

# Corporate Governance Report 2025

COWI

# Corporate governance and governance principles

COWI Holding A/S has a two-tier management structure consisting of the Board of Directors and the Executive Board. This structure provides a clear, transparent and effective separation of responsibilities between the Board of Directors and the Executive Board.

**Board of Directors**

*Key responsibilities*

The Board of Directors is responsible for the overall management of the COWI Group and must ensure that COWI has an organisational structure, a management team, general management processes and organisational competencies which are appropriate to address its business challenges and opportunities and, thus, maximise the likelihood of achieving its mission.

The Board of Directors further oversees and controls COWI's financial development and the related planning and reporting systems, and sustains the company's overall strategies and follows their implementation.

The Board of Directors holds overall responsibility for ESG matters, ensuring that environmental, social and governance principles are integrated into the company's strategy and operations.

*Composition, diversity and independence*

In 2025, the Board of Directors consisted of nine members, six of whom were elected by the assembly at the annual general meeting, and the remaining three members were elected by and among the employees. One hundred per cent of the general assembly-elected members (six out of six) of the Board of Directors were non-executives and independent of COWI.

We saw a high meeting attendance rate of 98% of the Board of Directors at their four annual meetings and one annual strategy seminar.

Out of the six board members elected by the assembly, two were female (33%). Following the diversity policy, our target is for the underrepresented gender to make up 40% of the general assembly-elected members of the Board of Directors by 2030, and we, therefore, do not operate with a baseline year. The policy and target have been set and approved by the Board of Directors.

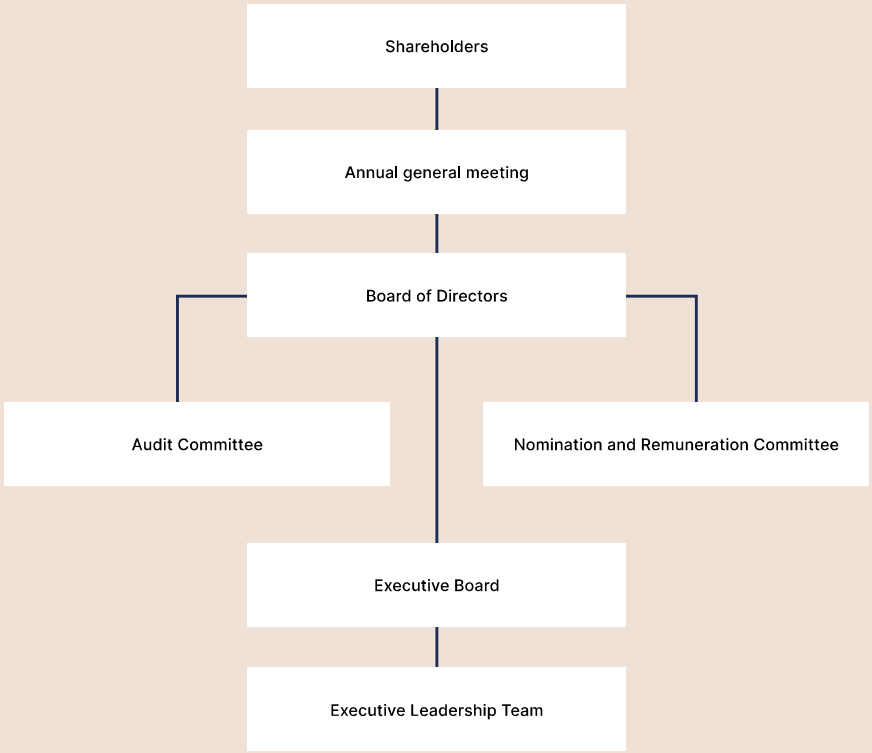
Currently, the Board of Directors includes members with diverse expertise across a broad range of engineering disciplines, as well as directors who serve on boards of other companies within our defined sectors. This ensures a deep understanding of our services and markets.

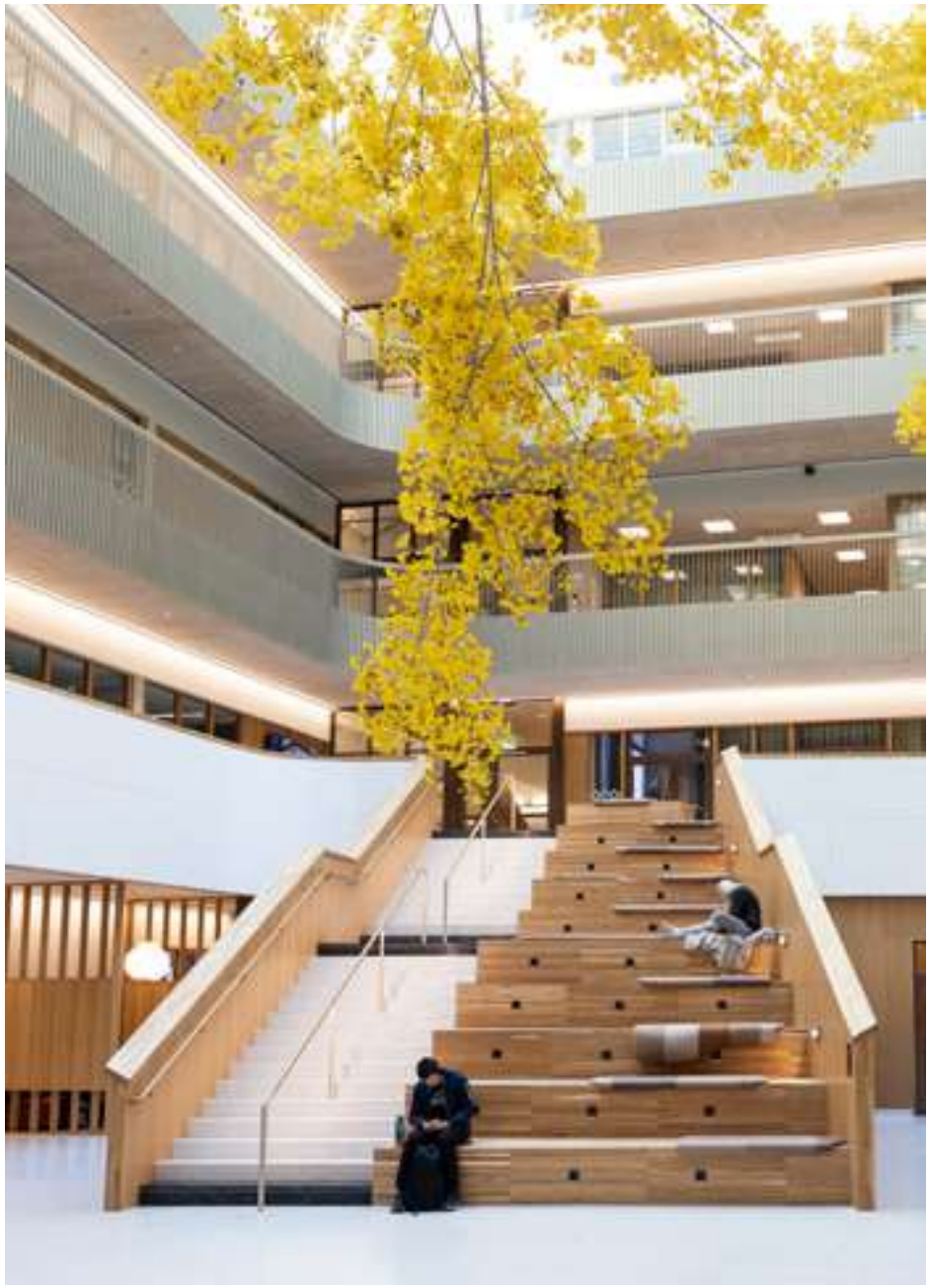
**Audit Committee**

*Key responsibilities*

The Audit Committee assists the Board of Directors with oversight of financial and sustainability reporting as well as internal control and risk management of

## Our governance





financial and sustainability reporting processes to ensure reliability, integrity and transparency. The Audit Committee also ensures that the financial reporting provides a true and fair view of the assets, liabilities, financial position, results and cash flows and, accordingly, that there is a good financial basis for decision-making. In short, the Audit Committee has the following key responsibilities:

1. to oversee financial and sustainability reporting
2. to oversee external assurance of financial and sustainability reporting and evaluate the independence of the external auditors
3. to oversee the effectiveness of the internal control and risk management systems
4. to oversee business ethics.

*Charter of the committee*
The Audit Committee charter can be found here: https://www.cowi.com/media/vvalrxd2/audit-committee-charter-2023.pdf

**Nomination and Remuneration Committee**
*Key responsibilities*
The Nomination and Remuneration Committee is tasked with assisting the Board of Directors in ensuring robust processes for nomination, succession planning and remuneration. This includes oversight of the appointment and evaluation of board and executive leadership roles, ensuring alignment with the company's strategy and values, including ensuring it comprises individuals with the competencies and experience relevant to COWI's sectors, products and geographical focus, and developing policies to attract, motivate and retain key talent while promoting transparency, fairness and sustainability in compensation practices.

*Charter of the committee*
The Nomination and Remuneration Committee charter can be found here: https://www.cowi.com/media/esfdhvxi/charter-for-the-nomination-and-remuneration-committee-of-cowi-holding-as-signed.pdf

**Executive Board**
*Key responsibilities*
Our Executive Board consists of the Group CEO, the Group CFO and the Group CBDO, who are responsible for the day-to-day operations of the COWI Group in line with our strategic focus. The Executive Board is responsible for the COWI Group's financial operations, such as budgeting, accounting and reporting. As part of our value steering approach, the Executive Board oversees target-setting and performance on several non-financial KPIs, including engagement and inclusion scores and greenhouse gas emissions from air travel.

*Composition and diversity*
Members of the Executive Board are appointed by the Board of Directors and registered as executives with the Danish Business Authority.

The skills of the Executive Board encompass a broad range of competencies and experience across relevant sectors, products and markets, as outlined in their CVs in the annual report on p. 47.

The Executive Board constitutes level 12 in our career system and consists of three members, one of whom is female (33%), which is considered an equal gender distribution. Our group-level policy for diversity and inclusion and its gender diversity targets for senior positions (career levels 9 to 12 in our system) also apply to our Executive Board.

# Risk management and internal controls

**Enterprise risk management framework overview**
COWI has established an enterprise-wide risk management framework to ensure consistent identification, assessment and treatment of risks across projects and geographies. Our framework supports both project-level and group-level risk management.

**Enterprise risk management governance structure**
Risk oversight is anchored with the Board of Directors – assisted by the Audit Committee – which oversees risk management, approves the risk profile and accepts residual risks. The Audit Committee supports the Board of Directors in reviewing risk exposures and mitigations.

The Executive Leadership team reviews COWI's risk profile, assigns risk ownership, directs risk mitigation and ensures sufficient resource allocation.

At the operational level, dedicated functions are responsible for implementing the risk management framework across projects in business units and functional responsibilities. This includes the functional areas of finance, ESG, information security and quality, thereby ensuring that controls and risk-mitigating measures are embedded in project delivery processes and corporate governance.

**Risk appetite and tolerance**
COWI's risk appetite reflects the company's ambition to grow sustainably while maintaining strong governance and operational discipline. We have a low tolerance for risks that may compromise project delivery, business integrity, data security, financial stability or our reputation. This includes risks related to health and safety, compliance, corruption, cybersecurity and significant project execution failures.

Risk appetite is reviewed regularly by the Executive Leadership Team and the Board of Directors as part of strategic planning, capital allocation and project-portfolio decisions.

**Risk management process**
We follow a structured process for risk management that includes:

- regular risk identification and assessment at both project and group levels
- use of risk registers for tracking identified risks, controls and mitigation status
- senior management review and approval of top risks and mitigation strategies.

**Project risk management**
Please see group key risks on page on COWI Group Annual Report page 55.

**COWI's internal control framework**
COWI's internal control framework for financial and ESG reporting follows the main principles of the Committee of Sponsoring Organizations (COSO) framework.





*Control environment*
The Audit Committee assists the Board of Directors in overseeing the internal controls and risk management framework. Operationally, this task is delegated to the Group CFO, and the Finance team develops and drives the internal control agenda for financial reporting. (Reference is made to page 63 for sustainability governance and to page 72 for internal controls over sustainability reporting.)

*Control activities*
COWI's internal controls regarding financial reporting are based on the risks identified and assessed in the risk management process as well as during end-to-end walkthroughs of financial processes. Internal controls are implemented across all entities in the COWI Group and assigned to and executed by local Finance functions.

*Monitoring*
The COWI Group's financial compliance team performs annual compliance reviews to ensure proper financial controls performance, risk mitigation, and compliance with COWI's financial policies and procedures. As a result of the review, recommendations for improvements are agreed upon with relevant stakeholders and are followed up on a regular basis.

*Information and communication*
Communication regarding processes, policies, procedures and internal controls is performed in a timely and continuous manner across all levels of the organisation. The results of compliance reviews and the status of financial risk mitigation are reported to the local Finance management, the Group CFO and the Audit Committee.

# Recommendations on Corporate Governance

The Recommendations on Corporate Governance issued by the Danish Committee on Corporate Governance have for many years been actively applied by the Board of Directors of COWI Holding A/S in the governance of the company. The Recommendations serve as guidance for establishing management structures, defining responsibilities and procedures, and ensuring that the Board acts in accordance with the underlying principles and intentions of the Recommendations.

The full text of the Recommendations is available at https://corporategovernance.dk

The company's adherence to the codex is described in the table below.

## 1. Interaction with the company's shareholders, investors and other stakeholders

| Recommendation | The company complies | The company explains | |
|---|---|---|---|
| | | Why | How |
| **1.1. Communication with the company's shareholders, investors and other stakeholders** | | | |
| **1.1.1. The Committee recommends** that the management through ongoing dialogue and interaction ensures that shareholders, investors and other stakeholders gain the relevant insight into the company's affairs, and that the board of directors obtains the possibility of hearing and including their views in its work. | The management maintains an ongoing dialogue with the shareholders, investors and other stakeholders through various channels including the company's website, newsletters, interviews and social media.<br>COWI's web-based shareholder universe is regularly updated with relevant information about the company's affairs, just as a quarterly newsletter is sent to the company's shareholders. | | |
| **1.1.2. The Committee recommends** that the company adopts policies on the company's relationships with its shareholders, investors and if relevant other stakeholders in order to ensure that the various interests are included in the company's considerations and that such policies are made available on the company's website. | Among other things, the board of directors has adopted a corporate communication policy that sets the framework for COWI's communication and dialogue with its shareholders and other stakeholders.<br><br>The policy is available on the company's website. | | |
| **1.1.3. The Committee recommends** that the company publishes quarterly reports. | | COWI has assessed the need and decided that only half-yearly announcements will be published. | The half-yearly announcements are supplemented by the quarterly newsletters sent to all shareholders. |

| Recommendation | The company complies | The company explains | |
|---|---|---|---|
| | | Why | How |
| **1.2. The general meeting** | | | |
| **1.2.1. The Committee recommends** that the board of directors organises the company's general meeting in a manner that allows shareholders, who are unable to attend the meeting in person or are represented by proxy at the general meeting, to vote and raise questions to the management prior to or at the general meeting. The Committee recommends that the board of directors ensures that shareholders can observe the general meeting via webcast or other digital transmission. | The company appreciates the value of active ownership and seeks to support engagement and dialogue with the shareholders. The management and the board of directors continuously consider how access to the general meetings can be facilitated in the best possible way for shareholders in Denmark and shareholders abroad alike.<br><br>Since 2021, all general meetings have been held as hybrid meetings with virtually access via webcast. Shareholders who are unable to attend the general meeting can choose to cast their votes and ask questions to management prior to the general meeting. | | |
| **1.2.2. The Committee recommends** that proxies and postal votes to be used at the general meeting enable the shareholders to consider each individual item on the agenda. | Both proxies and postal votes can be used at the general meeting, thus enabling shareholders to consider each individual item on the agenda. | | |
| **1.3. Takeover bids** | | | |
| **1.3.1. The Committee recommends** that the company has a procedure in place in the event of takeover bids, containing a "road map" covering matters for the board of directors to consider in the event of a takeover bid, or if the board of directors obtains reasonable grounds to suspect that a takeover bid may be submitted. In addition, it is recommended that it appears from the procedure that the board of directors abstains from countering any takeover bids by taking actions that seek to prevent the shareholders from deciding on the takeover bid, without the approval of the general meeting. | Together with the COWI Foundation, the board of directors has established a procedure covering potential takeovers. | | |
| **1.4. Corporate Social Responsibility** | | | |
| **1.4.1. The Committee recommends** that the board of directors adopts a policy for the company's corporate social responsibility, including social responsibility and sustainability, and that the policy is available in the management commentary and/or on the company's website. The Committee recommends that the board of directors ensures compliance with the policy. | COWI complies with the recommendation. All ESG policies are available on the company's website and the company reports annually on ESG (Integrated reporting with limited assurance).<br><br>Compliance is ensured through the implementation of various related policies and procedures as well as through communication about these policies and training of relevant employees.<br><br>The board of directors oversees both compliance with the ESG policies and the basis and correctness of the information presented in the annual reporting on ESG. | | |
| **1.4.2. The Committee recommends** that the board of directors adopts a tax policy to be made available on the company's website. | The board of directors has adopted a tax policy. The tax policy is available on the company's website. | | |

## 2. The duties and responsibilities of the board of directors

| Recommendation | The company complies | The company explains | |
|---|---|---|---|
| | | Why | How |
| **2.1. Overall tasks and responsibilities** | | | |
| **2.1.1. The Committee recommends** that the board of directors in support of the company's statutory objects according to its articles of association and the long-term value creation considers the company's purpose and ensures and promotes a good culture and sound values in the company. The company should provide an account thereof in the management commentary and/or on the company's website. | The company provides an account of the company's purpose as well its values, strategy and culture in the annual report. Further, information can be found on the company's website and in the annual report. | | |
| **2.1.2. The Committee recommends** that the board of directors at least once a year discusses and on a regular basis follows up on the company's overall strategic targets in order to ensure the value creation in the company. | The board of directors discusses and follows up on the company's overall strategic targets, which are discussed and defined at an annual board seminar. | | |
| **2.1.3. The Committee recommends** that the board of directors on a continuously basis takes steps to examine whether the company's share and capital structure supports the strategy and the long-term value creation in the interest of the company as well as the shareholders. The Committee recommends that the company gives an account thereof in the management commentary. | The board of directors assesses the company's capital and share structure annually and gives an account thereof in the management commentary. | | |
| **2.1.4. The Committee recommends** that the board of directors prepares and on an annual basis reviews guidelines for the executive management, including requirements in respect of the reporting to the board of directors. | The board of directors has adopted guidelines for the executive management, which, among other things, establish a framework for reporting to the board of directors and for communication in general between the board of directors and the executive management.<br><br>The guidelines for the executive management are an appendix to the rules of procedure of the board of directors. The board of directors reviews and approves the guidelines for the executive management annually as part of the rules of procedure of the board of directors. | | |
| **2.2. Members of the board of directors** | | | |
| **2.2.1. The Committee recommends** that the board of directors, in addition to a chairperson, appoints a vice chairperson, who can step in if the chairperson is absent and who can generally act as the chairperson's close sparring partner. | In addition to a chairperson, the board of directors has a vice-chairperson who can step in if the chairperson is absent. The vicechair person also acts as a closer sparring partner for the chairperson. This is stated in the company's articles of association as well as in the rules of procedure of the board of directors. | | |
| **2.2.2. The Committee recommends** that the chairperson in cooperation with the individual members of the board of directors ensures that the members update and supplement their knowledge of relevant matters, and that the members' special knowledge and qualifications are applied in the best possible manner. | A provision to this effect is included in the rules of procedure of the board of directors. | | |

| Recommendation | The company complies | The company explains | |
|---|---|---|---|
| | | Why | How |
| **2.2.3. The Committee recommends** that if the board of directors, in exceptional cases, requests a member of the board of directors to take on special duties for the company, for instance, for a short period to take part in the daily management of the company, the board of directors should approve this in order to ensure that the board of directors maintains its independent overall management and control function. It is recommended that the company publishes any decision on allowing a member of the board of directors to take part in the daily management, including the expected duration thereof. | The rules of procedure of the board of directors provides that neither the chairperson nor other members of the board of directors may take on special duties for the company or otherwise participate in the day-to-day management unless the board of directors exceptionally requests the chairperson or another member of the board of directors to do so.<br><br>In such a case, the board of directors shall at take the necessary precautions to ensure that the board of directors maintains its independent overall management and control function. | | |

## 3. The composition, organisation and evaluation of the board of directors

| Recommendation | The company complies | The company explains | |
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| | | Why | How |
| **3.1. Composition** | | | |
| **3.1.1. The Committee recommends** that the board of directors on an annual basis reviews and in the management commentary and/or on the company's website states<br>• which qualifications the board of directors should possess, collectively and individually, in order to perform its duties in the best possible manner, and<br>• the composition of and diversity on the board of directors. | The board of directors annually reviews the competency profile for the board of directors including which qualifications the board of directors should possess collectively and individually. The competency profile is published on the company's website, and the recommendation to the general meeting on the composition and diversity of the board of directors is taking this into account. The management commentary includes information about the composition and diversity of the board of directors including the board members' individual qualifications. | | |
| **3.1.2. The Committee recommends** that the board of directors on an annual basis discusses the company's activities in order to ensure relevant diversity at the different management levels of the company and adopts a diversity policy, which is included in the management commentary and/or available on the company's website. | The board of directors has adopted a Diversity and Inclusion Policy which can be found on the company's website, and information about the diversity at each management level is included in the management commentary. | | |

| Recommendation | The company complies | The company explains | |
|---|---|---|---|
| | | Why | How |
| **3.1.3. The committee recommends** that candidates for the board of directors are recruited based on a thorough process approved by the board of directors. The Committee recommends that in assessing candidates for the board of directors – in addition to individual competencies and qualifications – the need for continuity, renewal and diversity is also considered. | A competence profile for the board of directors has been prepared and published on the company's website, and the recommendation to the general meeting on the composition of the board of directors is prepared taking this profile into account. Both the company's articles of association and rules of procedure of the board of directors require a thorough and transparent process for the selection and nomination of candidates for the board of directors, which takes place in cooperation with the COWI Foundation.<br><br>When nominating new candidates, special emphasis is placed on experience from significant positions either within the group or from management or board work from the business community in the group's geographical field of activity.<br><br>The aim is for half of the members elected by the general meeting to possess extensive experience from management or board work in the consultancy business or a similar knowledge-based industry. The competence profile can be found on the company's website. | | |
| **3.1.4. The Committee recommends** that the notice convening general meetings, where election of members to the board of directors is on the agenda - in addition to the statutory items - also includes a description of the proposed candidates'<br>• qualifications,<br>• other managerial duties in commercial undertakings, including board committees,<br>• demanding organisational assignments and<br>• independence. | Together with the notice convening the general meeting, a description of the nominated candidates' qualifications, other managerial positions, demanding organisational assignments and independence are provided. | | |
| **3.1.5. The Committee recommends** that members to the board of directors elected by the general meeting stand for election every year at the annual general meeting, and that the members are nominated and elected individually. | According to the company's articles of association members of the board of directors stands for election every year at the annual general meeting, just as candidates are nominated and elected individually. | | |

| Recommendation | The company complies | The company explains | |
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| | | Why | How |
| **3.2. The board of director's independence** | | | |
| **3.2.1. The Committee recommends** that at least half of the members of the board of directors elected in general meeting are independent in order for the board of directors to be able to act independently avoiding conflicts of interests.<br>In order to be independent, the member in question may not:<br>• be or within the past five years have been a member of the executive management or an executive employee in the company, a subsidiary or a group company,<br>• within the past five years have received large emoluments from the company/group, a subsidiary or a group company in another capacity than as member of the board of directors,<br>• represent or be associated with a controlling shareholder,<br>• within the past year have had a business relationship (e.g. personally or indirectly as a partner or an employee, shareholder, customer, supplier or member of a governing body in companies with similar relations) with the company, a subsidiary or a group company, which is significant for the company and/or the business relationship,<br>• be or within the past three years have been employed with or a partner in the same company as the company's auditor elected in general meeting,<br>• be a CEO in a company with cross-memberships in the company's management,<br>• have been a member of the board of directors for more than twelve years, or<br>• be closely related to persons, who are not independent, cf. the above-stated criteria.<br>Even if a member of the board of directors does not fall within the above-stated criteria, the board of directors may for other reasons decide that the member in question is not independent. | COWI complies with the recommendation, as six out of six board members elected by the general meeting are independent. | | |
| **3.2.2. The Committee recommends** that members of the executive management are not members of the board of directors and that members retiring from the executive management does not join the board of directors immediately thereafter. | COWI complies with the recommendation as members of the executive management are not members of the board of directors, just as members retiring from the executive management do not join the board of directors. | | |
| **3.3. Members of the board of directors and the number of other managerial duties** | | | |
| **3.3.1. The Committee recommends** that the board of directors and each of the members on the board of directors, in connection with the annual evaluation, cf. recommendation 3.5.1., assesses how much time is required to perform the board duties. The aim is for the individual member of the board of directors not to take on more managerial duties than the board member in question is able to perform in a satisfactory manner. | Each member of the board of directors has undertaken not to take on more managerial duties than the duties as a member of COWI's board of directors can be performed in a satisfactory manner for the company.<br><br>As part of the annual evaluation the board of directors - and each individual board member - assesses how much time is required to perform as a board member in a satisfactory manner. | | |

| Recommendation | The company complies | The company explains | |
|---|---|---|---|
| | | Why | How |
| **3.3.2. The Committee recommends** that the management commentary, in addition to the statutory requirements, contains the following information on the individual members of the board of directors:<br>• position, age and gender,<br>• competencies and qualifications relevant to the company,<br>• independence,<br>• year of joining the board of directors,<br>• year of expiry of the current election period,<br>• participation in meetings of the board of directors and committee meetings,<br>• managerial duties in other commercial undertakings, including board committees, and demanding organisational assignments, and<br>• the number of shares, options, warrants, etc. that the member holds in the company and its group companies and any changes in such holdings during the financial year. | The management commentary contains the recommended information about the members of the board of directors. | | |
| **3.4. Board committees** | | | |
| **3.4.1. The Committee recommends** that the management describes in the management commentary:<br>• the board committees' most significant activities and number of meetings in the past year, and<br>• the members on the individual board committees, including the chairperson and the independence of the members of the committee in question.<br>In addition, it is recommended that the board committees' terms of reference are published on the company's website. | The management commentary contains the recommended information, and the Audit Committee Charter is published on the company's website. | | |
| **3.4.2. The Committee recommends** that board committees solely consist of members of the board of directors and that the majority of the members of the board committees are independent. | Only members of the board of directors are members of the board committees and all members are independent | | |
| **3.4.3. The Committee recommends** that the board of directors establishes an audit committee and appoints a chairperson of the audit committee, who is not the chairperson of the board of directors. The Committee recommends that the audit committee, in addition to its statutory duties, assists the board of directors in:<br>• supervising the correctness of the published financial information, including accounting practices in significant areas, significant accounting estimates and related party transactions,<br>• reviewing internal control and risk areas in order to ensure management of significant risks, including in relation to the announced financial outlook,<br>• assessing the need for internal audit,<br>• performing the evaluation of the auditor elected by the general meeting,<br>• reviewing the auditor fee for the auditor elected by the general meeting,<br>• supervising the scope of the non-audit services performed by the auditor elected by the general meeting, and | The board of directors has established an audit committee and appointed a chairperson who is not the chairperson of the board of directors. The duties of the audit committee include, among others, assistance to the board of directors in connection with the financial and sustainability reporting, internal controls, and risk management. The audit committee charter can be found on the company's website. | | |

| Recommendation | The company complies | The company explains | |
|---|---|---|---|
| | | Why | How |
| • ensuring regular interaction between the auditor elected by the general meeting and the board of directors, for instance, that the board of directors and the audit committee at least once a year meet with the auditor without the executive management being present.<br>If the board of directors, based on a recommendation from the audit committee, decides to set up an internal audit function, the audit committee must:<br>• prepare terms of reference and recommendations on the nomination, employment and dismissal of the head of the internal audit function and on the budget for the department,<br>• ensure that the internal audit function has sufficient resources and competencies to perform its role, and<br>• supervise the executive management's follow-up on the conclusions and recommendations of the internal audit function. | | | |
| **3.4.4. The Committee recommends** that the board of directors establishes a nomination committee to perform at least the following preparatory tasks:<br>• describing the required qualifications for a given member of the board of directors and the executive management, the estimated time required for performing the duties of this member of the board of directors and the competencies, knowledge and experience that is or should be represented in the two management bodies,<br>• on an annual basis evaluating the board of directors and the executive management's structure, size, composition and results and preparing recommendations for the board of directors for any changes,<br>• in cooperation with the chairperson handling the annual evaluation of the board of directors and assessing the individual management members' competencies, knowledge, experience and succession as well as reporting on it to the board of directors,<br>• handling the recruitment of new members to the board of directors and the executive management and nominating candidates for the board of directors' approval,<br>• ensuring that a succession plan for the executive management is in place,<br>• supervising executive managements' policy for the engagement of executive employees, and<br>• supervising the preparation of a diversity policy for the board of directors' approval. | The board of directors has established a combined nomination and remuneration committee to, among others, perform the preparatory tasks in connection with describing the required qualifications for the members of the board directors and the executive management, the annual evaluation process, recruitments, succession planning and the diversity policy. | | |
| **3.4.5. The Committee recommends** that the board of directors establishes a remuneration committee to perform at least the following preparatory tasks:<br>• preparing a draft remuneration policy for the board of directors' approval prior to the presentation at the general meeting,<br>• providing a proposal to the board of directors on the remuneration of the members of the executive management,<br>• providing a proposal to the board of directors on the remuneration of the board of directors prior to the presentation at the general meeting,<br>• ensuring that the management's actual remuneration complies with the company's remuneration policy and the evaluation of the individual member's performance, and<br>• assisting in the preparation of the annual remuneration report for the board of directors' approval prior to the presentation for the general meeting's advisory vote. | The board of directors has established a combined nomination and remuneration committee to, among others, perform the preparatory tasks in connection with the company's remuneration policy, ensure that the actual renumeration complies with the remuneration policy and that the actual remuneration is reported correctly in the annual accounts. | | |

| Recommendation | The company complies | The company explains | |
|---|---|---|---|
| | | Why | How |
| **3.5. Evaluation of the board of directors and the executive management** | | | |
| **3.5.1. The Committee recommends** that the board of directors once a year evaluates the board of directors and at least every three years engages external assistance in the evaluation. The Committee recommends that the evaluation focuses on the recommendations on the board of directors' work, efficiency, composition and organisation, cf. recommendations 3.1.-3.4. above, and that the evaluation as a minimum always includes the following topics:<br>• the composition of the board of directors with focus on competencies and diversity<br>• the board of directors and the individual member's contribution and results,<br>• the cooperation on the board of directors and between the board of directors and the executive management,<br>• the chairperson's leadership of the board of directors,<br>• the committee structure and the work in the committees,<br>• the organisation of the work of the board of directors and the quality of the material provided to the board of directors, and<br>• the board members' preparation for and active participation in the meetings of the board of directors. | The rules of procedure of the board of directors establishes the framework for an annual evaluation of the board of directors and members of the executive management as well as the cooperation between the two management bodies.<br><br>The board of directors may decide to engage external assistance, however this is done at least every three years. | | |
| **3.5.2. The Committee recommends** that the entire board of directors discusses the result of the evaluation of the board of directors and that the procedure for the evaluation and the general conclusions of the evaluation are described in the management commentary, on the company's website and at the company's general meeting. | The results of evaluations are discussed by the entire board, and the evaluation process and overall conclusions are described in the management commentary. In addition, the chairperson will report on the board evaluation at the general meeting prior to election of members to the board of directors. | | |
| **3.5.3. The Committee recommends** that the board of directors at least once a year evaluates the work and results of the executive management according to preestablished criteria, and that the chairperson reviews the evaluation together with the executive management. In addition, the board of directors should on a continuous basis assess the need for changes in the structure and composition of the executive management, including in respect of diversity, succession planning and risks, in light of the company's strategy. | At least once a year, the board of directors evaluates the work and results of the executive management based on predefined criteria. In this connection the board of directors also discusses the composition and performance of the executive management as well as risks and succession plans. | | |

## 4. Remuneration of management

| Recommendation | The company complies | The company explains | |
|---|---|---|---|
| | | Why | How |
| **4.1. Remuneration of the board of directors and the executive management** | | | |
| **4.1.1. The Committee recommends** that the remuneration for the board of directors and the executive management and the other terms of employment/service is considered competitive and consistent with the company's long-term shareholder interests. | The remuneration policy for the company's board of directors and executive management is clear and transparent and is designed to optimise long-term value creation at group level. The remuneration policy has been adopted by the general meeting and can be found on the company's website. | | |
| **4.1.2. The Committee recommends** that share-based incentive schemes are revolving, i.e. that they are periodically granted, and that they primarily consist of long-term schemes with a vesting or maturity period of at least three years. | The share-based incentive programme complies with the recommendations. | | |
| **4.1.3. The Committee recommends** that the variable part of the remuneration has a cap at the time of grant, and that there is transparency in respect of the potential value at the time of exercise under pessimistic, expected and optimistic scenarios. | The remuneration policy has been prepared and adopted in accordance with the recommendation. | | |
| **4.1.4. The Committee recommends** that the overall value of the remuneration for the notice period, including severance payment, in connection with a member of the executive management's departure, does not exceed two years' remuneration including all remuneration elements. | The overall value of the remuneration for the notice period, including severance payment, does not exceed two years' remuneration. | | |
| **4.1.5. The Committee recommends** that members of the board of directors are not remunerated with share options and warrants. | Members of the board of directors are not remunerated with share options or warrants. | | |
| **4.1.6. The Committee recommends** that the company has the option to reclaim, in whole or in part, variable remuneration from the board of directors and the executive management if the remuneration granted, earned or paid was based on information, which subsequently proves to be incorrect, or if the recipient acted in bad faith in respect of other matters, which implied payment of a too large variable remuneration. | The remuneration policy has been prepared and adopted in accordance with the recommendation. The board of directors may decide to lay down specific terms governing the termination of variable remuneration and may also, under certain circumstances, decide to recover or 'claw back' already granted, earned, or paid variable remuneration. | | |

## 5. Risk management

| Recommendation | The company complies | The company explains | |
|---|---|---|---|
| | | Why | How |
| **5.1. Identification of risks and openness in respect of additional information** | | | |
| **5.1.1. The Committee recommends** that the board of directors based on the company's strategy and business model considers, for instance, the most significant strategic, business, accounting and liquidity risks. The company should in the management commentary give an account of these risks and the company's risk management. | The company's most significant strategic, financial and operational risks are identified and discussed on an ongoing basis. In addition, the board of directors defines the company's risk policy and decides on the company's risk appetite. The management commentary gives and account of these risks as well as the company's risk management. | | |
| **5.1.2. The Committee recommends** that the board of directors establishes a whistleblower scheme, giving the employees and other stakeholders the opportunity to report serious violations or suspicion thereof in an expedient and confidential manner, and that a procedure is in place for handling such whistleblower cases. | Since 2009 COWI has had a whistleblower scheme in the form of a web-based hotline giving the employees and other relevant stakeholders the opportunity to report serious violations or suspicions. The hotline can be accessed via the following link: Whistleblower. | | |

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