

Statutory report on Corporate Governance 2012, cf. section 107b of the Danish Financial Statements Act

Statutory report on the recommendations from the Committee on Corporate Governance.

This statutory report constitutes part of the management's report to the Annual Report for Columbus A/S. This statutory report covers the fiscal year 1 January 2012 to 31 December 2012.

Columbus' management model and organization are adapted on an ongoing basis to ensure we are equipped to manage to our utmost all obligations to shareholders, customers, employees, authorities, as well as other interested parties. In this process, Columbus uses the corporate governance recommendations from NASDAQ OMX Copenhagen A/S as an important source of inspiration. The recommendations can be found at www.corporategovernance.dk.

The Board of Directors is fundamentally in total agreement with NASDAQ OMX Copenhagen A/S's recommendations about good company management. Columbus endeavors to follow the relevant recommendations for the company, which support the business and ensure value for the company's interested parties.

With the exception of section 2 in this report, the report is covered by the auditor's remarks about the management's report.

Recommendation	The company complies	The company does not comply	<p>The company complies/does not comply with the recommendation due to the following reason:</p> <p>According to the Danish Financial Statement Act sec.107b (1)(3), the company must state the reason for not complying with certain parts of the recommendations. Here it is possible for the company to state why a certain recommendation has not been complied with, and what has been done instead.</p> <p>The company is not obliged to explain if a recommendation has been complied with. However, it may be advantageous to do so as it shows what the company is doing to comply with a certain recommendation. This may also be stated here.</p>
<p>1. The role of the shareholders and their interaction with the management of the company</p>			
<p><i>1.1. Dialogue between the company and its shareholders</i></p>			
<p>1.1.1. The Committee recommends 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>X</p>		<p><u>Interaction with shareholders and other interested parties</u></p> <p>Columbus wishes and works actively to retain a good communication and dialogue with shareholders and other interested parties. The company believes that a high degree of openness in the communication of information about the company's development supports the company's work and a fair measurement of the company's shares. The communication between Columbus and shareholders primarily takes place at the company's annual general meeting and via company announcements. Besides, Investor Relations on www.columbusglobal.com is regularly updated.</p> <p>Columbus' shareholders may subscribe to Columbus' e-mail service and receive company announcements, interim management statements, interim reports and annual reports as well as other news via e-mail.</p> <p>In connection with the annual general meeting, admission cards can be ordered and proxies submitted via Investor Relations on the website.</p>

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<i>1.2. Capital and share structure</i>			
1.2.1. The Committee recommends 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.	X		The Board of Directors and the Executive Board evaluates on an ongoing basis whether the group's capital structure is in accordance with the group's and the shareholders' interests. The overall objective is to ensure a capital structure that supports a long-term economic growth and simultaneously maximizes the return to the group's interested parties by optimizing the ratio between equity and debt. The group's overall strategy is unchanged in relation to earlier years.
<i>1.3. General Meeting</i>			
1.3.1. The Committee recommends that the supreme governing body and the executive board promote active ownership, including shareholders' attendance at general meetings.	X		Shareholders have the final authority over the company and exercise their right to make decisions regarding Columbus at the general meetings where, e.g. the annual report and hereby also the overall guidelines for the remuneration of the Board of Directors and the Executive Board, and changes to the company's Articles of Association are approved. Notice of the general meeting occurs electronically with at least three weeks' and at the most, five weeks' notice. All shareholders have the right to participate and vote at the general meeting, cf. the Articles of Association. Shareholders also have the opportunity to give proxy to the Board of Directors or others for every topic on the agenda. The general meeting gives the shareholders the opportunity to ask the Board of Directors and the Executive Board questions, just as before a given deadline, the shareholders can submit proposals that are requested to be handled at the general meeting. Annual report, agenda and other relevant material and information regarding the annual general meeting will be available at www.columbusglobal.com .

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1.3.2. The Committee recommends 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.	X		The Board of Directors and the Executive Board recommend that the general meeting be held physically in order to support the shareholders active ownership.
1.3.3 The Committee recommends that proxies given to the supreme governing body allow shareholders to consider each individual item on the agenda.	X		Shareholders have the opportunity to give proxy to the Board of Directors or others for every topic on the agenda at the general meeting. Proxy forms are available for the shareholders at www.columbusglobal.com . The proxy can be given to the Board of Directors or a third party.
1.3.4 The Committee recommends that all members of the supreme governing body and the executive board be present at the general meeting.	X		The Board of Directors encourages that all members of the Board of Directors and the Executive Board are present at the general meeting.
1.4. Takeover bids			
1.4.1 The Committee recommends 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.	X		If a third party takeover bid is made public the Board of Directors will respond to this in accordance to the law and the shareholders will be involved through the general meeting.
1.4.2. The Committee recommends 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.	X		When relevant the Board of Directors ensures that the shareholders are given the opportunity to decide whether they wish to assign their shares on the given terms.

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2. The role of stakeholders and their importance to the company and the company's corporate social responsibility			
<i>2.1. The company's policy in relation to its stakeholders</i>			
2.1.1. The Committee recommends that the central governing body identify the company's key stakeholders and their main interests in relation to the company.	X		The Board of Directors adopted an Investor Relations and Information policy in August 2012, which is available on www.columbusglobal.com under Investor Relations.
2.1.2. The Committee recommends 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.	X		The Board of Directors adopted an Investor Relations and Information policy in August 2012, which is available on www.columbusglobal.com under Investor Relations.
<i>2.2. Corporate social responsibility</i>			
2.2.1. The Committee recommends that the central governing body adopt a policy on corporate social responsibility.	X		Columbus has adopted a policy on corporate social responsibility. The CSR report describes the overall guidelines and standards in relation to responsible business conduct and how we wish to behave. The CSR report is published on www.columbusglobal.com under Investor Relations. In December 2012 Columbus joined the UN Global Compact and supports the ten general principles of corporate social responsibility.

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3. Openness and transparency			
<i>3.1. Disclosure of information to the market</i>			
3.1.1. The Committee recommends that the central governing body adopt a communication strategy.	X		<p>In August 2012 the Board of Directors adopted an Investor Relations and Information policy.</p> <p>It is Columbus A/S' policy to:</p> <ul style="list-style-type: none"> • Comply with "Disclosure requirements for issuers of shares" from NASDAQ OMX Copenhagen A/S • Pursue an open information policy in relation to all external stakeholders • Have an Investor Relations policy which is adjusted to the development of the Company and the market conditions in general • Have a management which is open and positive towards participation in meetings with investors, analysts, journalists etc. in order to communicate the strategy and development of the Company • Establish IR activities in order to promote interest in the Company from one or more analysts <p>In order to comply with the disclosure requirements Columbus has a silent period of three weeks prior to the publication of financial statements.</p> <p>All information which is considered essential for shareholders and the financial market to assess the company and its activities are published as soon as possible in accordance with the rules of NASDAQ OMX Copenhagen A/S.</p>

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			<p>Immediately after publication the information is available on the company's website. The Investor Relations and Information policy is published on www.columbusglobal.com under Investor Relations.</p>
<p>3.1.2. The Committee recommends that information from the company to the market be published in both Danish and English.</p>	<p>X</p>		<p>Announcements are published in Danish and in English and are made available on the company's website at the time of publication.</p>
<p>3.1.3. The Committee recommends that the company publish quarterly reports.</p>	<p>X</p>		<p>The company publishes annual and interim reports in accordance with International Financial Reporting Standards (IFRS) as adopted by EU and additional Danish interim reporting requirements for listed companies as formulated by NASDAQ OMX Copenhagen A/S.</p> <p>In the periods between publication of annual reports and interim reports, Columbus has chosen to publish interim management statements on the development of the company and relevant markets, as well as a general description of the group and its financial position and results, cf. the rules laid down by NASDAQ OMX Copenhagen A/S. These statements contain no financial information, as in Management's opinion the structure of the company, where peak seasons and volume historically have taken place in the second and fourth quarter, does not necessitate extensive reporting in the first and the third quarter.</p> <p>Besides from annual reports, interim reports and interim management statements, essential information of importance for how the shareholders and the financial markets evaluate the company is published separately.</p> <p>Annual reports are published via NASDAQ OMX Copenhagen A/S and are available on the company's website in PDF format for download.</p>

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4. The tasks and responsibilities of the supreme and the central governing bodies			
<i>4.1. Overall tasks and responsibilities</i>			
4.1.1. The Committee recommends 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.	X		Every year, at a meeting, the Board of Directors and group management discuss and decide on the overall strategic management of the group in order to ensure value creation in the company.
4.1.2. The Committee recommends 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.	X		<p>The Board of Directors receives updates on the liquidity and financial situation of the Company on a monthly basis. Together with the Executive Board the Board of Directors considers whether the financial resources of the Company are adequate at all times relative to the current and expected operating activities, operating risks and financing risks.</p> <p>The Board of Directors adapts the management model and organization in Columbus on an ongoing basis in order to ensure that the Company is equipped to the best possible extent to manage its obligations to its shareholders, customers, employees, authorities as well as other interested parties.</p>
4.1.3. The Committee recommends 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.	X		<p>On behalf of the shareholders, the Board of Directors attends to the overall management of Columbus and sets the objectives and strategies of the company as well as approves the overall budgets and plans of action.</p> <p>Furthermore, the Board of Directors supervises the company, in the broad sense, and checks that the company is managed in a responsible manner and in accordance with legislation and the Articles of Association.</p>

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			<p>Every year, at a board meeting, the Board of Directors discusses and decides on the overall strategic management of the group, and plan the level of internal reporting to ensure the satisfactory financial and managerial supervision of the company.</p> <p>The rules of procedure of the Board of Directors lay down detailed guidelines for its activities and duties, which are reviewed once a year with a view to matching the current needs of the company.</p>
<p>4.1.4. The Committee recommends that the supreme governing body annually discuss the company's activities to ensure diversity at management levels, including equal opportunities for both sexes, and that the supreme governing body set measurable objectives and in the management commentary in the annual report and/or on the company's website give an account of both the objectives and the progress made in achieving the objective.</p>		<p>X</p>	<p>The Board of Directors wants equal opportunities for both genders in the Company's executive management level and believes that diversity provides business value.</p> <p>In connection with appointment of executives, a careful assessment is conducted of which knowledge and professional experiences are needed with a view to ensuring the presence of the necessary competences on all executive management levels. It is important that the greatest management talents, irrespective of gender, achieve the highest executive positions.</p> <p>Columbus has no wish to favor one gender over another.</p> <p>The Board of Directors has therefore not imposed quotas for the number of female executives.</p> <p>The Board of Directors also discusses diversity with respect to board composition. Diversity is discussed in connection with assessments of new board candidates. However, this goal must not compromise the other recruitment criteria.</p>

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<i>4.2. Procedures</i>			
4.2.1. The Committee recommends 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.	X		The general guidelines for the Board of Directors' work are specified in the rules of procedure, which are reviewed at least once annually and are adapted to Columbus' needs.
4.2.2. The Committee recommends 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.	X		<p>The Board of Directors has prepared written instructions for the Executive Board, which describe the overall tasks, responsibility, board reporting and the authority of the Executive Board.</p> <p>The Board of Directors receives ongoing information about the company's circumstances. The information occurs systematically as well as at meetings and in written and verbal ongoing reporting. The Board of Directors receives a fixed monthly reporting, which among other things, contains information about the financial development as well as the most important activities and transactions.</p> <p>The Executive Board ensures that the Board of Directors is informed about significant events which may occur in between meetings.</p>

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<i>4.3. The chairman and deputy chairman of the supreme governing body</i>			
4.3.1. The Committee recommends 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.	X		The Board of Directors has elected Jørgen Cadovius as deputy chairman.
4.3.2. The Committee recommends the preparation of a scope of work and task list specifying the tasks, duties and responsibilities of the chairman and deputy chairman.	X		The Board of Directors has prepared a work and task description, which contains a description of the chairman of the Board of Directors' tasks, obligations and responsibilities. The deputy chairman assumes the roles described in the work and task description of the chairman, if the chairman is unavailable.
4.3.3. The Committee recommends that the chairman of the supreme governing body organize, 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.	X		The rules of procedure of the Board of Directors give clear direction on the distribution of tasks, procedures for summoning of meetings, agenda and reporting. The chairman of the Board of Directors ensures that the work of the Board of Directors is efficient and that work conditions are optimal.
4.3.4. The Committee recommends 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	X		The Company will follow this recommendation if relevant which it has not yet been.

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must be ensured between the chairman, the deputy chairman, the other members of the board of directors and the executive board. 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.			
5. Composition and organization of the supreme governing body			
<i>5.1. Composition</i>			
5.1.1. The Committee recommends 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.		X	<p>The Board of Directors evaluates on an ongoing basis if the competencies of the Board of Directors meet the requirements of the Company.</p> <p>Currently, the Board of Directors comprises five members with broad professional experience and relevant special competences elected by the general meeting.</p> <p>The members are elected by the general meeting for one year at a time with the option for re-election. The Board of Directors is composed of persons who have such insight and experience that when combined, the Board of Directors can attend to the shareholders' and the Company's interests in the best possible way. In connection with the nomination of new members, a careful assessment is conducted of which knowledge and professional experiences are needed with a view to ensuring the presence of the necessary competences in the Board of Directors. A number of recruitment criteria can be</p>

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			<p>established, but it is the opinion of the Board of Directors that it is neither appropriate nor relevant to prepare an exhaustive list of specific recruitment criteria. This means that the recommendation to provide information about the recruitment criteria established by the Board of Directors is not followed.</p> <p>With nomination for election at the general meeting, the Board of Directors publishes a description of the individual candidates' background, relevant competences as well as management experience prior to the meeting, just as the Board of Directors substantiates the nomination.</p>
<p>5.1.2. The Committee recommends 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.</p>	X		<p>With nomination for election at the general meeting, the Board of Directors publishes a description of the individual candidates' background, relevant competences as well as management experience prior to the meeting, just as the Board of Directors substantiates the nomination.</p> <p>When nominating new members the knowledge and professional experience needed to ensure the necessary competencies in the Board of Directors are carefully assessed. Gender, age and nationality are not qualifications alone, but are part of the total assessment of the competencies of a board candidate.</p>
<p>5.1.3. The Committee recommends 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 organizational tasks</p>	X		<p>With nomination for election at the general meeting, the Board of Directors publishes a description of the individual candidates' background, relevant competences as well as management experience prior to the meeting, just as the Board of Directors substantiates the nomination.</p>

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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 recommends 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.	X		The composition of the Board of Directors seeks to explore different competencies. Information about the members of the Board of Directors is available in the annual report for 2012 as well as on the Company's website.
<i>5.2. Training of members of the supreme governing body</i>			
5.2.1. The Committee recommends that new members joining the supreme governing body be given an introduction to the company.	X		The Board of Directors has adopted a plan for introduction of new members. The plan describes the introduction process for new members, and thus it is ensured that new members are introduced to both practical aspects of the work of the Board of Directors, the structure and strategy of the group, the composition of the Board of Directors as well as to the group's accounts and financial development and controlling authorities. From the plan it also appears who is responsible for introducing new members to which areas. In addition, meetings and monthly reporting from the Executive Board ensures a good understanding of the Company's business, goals and strategy.
5.2.2. The Committee recommends that the supreme governing body annually assess whether the skills and expertise of its members need to be updated.	X		Every year, the Board of Directors assesses whether the competences and expertise of members need to be updated. This assessment takes place in relation with the annual evaluation of the Board of Directors' work.

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<i>5.3. Number of members of the supreme governing body</i>			
5.3.1. The Committee recommends that the supreme governing body have only so many members as to allow a constructive debate and an effective decision-making process enabling all members to play an active role.	X		Currently, the Board of Directors comprises five members with broad professional experience and relevant special competences elected by the general meeting which is considered adequate.
5.3.2. The Committee recommends 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.	X		The Board of Directors assesses the size of the board every year in connection with the general meeting.
<i>5.4. The independence of the supreme governing body</i>			
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: <ul style="list-style-type: none"> be, or have been within the last five years, a member of the executive board/managerial staff of the company or an associated company, 	X		Three of the five members elected by the general meeting are deemed as being independent; cf. recommendations from NASDAQ OMX Copenhagen A/S. This concerns Jørgen Cadovius, Peter Skov Hansen and Ulla Krossteig. A member of the Board of Directors elected by the general meeting, Sven Madsen, is CFO in Consolidated Holdings A/S, which is the main shareholder in the company and is therefore not considered independent. Finally, the member, Ib Kunøe, is not considered as being independent as he is the main shareholder in the company. The Board of Directors is presented in the Annual Report 2012 with the recommended information. This information is also available on the

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<ul style="list-style-type: none"> • 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. 			<p>Company's website.</p> <p>The Board of Directors is presented in the annual report 2012 with the recommended information. The information is also available at the Company's website.</p>
<p>5.4.2. The Committee recommends that at least once every year, the supreme governing body list the names of the members who are regarded as</p>	X		<p>Once a year in connection with the publication of the statutory report on corporate governance the Company lists the names of the members who are regarded as independent.</p>

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independent persons and also disclose whether new candidates for the supreme governing body are considered independent persons.			
<i>5.5. Members of the supreme governing body elected by the employees</i>			
5.5.1. The Committee recommends 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.	X		According to Danish legislation, employees in Danish companies are entitled to elect a number of members to the Board of Directors corresponding to half of the number of members who are elected by the general meeting. Employees in Columbus have not elected any members.
<i>5.6. Meeting frequency</i>			
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.	X		<p>In 2012, eight meetings were held, cf. the financial calendar, and three extraordinary board meetings.</p> <p>In 2012, there have been four non-attendances at the meetings. Group management participates in the meetings and has right of discussion, which ensures that the Board of Directors is well-informed about the Company's operation.</p> <p>On a board meeting in December, the Board of Directors schedules the board meetings for the coming year in the Financial Calendar. Each year, eight ordinary board meetings are held, typically in March, April, June, August, November and December. A conference call may constitute a meeting.</p>

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<i>5.7. Expected time commitment and the number of other executive functions</i>			
5.7.1. The Committee recommends 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.	X		In connection with the general meeting each member assesses the extent of the member's workload as well as whether or not the duty can be carried out in a, for the Company, satisfactory manner.
5.7.2. The Committee recommends that the annual report contain the following information about the members of the supreme governing body: <ul style="list-style-type: none"> • the member's occupation, • 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 organizational tasks, and • the number of shares, options, warrants, etc. that the member holds in the company and its consolidated companies and any changes in such holdings during the financial year. 	X		The Board of Directors is presented in the annual report 2012 with the recommended information. The information is also available at the Company's website except for information concerning number of shares etc.

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<i>5.8. Retirement age</i>			
5.8.1. The Committee recommends 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.		X	Columbus has no age limit for the Board of Directors as the Company believes that what is crucial is each member of the body's commitment, efforts and competences – not the age of the member.
<i>5.9. Election period</i>			
5.9.1. The Committee recommends that members of the supreme governing body elected by the general meeting be up for re-election every year at the annual general meeting.	X		The members of the Board of Directors are elected by the general meeting for one year at a time with the possibility of re-election.
5.9.2. The Committee recommends 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.	X		The annual report and the website contain information about the time of the member joining the Board of Directors, and whether the member has been re-elected. The board members are elected by the general meeting for one year at a time with the possibility of re-election. Thus, the election period starts from the date of the annual general meeting.
<i>5.10. Board committees</i>			
5.10.1. The Committee recommends that the company publish the following information in the management commentary in its annual report or on the company's website:		X	In 2009 the Board of Directors appointed an audit committee, the purpose of which is to consider accounting, audit, risk and controlling issues. The audit committee consists of the members Sven Madsen, Ulla Krossteig and Peter Skov Hansen (chairman of the audit committee) who is also an independent member of the Board of Directors. The tasks of the audit committee have been

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<ul style="list-style-type: none"> the terms of reference for the board committees, important activities of the committees during the year and the number of meetings held by each committee, and 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. 			<p>determined in a terms of reference which have been approved by the by the Board of Directors. The committee determines the meeting frequency. In 2012 three meetings were held in the audit committee.</p> <p>The Company has not deemed it relevant to publish the terms of reference.</p> <p>Columbus has so far not found it necessary to form further committees under the Board of Directors. Instead, in actual cases the Executive Board has drawn on special competences from the members of the Board of Directors.</p>
5.10.2. The Committee recommends that a majority of the members of a board committee be independent members.	X		The majority of the members of the audit committee (Ulla Krossteig and Peter Skov Hansen) are considered independent members. Columbus has so far not found it necessary to form further committees under the Board of Directors.
5.10.3. The Committee recommends that the supreme governing body establish an actual <u>audit committee</u> .	X		In 2009 the Board of Directors appointed an audit committee, the purpose of which is to consider accounting, audit, risk and controlling issues. The audit committee consists of the board members Sven Madsen, Ulla Krossteig and Peter Skov Hansen (chairman of the audit committee).
5.10.4. The Committee recommends that the following be taken into account in composing the audit committee: <ul style="list-style-type: none"> the chairman of the supreme governing body should not be chairman of the audit committee, and between them, the members should possess such an amount of expertise and 	X		<p>The Board of Directors appoints the chairman of the audit committee who is independent and not chairman of the board at the same time.</p> <p>The audit committee consists of Sven Madsen who was as CFO of Columbus up to 31 December 2007, Ulla Krossteig and Peter Skov Hansen who are both previous state authorized public accountants. All three members thus have vast experience and competencies within financial affairs.</p>

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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.			
5.10.5. The Committee recommends 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: <ul style="list-style-type: none"> • significant accounting policies • significant accounting estimates, • related party transactions, and • uncertainties and risks, including in relation to the outlook. 	X		The tasks of the audit committee have been determined in the terms of reference which have been approved by the Board of Directors. The committee determines the meeting frequency. Meetings are normally held before and on the same date as board meetings.
5.10.6. The Committee recommends that the audit committee: <ul style="list-style-type: none"> • annually consider whether there is a need for an internal audit function, and if so, • formulate recommendations on selecting, appointing and removing the head of the internal audit function and on the budget of the internal audit function, and • monitor the executive board's follow-up on the conclusions and recommendations of the internal audit function. 	X		Due to the size of the Company the audit committee considers it unnecessary to establish an independent internal executive audit board. As a compensating control the Company has a group finance function which continuously performs controller visits at the Company's subsidiaries.

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<p>5.10.7. The Committee recommends 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"> • 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. • 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, • annually evaluate the skills, knowledge and experience of the individual members of the governing bodies and report such details to the supreme governing body, • 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 		X	Columbus has so far not found it necessary to form further committees under the Board of Directors. Instead, in actual cases the Executive Board has drawn on special competences from the members of the Board of Directors.

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governing body candidates for the governing bodies.			
<p>5.10.8. The Committee recommends 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"> • 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, • 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 • oversee that the information in the annual report on the remuneration of the supreme 		X	Columbus has so far not found it necessary to form further committees under the Board of Directors. Instead, in actual cases the Executive Board has drawn on special competences from the members of the Board of Directors.

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governing body and the executive board is correct, true and sufficient.			
5.10.9. The Committee recommends that the remuneration committee do not consult with the same external advisers as the executive board of the company.		X	Columbus has so far not found it necessary to form further committees under the Board of Directors. Instead, in actual cases the Executive Board has drawn on special competences from the members of the Board of Directors.
<i>5.11. Evaluation of the performance of the supreme governing body and the executive board</i>			
5.11.1. The Committee recommends 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.	X		Once a year the Board of Directors in Columbus performs a formalized self-assessment. This also applies for the work of the Executive Board and the cooperation between the Executive Board and the Board of Directors.
5.11.2. The Committee recommends 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.		X	The chairman of the board manages the self-assessment and presents the results of the assessment on a meeting. It is not deemed relevant to publish the result of the evaluation.
5.11.3. The Committee recommends 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.	X		Once a year the Board of Directors in Columbus performs a formalized self-assessment. This also applies for the work of the Executive Board and the cooperation between the Executive Board and the Board of Directors. The chairman of the body presents the results of the assessments on a meeting.

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5.11.4. The Committee recommends that the executive board and the supreme governing body establish a procedure according to which their cooperation is evaluated annually through a formalized 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.	X		Once a year the Board of Directors in Columbus performs a formalized self-assessment. This also applies for the work of the Executive Board and the cooperation between the Executive Board and the Board of Directors. The chairman of the board presents the results of the assessments on a meeting.
6. Remuneration of members of the governing bodies			
<i>6.1. Content and form of the remuneration policy</i>			
6.1.1. The Committee recommends that the supreme governing body adopt a remuneration policy applicable to the supreme governing body and the executive board.	X		In 2012 new guidelines for incentive programs were adopted by the general meeting. The new guidelines cover the Company's overall guidelines for incentive programs for the Board of Directors, the Executive Board and its subsidiaries. The guidelines for incentive programs are published at www.columbusglobal.com under Investor Relations. It is ensured that the remuneration of the Board of Directors and Executive Board is in accordance with the general practice in the market and reflects the efforts required. The total remuneration paid to the Board of Directors appears from note 5 in the Annual Report 2012 and amounted to DKK 875,000 in 2012.
6.1.2. The Committee recommends that the remuneration policy and any changes to the policy be approved by the general meeting of the company.	X		In 2012 new guidelines for incentive programs were adopted by the general meeting. The new guidelines cover the Company's overall guidelines for incentive programs for the Board of Directors, the Executive Board and its subsidiaries.

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			<p>Any changes to the guidelines for incentive programs will be submitted for approval on the first general meeting.</p> <p>The remuneration of the entire Board of Directors for the previous year and for a comparative year is stated in note 5 of the Annual Report 2012.</p> <p>In this way, the annual general meeting can determine whether the remuneration is reasonable. Unless special conditions apply, the chairman of the board will not elaborate on the guidelines for incentive programs in his report to the annual general meeting.</p> <p>Company finds that there is no useful or fair reason to publish information about remuneration to individuals.</p>
<p>6.1.3. Committee recommends 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.</p>	<p>X</p>		<p>The members of the Board of Directors receive a fixed basic remuneration.</p> <p>The guidelines for incentive programs contain a thorough description of the components of the remuneration for the members of the Board of Directors and Executive Board.</p>
<p>6.1.4. The Committee recommends that the remuneration policy include:</p> <ul style="list-style-type: none"> • the reasons for choosing the individual components of the remuneration, and • a description of the criteria on which the balance between the individual components of the remuneration is based. 		<p>X</p>	<p>The principles of Columbus Group's guidelines for incentive programs reflect the objective regarding a proper governance process and a lasting and long-term value creation for the Group's shareholders. In order to encourage common goals for the company's shareholders, the Executive Board and the management and to meet short-term as well as long-term goals, Columbus considers it appropriate to set up incentive programs for the Executive Board and the Board of Directors in Columbus.</p> <p>The guidelines for incentive programs do not include a description of the</p>

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			criteria on which the balance between the individual components of the remuneration is based, as whether an incentive program is established – and which agreements to specifically conclude – will depend on whether the Board of Directors considers it expedient in order to encourage common goals for Columbus’s management and shareholders. In addition, historic and expected performance of the management, motivation and loyalty concerns and the general situation and development of the company will also be taken into consideration.
<p>6.1.5. The Committee recommends that, if the remuneration policy includes variable components,</p> <ul style="list-style-type: none"> • limits be set on the variable components of the total remuneration package, • a reasonable and balanced linkage be ensured between remuneration for governing body members, expected risks and the value creation for shareholders in the short and long term, • there be clarity about performance criteria and measurability for award of variable components, and • there be criteria ensuring that vesting periods for variable components of remuneration agreements are longer than one calendar year. 	X		The guidelines for incentive programs include limits on the variable components of the total incentive program. Besides, the company ensures a reasonable and balanced linkage between remuneration, expected risks and the value creation for shareholders in the short and long term and that there is clarity about performance criteria and measurability for the variable components.

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6.1.6. The Committee recommends that remuneration of members of the supreme governing body do not include share or warrant programs.		X	Cf. Section 5.1 in the Company's Articles of Association, the Board of Directors is authorized to issue warrants to members of the Board of Directors. The guidelines for incentive programs include a warrant program for the Board of Directors. In May 2012 the Board of Directors was granted a warrant program and thus the company does not comply with this recommendation. The Board of Directors has in this case estimated that a warrant program for the board members reflects the objective regarding a lasting and long-term value creation for the Group's shareholders.
6.1.7. The Committee recommends that if members of the executive board receive share-based remuneration, such programs be established as roll-over programs, 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.	X		The Executive Board is remunerated with a share-based incentive program. <u>Share-based instruments</u> The value of the share-based instruments granted in a given financial year may be up to 50% of the fixed annual remuneration of the individual executive. For the Board of Directors the total number of warrants granted cannot exceed 60,000 per year per board member. The estimated present value of the share-based incentive programs that are subject to these guidelines is calculated in accordance with the International Financial Reporting Standards (IFRS). The exercise price of the share-based instrument cannot be less than the share price of the company's share at the time of the allotment. The executive will not pay for the share-based instrument unless the Board of Directors specifically decides otherwise. The allotment may take place on tax conditions which means that the board

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			<p>member's or the executive's capital gain is subject to a tax rate lower than normal provided that the company is not granted any tax deduction for the expenses related to the allotment.</p> <p>The Board of Directors may decide that share-based instruments must be earned over a period of three years from the time of the allotment.</p> <p>Where, as part of a share-based incentive program, Columbus has to obtain shares in order to meet its obligations under the incentive program, such shares may be obtained through issuance of warrants, a buyback of own shares and through Columbus's holding of own shares.</p>
6.1.8. The Committee recommends 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.		X	The salary of the Executive Board consists of variables but as of now the variable salary is not considered significant in relation to the collected salary package. Therefore, it is not considered necessary for the company to reclaim in full or in part variable components in exceptional cases.
6.1.9. The Committee recommends that termination payments should not amount to more than two years' annual remuneration.	X		The Company does pay terminations payments which amount to more than two years' annual remuneration.
<i>6.2. Disclosure of the remuneration policy</i>			
6.2.1. The Committee recommends 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.	X		<p>The new guidelines for incentive programs were adopted by the general meeting in 2012 and are considered to be clear and easily understandable. The guidelines for incentive programs are available on the company's website - www.columbusglobal.com.</p> <p>It is deemed adequate that the guidelines are available on the company website.</p>

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6.2.2. The Committee recommends 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.		X	The remuneration of the entire Board of Directors for the previous year and for a comparative year is stated in note 5 of the Annual Report 2012. The new guidelines for incentive programs were adopted at the annual general meeting in 2012. In this way, the annual general meeting can determine whether the remuneration is reasonable. Unless special conditions apply, the chairman of the board will not elaborate on the guidelines for incentive programs in his report to the annual general meeting.
6.2.3. The Committee recommends 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.		X	Company finds that there is no useful or fair reason to publish information about remuneration to individuals. For this reason the Company has not adopted the recommendation to provide information at an individual level.
6.2.4. The Committee recommends 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.	X		Columbus does not offer any defined-benefit schemes to members of the Board of Directors or Executive Board.
6.2.5. The Committee recommends that the most important aspects of retention and severance programs be disclosed in the company's annual report.	X		Columbus continuously grants warrant programs in order to retain employees. Granting of warrant programs are announced in stock exchange releases and is included in the company's annual report. Columbus does not offer any considerable severance programs.

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6.2.6. The Committee recommends that the proposal for remuneration of the supreme governing body for the current financial year be approved by the shareholders at the general meeting.		X	<p>The Board of Directors' basic remuneration is set at a level that conforms to the market and which reflects the requirements to the members' competences and efforts seen in the light of the group's complexity, the scope of the work and the number of meetings.</p> <p>The remuneration of the entire Board of Directors for the previous year and for a comparative year is stated in note 5 of the Annual Report 2012. In this way, the annual general meeting can determine whether the remuneration is reasonable. Unless special conditions apply, the chairman of the board will not elaborate on the guidelines for incentive programs in his report to the annual general meeting.</p>
7. Financial reporting			
<i>7.1. Other relevant information</i>			
7.1.1. The Committee recommends 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.	X		Columbus assesses on an ongoing basis whether it is expedient to publish supplementary reports, including non-financial information.

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7.2. <i>Going concern assumption</i>			
7.2.1. The Committee recommends 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.	X		The Board of Directors continuously assesses the Company's concrete situation, financial position, and future prospects including budgets, expectations to future cash flow, available credit facilities and the contractual and expected payment time of these, as well as the compliance of loan agreements and "covenants" etc. These considerations is also applied in the assessment and approval of the annual report, including the whether or not the representation of accounts applies with the going concern condition.
8. Risk management and internal control			
<i>8.1. Identification of risks</i>			
8.1.1. The Committee recommends that the central governing body at least once every year identify the most important business risks associated with the realization of the company's strategy and overall goals as well as the risks associated with financial reporting.	X		Columbus' possibility to realize the company's strategic and operational objectives is subject to a number of commercial and financial risks. Columbus is constantly and at least once a year working on identifying the risks that can impact the company's future growth, activities, financial position and results and to the largest extent possible Columbus tries to accommodate and limit the risks which the company can impact through its own actions. Below (8.1.2), some of the risk factors management considers as being of special importance to the group are described in a non-prioritized sequence. Columbus attaches the most significant importance to conducting ongoing risk monitoring and management. The overall goal of risk management is to ensure that the company is run with a level of risk which is in a sensible ratio to the activity level, the nature of the business and the company's expected earnings and equity.

Recommendation	The company complies	The company does not comply	The company complies/does not comply with the recommendation due to the following reason: According to the Danish Financial Statement Act sec.107b (1)(3), the company must state the reason for not complying with certain parts of the recommendations. Here it is possible for the company to state why a certain recommendation has not been complied with, and what has been done instead. The company is not obliged to explain if a recommendation has been complied with. However, it may be advantageous to do so as it shows what the company is doing to comply with a certain recommendation. This may also be stated here.
			The strategic, operational and financial risks are described in the Annual Report. Furthermore, the company has prepared "Finance policy and financial risk management" which is reviewed and updated at least once a year and approved by the Board of Directors and the Executive Board.
8.1.2. The Committee recommends 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.	X		<p>The Board of Directors is continuously updated about the development in considerable risk issues.</p> <p>Below (8.1.2), some of the risk factors management considers as being of special importance to the group are described in a non-prioritized sequence.</p> <p><u>Strategic and operational risks</u> All companies in the Columbus group report financial and operational data to the head office on a monthly basis. The reporting includes comments to the financial and business development. Based on this reporting the group's financial statements are consolidated and reported to the group management. As part of this process, monthly business reviews and controlling meetings are held, and control visits to all operational companies in the group are performed on an ongoing basis. The Executive Board reports risk management to the Board of Directors on a quarterly basis.</p> <p>Responsibilities, authorities and procedures relating to essential areas are defined in a group policy which is approved by the Executive Board. The responsibility for maintaining efficient internal controls and a risk management system in connection with the financial reporting lies with the Executive Board which in cooperation with the Board of Directors evaluates the control system of the group annually.</p>

Recommendation	The company complies	The company does not comply	The company complies/does not comply with the recommendation due to the following reason: According to the Danish Financial Statement Act sec.107b (1)(3), the company must state the reason for not complying with certain parts of the recommendations. Here it is possible for the company to state why a certain recommendation has not been complied with, and what has been done instead. The company is not obliged to explain if a recommendation has been complied with. However, it may be advantageous to do so as it shows what the company is doing to comply with a certain recommendation. This may also be stated here.
			<p><u>Financial risks</u> Columbus' international activities entail that the company's earnings and equity are affected by a number of financial risks and it is the company's policy to identify and cover these risks pursuant to the guidelines set by the Board of Directors and the Executive Board.</p> <p>The finance policy sets up frameworks for the group's currency, investment, financing and credit risks in relation to financial counterparts. The overall goal with risk management is to reduce the sensitivity of earnings to fluctuations in economic trends. The overall framework for the management of the financial and commercial risks is outlined by the Board of Directors annually with the basis in a low risk profile so that currency and interest risks only emerge in commercial conditions.</p> <p>As a result of its operation, its investments and its financing, the group is exposed to changes in currency rates and interest level. The Parent Company controls the financial risks in the group centrally and coordinates the group's liquidity management, including provision of capital and placement of excess liquidity.</p>
8.2. Whistleblowing			
8.2.1. The Committee recommends that the supreme governing body decide whether to establish a whistleblowing scheme for expedient and confidential notification of possible or suspected wrongdoing.	X		Considering the Company's size it is not considered appropriate to establish a whistleblower system.

Recommendation	The company complies	The company does not comply	The company complies/does not comply with the recommendation due to the following reason: According to the Danish Financial Statement Act sec.107b (1)(3), the company must state the reason for not complying with certain parts of the recommendations. Here it is possible for the company to state why a certain recommendation has not been complied with, and what has been done instead. The company is not obliged to explain if a recommendation has been complied with. However, it may be advantageous to do so as it shows what the company is doing to comply with a certain recommendation. This may also be stated here.
<i>8.3. Openness about risk management</i>			
8.3.1. The Committee recommends that the management commentary in the annual report include information about the company's management of business risks.	X		The most significant business risks are identified and described in Columbus' annual report.
9. Audit			
<i>9.1. Contact to auditor</i>			
9.1.1. The Committee recommends that the supreme governing body maintain a regular dialogue and exchange of information with the auditor.	X		The Board of Directors ensures continuously dialogue and information exchange with the auditor through the accountant's participation in selected board meetings as well as through distribution to the accountant of minutes from the board meetings. The results of the audit, including the auditor's observations and opinion, are discussed at meetings with the Audit Committee and the Board of Directors. The auditor always participates in the board meeting at which the group's financial statements are presented and approved.
9.1.2. The Committee recommends 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.	X		The framework for the auditor's work – including remuneration, audit-related tasks as well as non-audit related tasks – is described in an agreement. The fee is approved by the audit committee.
9.1.3. The Committee recommends that the supreme governing body and the audit committee meet with the auditor at least once every year	X		The audit committee, the external auditors and the Board of Directors meets minimum once a year without the presence of the Executive Board.

Recommendation	The company complies	The company does not comply	The company complies/does not comply with the recommendation due to the following reason: According to the Danish Financial Statement Act sec.107b (1)(3), the company must state the reason for not complying with certain parts of the recommendations. Here it is possible for the company to state why a certain recommendation has not been complied with, and what has been done instead. The company is not obliged to explain if a recommendation has been complied with. However, it may be advantageous to do so as it shows what the company is doing to comply with a certain recommendation. This may also be stated here.
without the executive board present. This also applies to the internal auditor, if any.			
<i>9.2. Internal audit</i>			
9.2.1. The Committee recommends 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.	X		In connection with the audit of financial statements, the Board of Directors – following consideration by the audit committee – reviews and assesses the internal control systems as well as the management's guidelines and monitoring. So far, the Board of Directors has not found an actual internal audit to be necessary but has established an audit committee in 2009.

2: Strategic and operational risks

All companies in the Columbus Group report financial and operational data to the head office on a monthly basis. The reporting includes comments to the financial and business development. Based on this reporting the Group's financial statements are consolidated and reported to the Group management. As part of this process, monthly business reviews and controlling meetings are held, and control visits to all operational companies in the Group are performed on an ongoing basis in order to ensure that considerable errors in the financial reporting are discouraged, discovered and corrected.

Responsibilities, authorities and procedures relating to essential areas are defined in a Group policy which is approved by the Executive Board. The responsibility for maintaining efficient internal controls and a risk management system in connection with the financial reporting lies with the Executive Board which in cooperation with the audit committee evaluates the control system of the Group annually.