial reporting, see also the description of the financial reporting process under the section on Corporate Governance.
8.1.2. The Committee <b>recommends</b> that the executive board currently report to the supreme governing body on the development within the most important areas of risk and compliance with adopted policies, frameworks etc. in order to enable the supreme governing body to track the development and make the necessary decisions.	√		The financial reports include information about essential developments in the company's cash flow, order book, guarantee commitments, significant transactions, financing and significant risks.  The overall strategies for the parent company and each consolidated company are discussed in connection with the annual budget procedure. This includes a discussion of the overall objectives and an assessment of the main commercial risks.
<i>8.2. Whistleblowing</i>			
8.2.1. The Committee <b>recommends</b> that the supreme governing body decide whether to establish a whistleblowing scheme for expedient and confidential notification of possible or expected wrongdoing.	√		A whistleblowing scheme has not been established, as the leadership style is open, with broad contact to the top management tiers in both MT Højgaard and Dyrup.
<i>8.3. Openness about risk management</i>			
8.3.1. The Committee <b>recommends</b> that the management commentary in the annual report include information about the company's management of business risks.	√		The annual reports of Monberg & Thorsen, Dyrup and MT Højgaard explain the main risk factors and the principles for handling and hedging these.  The consolidated companies 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.

<b>9. Audit</b>			
<i>9.1. Contact to auditor</i>			
9.1.1. The Committee <b>recommends</b> that the supreme governing body maintain a regular dialogue and exchange of information with the auditor.	√		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.
9.1.2. The Committee <b>recommends</b> that the auditor agreement and auditors' fee be agreed between the supreme governing body and the auditor on the basis of a recommendation from the audit committee.	(√)		The parent company's annual audit fee is minimal, and the Executive Board has authority to enter into agreements on this.
9.1.3. The Committee <b>recommends</b> that the supreme governing body and the audit committee meet with the auditor at least once every year without the executive board present. This also applies to the internal auditor, if any.	(√)		This recommendation is not considered to be relevant, as Monberg & Thorsen is a holding company only, with limited activity. The operating activities are being carried out by MT Højgaard and Dyrup.
<i>9.2. Internal audit</i>			
9.2.1. The Committee <b>recommends</b> that the supreme governing body, on the basis of a recommendation from the audit committee, once every year decide whether to establish an internal audit for support and control of the company's internal control and risk management systems and state the reasons for its decision in the annual report.	(√)		Both Monberg & Thorsen, MT Højgaard and Dyrup consider annually whether there is a need for an internal audit function. This is not relevant at the present time.