



## **Corporate governance in Aarsleff**

Aarsleff's Board of Directors and Executive Management attach great importance to good corporate governance. With few exceptions, the Management has therefore decided to follow the recommendations of the Copenhagen Stock Exchange on good corporate governance.

### **Relations to shareholders**

Aarsleff was founded in 1947, and revenue as well as profit have been growing steadily ever since. The company was introduced to the Copenhagen Stock Exchange in 1984. Subsequently, the share capital has been further increased and today totals DKK 45.3 million, distributed on 2.7 million unlisted A shares carrying a voting right of 10 per share and 42.3 million listed B shares carrying a voting right of one per share.

It is the opinion of the Management that such distribution of the voting rights provides the required peace and competence for the company to reach its strategic goals, the results of which are reflected in the positive development of the company.

The supreme authority of the company is vested in the General Meeting. The Board of Directors convenes the shareholders to the General Meeting with sufficient notice. The convening notice also contains information about the items on the agenda.

### **Relations to partners**

The mission statement of the Aarsleff Group involves a wish to be known for ....

- being people who can be trusted
- giving job satisfaction and development a high priority
- possessing the engineering and contracting qualifications of the future
- having high standards of project management and professional cooperation
- being a professional and reliable business partner
- considering the world our place of work.

Aarsleff's mission statement materialises, in relation to our partners, in the professionalism shown in the execution of our work and through our respect for customers, colleagues within the business and our employees. Aarsleff offers attractive work places in which safety, job satisfaction and lifelong development are given pride of place. Through our work, Aarsleff wants to compare with the best within the business. This goes for the professional implementation of our work as well as profitable growth, competitiveness and a sound financial situation.

The Aarsleff Code of Conduct states the general principles of the company's way of working. The Board of Directors of the company has approved the principles, which have subsequently been communicated to the employees. Aarsleff's Code of Conduct can be accessed on Aarsleff's homepage - [www.aarsleff.com](http://www.aarsleff.com).

The Aarsleff Code of Conduct determines the rules of good behaviour with respect to employees, environment and ethics as a condition of any cooperation in which Aarsleff participates.

The principles and rules have been prepared in accordance with the UN's Universal Declaration of Human Rights, the ILO Convention and UNICEF's Convention on the Rights of the Child.

### **Openness and transparency**

Aarsleff has established an Investor Relations Policy for the communication of information to shareholders, investors and partners. The policy is available to all interested parties.

The Group publishes quarterly reports on the financial results and communicates on a current basis with investors and other partners.

Aarsleff's homepage - [www.aarsleff.com](http://www.aarsleff.com) - contains elaborating information on the business areas of the Group as well as on the financial situation in Danish and in English.

### **Tasks and responsibilities of the Board of Directors**

The Board of Directors determines the mission statement as well as the general objectives and strategies for the Aarsleff Group. The Board of Directors handles the managerial control of the company and evaluates the work of the Executive Management on a current basis.

Board meetings are held at least five times a year with the participation of the Executive Management. The chairman and the deputy chairman are responsible for the satisfactory function of the Board of Directors at all times.



A Committee has been established with the purpose of keeping contact to the Company's auditor and preparing audit engagement letters, engaging in nominations for the Board of Directors and remuneration to the Board of Directors and the Executive Management.

The business procedure of the Board of Directors is reviewed annually to ensure that it satisfies the demands of the company. Guidelines have been prepared as to the reporting from the Executive Management to the Board of Directors as well as for the communication between the Board of Directors and the Executive Management.

#### **Composition of the Board of Directors**

The Board of Directors consists of four external board members, elected by the General Meeting for one year at a time. In addition, there are currently three board members elected by the staff for a four-year term. Jens Bigum and Niels S. Møller are considered to be independent.

The Board of Directors carries out a self-assessment process once a year along with an annual evaluation of the Executive Management's work and the cooperation between the Executive Management and the Board of Directors.

The competences represented in the Board of Directors have been described. In the procedures for recommendation of new candidates to the Board of Directors, we try to safeguard the principle of representing all important competences so that the Board can continue to carry out its work in the best possible way.

In the business procedure the company has established an age limit for the work of the board members of the company. Board members cannot be elected or re-elected after the year they turn 70.

#### **Remuneration of the Board of Directors and the Executive Management**

The Board of Directors and the Executive Management receive a fixed annual remuneration which is stated in the annual report.

The specific employment terms of the Executive Management are assessed annually by the Committee established for this purpose to ensure that the terms are in accordance with market practice and that they are a reflection of the efforts required by the Executive Management.

No incentive programmes have been established for the Board of Directors, the Executive Management or other executive employees. The Group has no share option schemes or similar. The section on shareholder information in the Annual Report contains information on the Board of Directors' total holding of shares in the company, but the Board of Directors does not consider it useful to disclose information on individual members' holdings.

No extraordinary redundancy schemes or other agreements imposing extraordinary obligations on the company have been made with the Board of Directors, the Executive Management or other executive employees.

The policy on remuneration of the Board of Directors and the Executive Management has not been changed as compared to the last financial year and is not expected to be changed in this present financial year or the coming financial year.

The company has not, in accordance with the recommendations, specified the remuneration to the individual board members or the remuneration to the individual members of the Executive Management, as the Board of Directors does not find such specification relevant and appropriate.

#### **Risk management**

The Annual Report includes separate information on the most significant commercial and financial risks that may affect the company.

#### **Audit**

For the audit of the Annual Report, the General Meeting of the company elects one state authorized public accountant for a period of one year, following a recommendation from the Board of Directors.

Prior to the recommendation, the Board of Directors performs an assessment of the auditor's competence and independence.