

Summary of most significant changes to Recommendations on Corporate Governance

Below is a summary of the most significant changes compared to previously applicable recommendations.

Recom- mendation	Brief description of the change
1. Interaction with med the company's investors and other stakeholders	
1.1.2	In addition to having an ongoing dialogue with investors, the board of directors should also consider having an ongoing dialogue with other stakeholders. "Shareholders" are changed to "investors" which comprise a broader group than the current owners (shareholders) of the company. Policies on business relations with investors and other stakeholders are to be made available on the company's website.
1.2.1	New recommendation which allows shareholders to vote and raise questions etc. to management prior to the general meeting and to observe the general meeting digitally.
1.4.1	The current section 2.2.1 on Corporate Social Responsibility is transferred to and extended with the company's social responsibility and sustainability, and the policy should be made available in the management commentary and/or on the company's website. The Committee recommends that the board of directors ensures compliance with the policy.
1.4.2	New recommendation on the board of directors' adoption of a tax policy to be made available on the company's website.
2. The duties and responsibilities of the board of directors	
2.1.1	New recommendation stating that the board of directors considers the company's purpose and ensures and promotes a good culture and sound values in the company and that the company should provide an account thereof in the management commentary and/or on the company's website.
2.1.2	Addition on regular follow-up on the company's overall strategic targets.
2.2.2	New recommendation on ensuring ongoing update of each board member's knowledge of relevant matters to the company and that the members' special knowledge and qualifications are applied in the best possible manner.
3. The composition, organisation, and evaluation of the board of directors	
3.1.1	Besides the composition of the board of directors, information about the diversity on the board of directors in the management commentary should be provided.
3.1.2	Elaboration of the fact that the diversity policy can be made available in the management commentary and/or on the company's website.
3.1.3	In assessing candidates for the board of directors – in addition to renewal and diversity – the need for continuity should also be considered.
3.2.2.	Current 3.1.5 will be tightened so that not only the CEO but all members retiring from the executive management are prohibited from joining the board of directors immediately thereafter.
3.3.1	In the recommendation that each of the members on the board of directors must assess how much time is required to perform the board duties, an addition has been made stating that an evaluation thereof should also be made in connection with the annual evaluation.
3.4.1	In the recommendation on description of board committees in the management commentary, the information concerning members' special qualifications is omitted.

Recommendation	Brief description of the change
3.4.2	Addition stating that board committees should only consist of members of the board of directors.
3.4.4	Current 3.4.6 on preparatory tasks of the nomination committee. Addition of items securing a succession plan for the executive management, supervising executive management's policy for the engagement of executive employees, and handling the annual evaluation of the board of directors in cooperation with the chair.
3.5.1	The board of directors evaluation must focus on the recommendations on the board of directors' work, efficiency, composition and organisation, and must as a minimum always include a number of listed topics (a tightening compared to previous wording that reads "should" include).
3.5.2	A paragraph from the current 3.5.1 regarding a description of the process for the board evaluation in the management commentary and on the company's website and at the company's general meeting will be transferred and an addition is made stating that the result of the evaluation of the board of directors must be discussed by the entire board of directors.
3.5.3	The board of directors should assess the need for changes in the structure and composition of the executive management in respect of diversity, succession planning and risks on a continuous basis.
4. Remuneration of management	
4.1.1	New recommendation on the fact that remuneration and other terms of employment/services are considered both competitive and consistent with the company's long-term shareholder interests.
4.1.2	Current recommendation 4.1.4 will be extended with an addition stating that share-based incentive schemes primarily consist of long-term schemes.
4.1.3	New recommendation on a cap on the variable part of the remuneration at the time of grant and transparency in respect of the potential value at the time of exercise under both pessimistic, expected, and optimistic scenarios. This change must be taken into consideration in connection with the general meeting in 2021.
4.1.6	A paragraph from the current 4.1.2 regarding the option to reclaim variable remuneration if the remuneration is granted, earned, or paid based on incorrect information will be transferred. The recommendation is also extended to reflect the option to reclaim the remuneration if the recipient acted in bad faith. This change must be taken into consideration in connection with the general meeting in 2021.
5. Risk management	
5.1.2	An addition is made to the recommendation on the establishment of a whistleblower scheme stating that the board of directors should have a procedure in place for handling such whistleblower cases.