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NASDAQ OMX[®]

NORDIC CG-PROJECT - FALL 2012

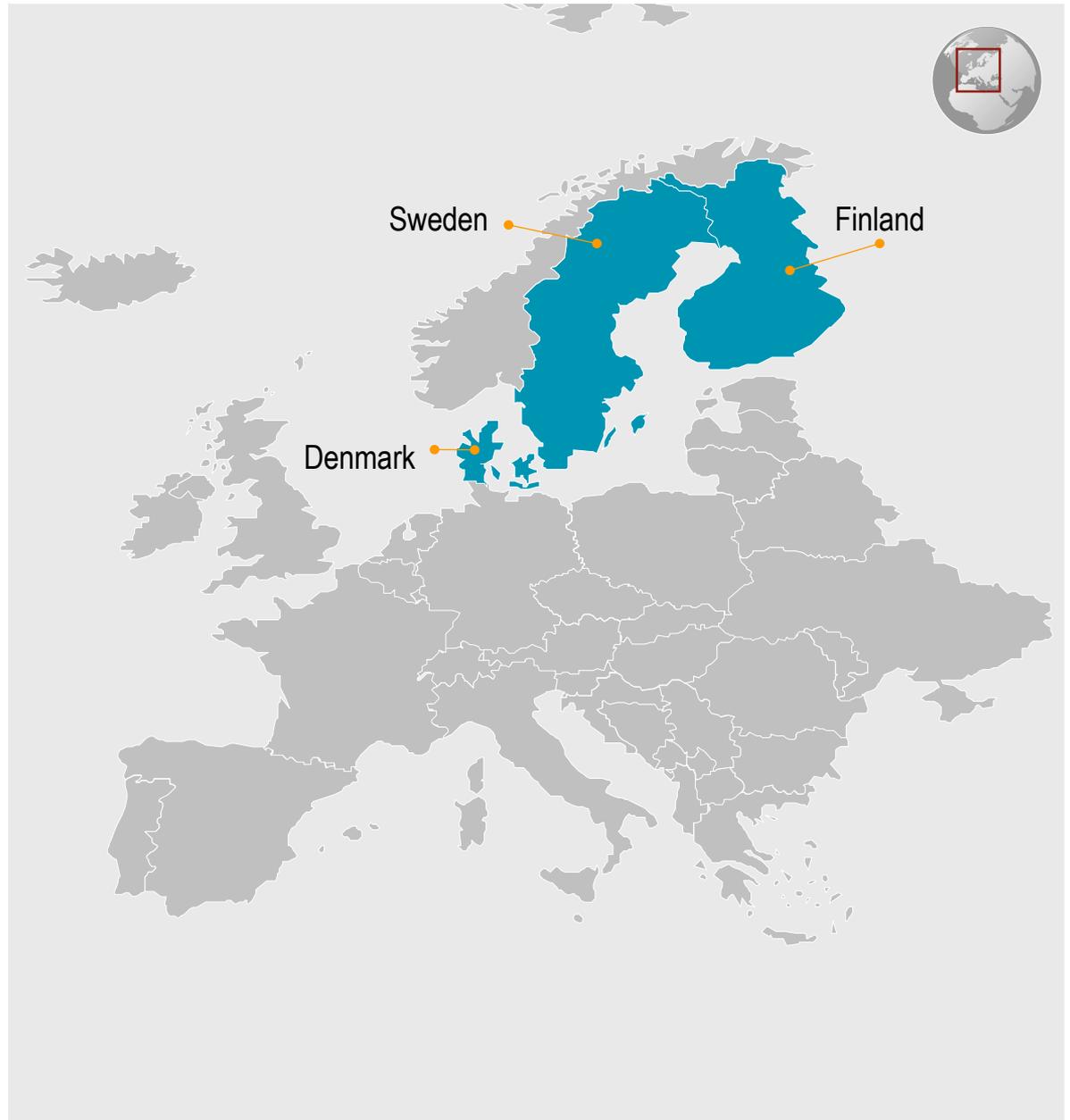
NASDAQ OMX NORDIC CG-PROJECT - FALL 2012

The Nordic Corporate Governance study will be conducted in co-operation with NASDAQ OMX Nordic countries **Denmark, Finland and Sweden**

The aim of the project is to study how well Nordic listed companies apply corporate governance principles as stated in the CG-Statement

The study focuses on:

1. CG-statement requirements
2. Comply or Explain –principle



LEGAL BACKGROUND

HISTORY OF EU REGULATION

In 2003, the European Commission started an Action Plan on modernizing company law and enhancing corporate governance in the European Union. The EU Commission's aim was to encourage the co-ordination and convergence of national codes through regular high level meetings. As a result, the European Corporate Governance Forum was founded in 2004.

- In 2004, the Commission gave a recommendation to foster an appropriate regime for the remuneration of directors of listed companies.
- In 2005, the Commission published a recommendation on the role of non-executive or supervisory directors of listed companies and on the committees of the (supervisory) board
- In 2009, the Commission gave a recommendation concerning the remuneration of directors of listed companies and the remuneration policies of the financial sector.
- In 2011, the Commission published a Green paper on The EU Corporate Governance Framework covering issues of the board of directors, shareholders and “comply or explain” - principle

HISTORY OF LOCAL REGULATION - FINLAND

In Finland, the purpose of the Corporate Governance Code has been to complement the legislation and facilitate interpretation through the recommendations.

- Although, several recommendations are based on legislation or other compulsory regulation.
- Also, the Code is part of the NASDAQ OMX Helsinki's rules.

The first Corporate Governance Recommendation was given in 1997 by the Central Chamber of Commerce and the Confederation of Finnish Industry and Employers.

Later in 2003, Helsinki Stock Exchange, The Central Chamber of Commerce of Finland and the Confederation of Finnish Industry and Employers issued the Corporate Governance Recommendation for Listed Companies

The Recommendations of 2003 was replaced by the Corporate Governance Code in 2008 to correspond the international developments. Further, the Code was refined in 2010 to counter issues in directors' remuneration.

HISTORY OF LOCAL REGULATION - SWEDEN

The first Swedish Corporate Governance Code was given in April 2004. The code was a result of collaboration between the governmental Commission on Business Confidence and a number of private corporate sector organizations. These set up a body called the Code Group. After the Code Group's proposal was circulated for comments the final version of the code was presented in December 2004, applicable from 1 July 2005. The code was included in the listing requirements of the Stockholm Stock Exchange from 1 July 2005 and applied to all companies on the Exchange's A List and all companies on the O List with an asset value of more than SEK 3 billion, a total of 70 companies at that time.

In the autumn of 2007, the Board decided to broaden the application of the code to all stock exchange listed companies. At the same time, the Board decided to conduct a major review of the code. The revised version of the code was applicable from 1 July 2008 to all companies whose shares are traded on regulated markets in Sweden, namely NASDAQ OMX Stockholm and NGM Equity.

The code was refined in 2009, and the new version of the code came in force on 1 February 2010.

In 2009 the Corporate governance statement became a part of the annual report.

HISTORY OF LOCAL REGULATION - DENMARK

The first Corporate Governance Recommendation was given in 2001 by the so called “Nørby-group” established by the government and with the Commerce and Companies Agency and the Copenhagen Stock Exchange as secretariat.

Copenhagen Stock Exchange subsequently set up a separate committee which should work to promote the development of good corporate governance in listed Danish companies.

Today the self-regulatory Committee on Corporate Governance is responsible for the Recommendations. The Recommendations are incorporated into the disclosure requirements for Danish listed companies based on decision by the Advisory Board of NASDAQ OMX Copenhagen.

The code was updated in 2005, twice in 2008, in 2010 and in 2011.

CORPORATE GOVERNANCE STATEMENT

▪ SWEDEN

The Swedish Corporate Governance Board is responsible for the Code. The Board manages and administrates the Code.

In Sweden, corporate governance statement has to be prepared according to the Swedish Code of Corporate Governance and the Swedish Annual Accounts Act. The statement is published as a part of the management report in the annual report.

▪ FINLAND

The Corporate Governance Code is administrated by the Securities Market Association which is a co-operation body established in 2006 by the Confederation of Finnish Industries EK, the Central Chamber of Commerce of Finland and NASDAQ OMX Helsinki.

According to the Finnish Securities Markets Act, (Act) listed companies are required to publish a corporate governance statement annually. The content of the report is based on the legislation and the Code

Compliance with the Act and the provisions and orders issued there under shall be supervised by the Financial Supervision Authority.

▪ DENMARK

The Danish Committee on Corporate Governance is responsible for the Code. The Committee manages and administrates the Code.

In the Danish Financial Statements Act's section 107b, listed companies are required to publish corporate governance statement annually.

The Danish Securities Council enforces compliance of listed companies with the current accounting regulations in their annual and interim reports. Also, the Danish FSA carries out the secretariat function for financial listed companies.

MONITORING OF THE CORPORATE GOVERNANCE CODE

▪ SWEDEN

The stock exchanges in Sweden (NASDAQ OMX Stockholm and NGM) are responsible for monitoring the application of the Code.

The surveillance function of NASDAQ OMX Stockholm will check that companies prepare and publish their respective corporate governance reports. They will also assess the quality of the information given in the reports, including possible deviations from the Code.

▪ FINLAND

A stock exchange shall attend to the arrangement of adequate and reliable supervision to ensure compliance with the Act. The Code is part of the stock exchange's rules, therefore the Code's compliance is supervised by the NASDAQ OMX Helsinki.

The monitoring of the appliance of the Code is responsibility of NASDAQ OMX Helsinki and Financial Supervisory Authority.

Real-time monitoring of the Code is assigned to NASDAQ OMX Helsinki. Also, NASDAQ OMX Helsinki helps members with interpretations of the Code.

▪ DENMARK

According to rule 4.3 in Rules for issuers of shares, Danish companies admitted to trading on NASDAQ OMX Copenhagen are required to provide a statement explaining their position on corporate governance.

In Denmark, the monitoring bodies are the Danish Securities Council, the Corporate Governance Committee and NASDAQ OMX Copenhagen.

The Danish Corporate Governance Committee performs compliance reviews in cooperation with NASDAQ OMX Copenhagen. Also, the exchange assesses whether the explanations are understandable

CORPORATE GOVERNANCE STATEMENT - CONTENT

▪ FINLAND

Corporate governance Code (Recommendation 54 - Corporate Governance Statement)

In connection with the report by the board of directors, the company shall issue a separate Corporate Governance Statement.

The company shall present at least the following entities in the statement:

- Information on compliance with this Code
- If the company has departed from an individual recommendation, information on this as well as the explanation for the departure
- The address of the website on which this Code is publicly available
- A description of the main features of the internal control and risk management systems in relation to the financial reporting process
- A description of the composition and operations of the board and board committees
- A description of the body that is responsible for the duties of the audit committee
- Information on the managing director and his or her duties
- A description of the composition and operations of the supervisory board, where applicable.

▪ DENMARK

The Financial Statements Act (Section 107b)

A company which has securities admitted to trading on a regulated market in an EU/EEA Member State must include a corporate governance statement comprising the following:

- 1) Information on whether the company is covered by a Code of corporate governance and if so with reference to the Code the company is covered by.
- 2) Information on where the Code is publicly available.
- 3) Information on which parts of the Code the company deviates from and the reason for the deviations.
- 4) Information on if and why the company has chosen not to apply the Code.
- 5) Referral to any other Codes of corporate governance the company may have decided to apply in addition or instead of the Code mentioned in no. 1, or that the company optionally applies with equivalent information as specified in no. 2 and 3.
- 6) Description of the main features of the internal control and risk management systems in relation to the financial reporting process.
- 7) Description of the composition and operations of the company's governing bodies and their committees.

CORPORATE GOVERNANCE STATEMENT - CONTENT

■ SWEDEN

The Annual Accounts Act states that all stock exchange listed companies are to produce a corporate governance report with a reference to the Code to which the company is subject to and an explanation by the company as to which parts of the Code it departs from and the reason for doing so. The content of the corporate governance report, governed by both the Annual Accounts Act, shall at least contain:

1. all relevant information about the corporate governance practices applied beyond the requirements under national law,
2. a description of the main features of the company's internal control and risk managements systems,
3. significant direct and indirect shareholdings that represent at least 10 percent,
4. any restrictions on voting rights, such as limitations of the voting rights of holders of a given percentage or number of votes,
5. the rules governing the appointment and replacement of board members and the amendment of the articles of association,
6. the powers of board members, and in particular the power to issue or buy back shares,
7. the operation of the shareholder meeting and its key powers, and a description of shareholders` rights and how they can be exercised,
8. the composition and operation of the administrative, management and supervisory bodies and their committees.

REQUIRED CONTENT OF THE CG-STATEMENT - FINLAND

Recommendation 54 - Corporate Governance Statement :

In connection with the report by the board of directors, the company shall issue a separate Corporate Governance Statement.

The company shall present at least the following entities in the statement:

- information on compliance with this Code
- if the company has departed from an individual recommendation, information on this as well as the explanation for the departure
- the address of the website on which this Code is publicly available
- a description of the main features of the internal control and risk management systems in relation to the financial reporting process
- a description of the composition and operations of the board and board committees
- a description of the body that is responsible for the duties of the audit committee
- information on the managing director and his or her duties
- a description of the composition and operations of the supervisory board, where applicable.

REQUIRED CONTENT OF THE CG-STATEMENT - SWEDEN

Recommendation 10 Corporate Governance Statement :

The company shall present at least the following entities in the statement (except the items stated in the law) if it is not presented in the annual report:

- the composition of the company's nomination committee. If any member of the committee has been appointed by a particular owner, the name of this owner is also to be stated,
- information on each member of the board,
- information about the chief executive officer information,
- the division of work among members of the board and how the work of the board was conducted during the most recent financial year, including the number of board meetings held and each member's attendance at board meetings,
- the composition, tasks and decision-making authority of any board committees, and each member's attendance at the respective committee's meetings,
- any infringement of the stock exchange rules applicable to the company, or any breach of good practice on the securities market reported by the relevant exchange's disciplinary committee or the Swedish Securities Council during the most recent financial year.

REQUIRED CONTENT OF THE CG-STATEMENT - DENMARK

§107 b. A company which has securities admitted to trading on a regulated market in an EU/EEA Member State must include a corporate governance statement comprising the following:

- Information on whether the company is covered by a Code of corporate governance and if so with reference to the Code the company is covered by.
- Information on where the Code is publicly available.
- Information on which parts of the Code the company deviates from and the reason for the deviations.
- Information on if and why the company has chosen not to apply the Code.
- Referral to any other Codes of corporate governance the company may have decided to apply in addition or instead of the Code mentioned in no. 1, or that the company optionally applies with equivalent information as specified in no. 2 and 3.
- Description of the main features of the internal control and risk management systems in relation to the financial reporting process.
- Description of the composition and operations of the company's governing bodies and their committees.

COMPARISON BETWEEN CG-STATEMENTS

- Comparison was made between the requirements of CG-statements in Finland, Denmark and Sweden
- In all countries the obligation to give out a CG-statement as well as the content of the statement is based on legislation as well as the CG-code
- The Danish CG-statement is similar to the Finnish one in content
 - Content is pretty simple and gives out information concerning compliance with the Code, internal risk control and audit procedures as well as the governing bodies of the company

COMPARISON BETWEEN CG-STATEMENTS

- The Swedish code is more comprehensive in nature
 - On top of the "minimum" content of the CG-statement, information is given concerning shareholder rights (f.ex. Major shareholders, voting restrictions, any authorization to issue new shares, how to exercise shareholder rights)
 - Any **infringement of the stock exchange rules** applicable to the company or
 - any **breach of good practice on the securities market** reported by the relevant exchange's disciplinary committee or the Swedish Securities Council
 - during the **most recent financial year** (information has to be in CG-statement if not presented in the annual report)
 - An auditor's report concerning the CG-statement

THE COMPLY OR EXPLAIN PRINCIPLE

▪ SWEDEN

The company may depart from an individual recommendation of the Code.

In its corporate governance report, the company is to state clearly which Code rules it has not complied with, explain the reasons for each case of non-compliance and describe the solution it has adopted instead.

▪ FINLAND

The company may depart from an individual recommendation of the Code. However, a clear and extensive explanation is required.

In order to meet quality requirements, an explanation should be clear and comprehensive. In practice, this means that the company shall:

- tell what recommendation it departs from (number and heading of the recommendation),
- explain in what manner it departs from said recommendation,
- provide an explanation for the departure, and
- present the solution that the company has adopted instead.

▪ DENMARK

Under the comply or explain approach, the individual company decides whether and to what extent it wishes to comply with the recommendations. If a company fails to comply with a recommendation, it must explain why and specify its different approach.

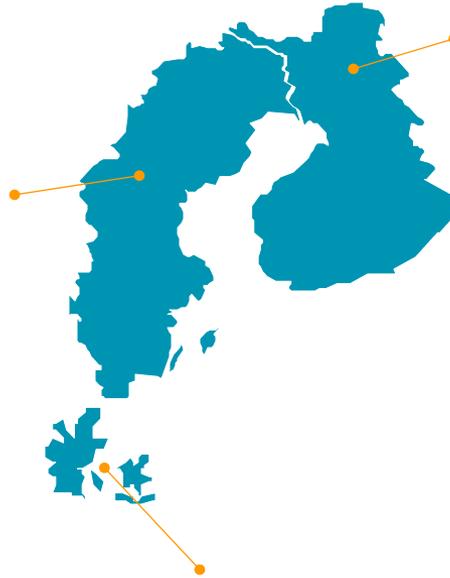
Thus, non-compliance is not inconsistent with the spirit of the recommendations, but merely a result of the fact that the company has chosen a different approach. The markets must decide whether deviations are indeed justified.

OBJECTIVES AND SCOPE OF THE STUDY

- The purpose of the study was to examine how well nordic companies apply the corporate governance principles as stated in the CG-Statement
- The main focus was in the CG-Statement requirements and Comply or Explain –principle
- The study was conducted in both country specific and nordic level. First, all countries assessed the objectives of the study in a country level. Then, the results were combined and compared in a nordic level

OBJECTIVES AND SCOPE OF THE STUDY

In Sweden, a total of 194 companies have been evaluated.



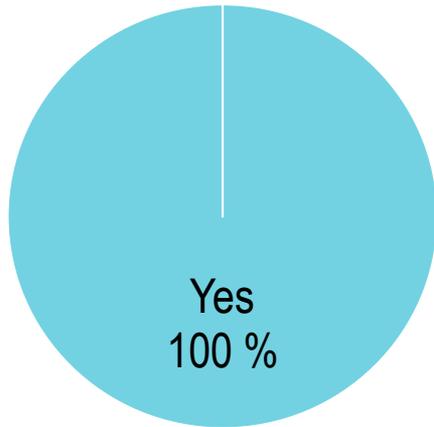
In Finland, a total of 120 companies have been evaluated out of which 3 companies were given a reprimand.

In Denmark a total of 159 companies, including large, mid and small cap companies, have been evaluated. A total of 20 companies were contacted and requested to improve their corporate governance statement. 18 companies were given a reprimand.

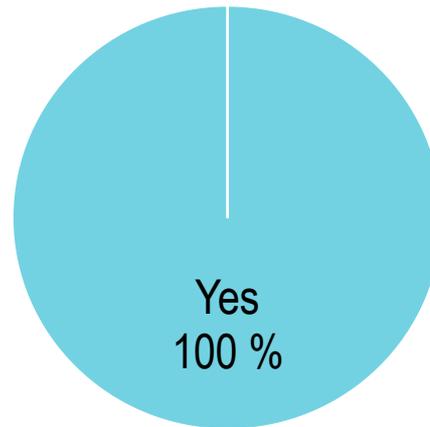
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RESULTS - HELSINKI

FULLFILMENT OF THE CG-STATEMENT REQUIREMENTS

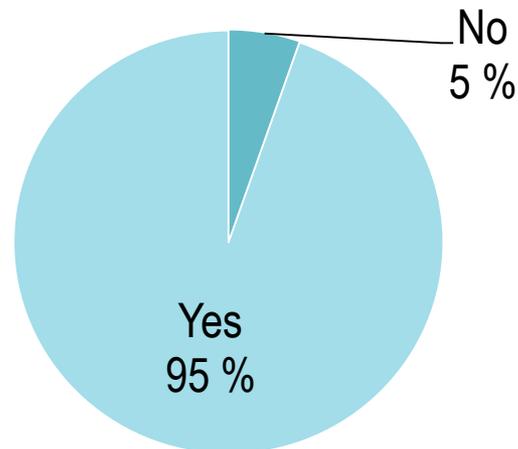
Large Cap



Mid Cap



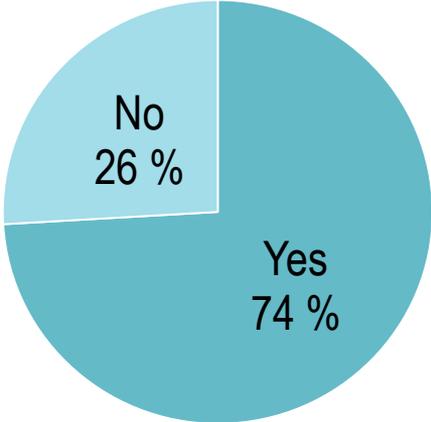
Small Cap



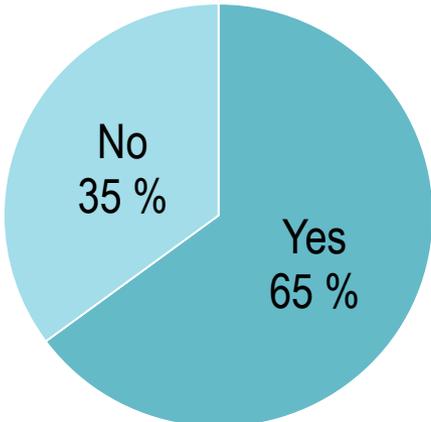
- All the Large and Mid Cap companies fulfilled the CG-statement requirements
- Three Small Cap companies failed in the fulfillment, since the companies had no explanations for the departure of recommendations

COMPANIES THAT HAD NO DEPARTURES OF RECOMMENDATIONS

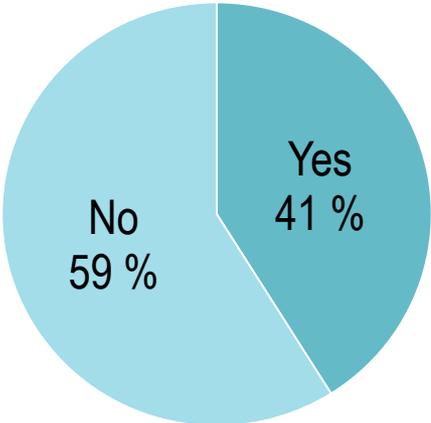
Large Cap



Mid Cap

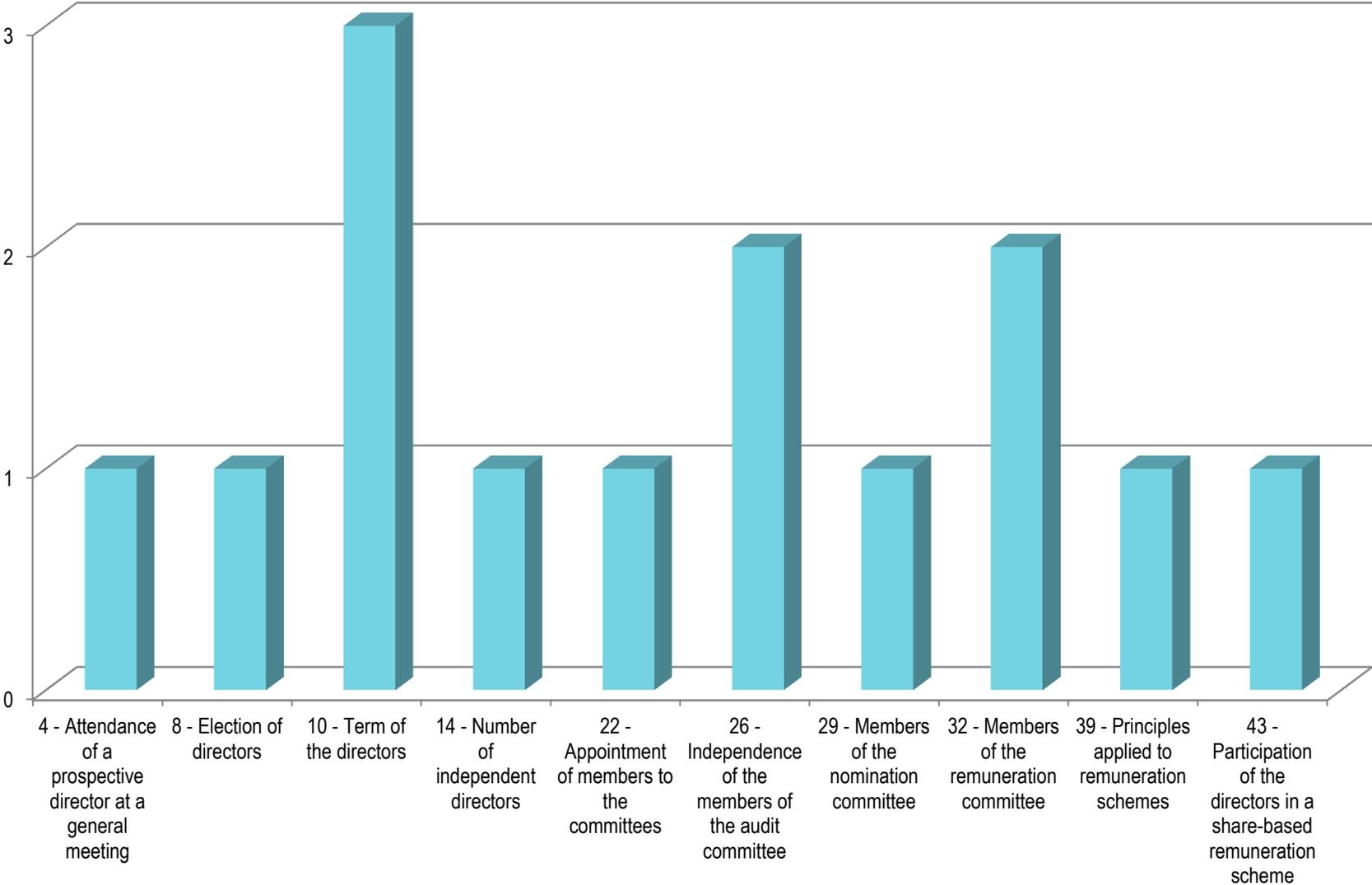


Small Cap



- All in all, companies seem to follow the recommendations quite well
- However, it looks like that as the company size decreases, the departures of recommendations come more common

DEPARTURE FROM RECOMMENDATIONS – LARGE CAP



MOST FREQUENT DEPARTURES FROM THE RECOMMENDATIONS – LARGE CAP

➤ **Recommendation 10 - Term of the directors (3/27):**

- Instead of the recommended one-year term, the companies chose to apply three-year term
- The applied term was determined in the firms Articles of Association or was chosen due to the nature of the business

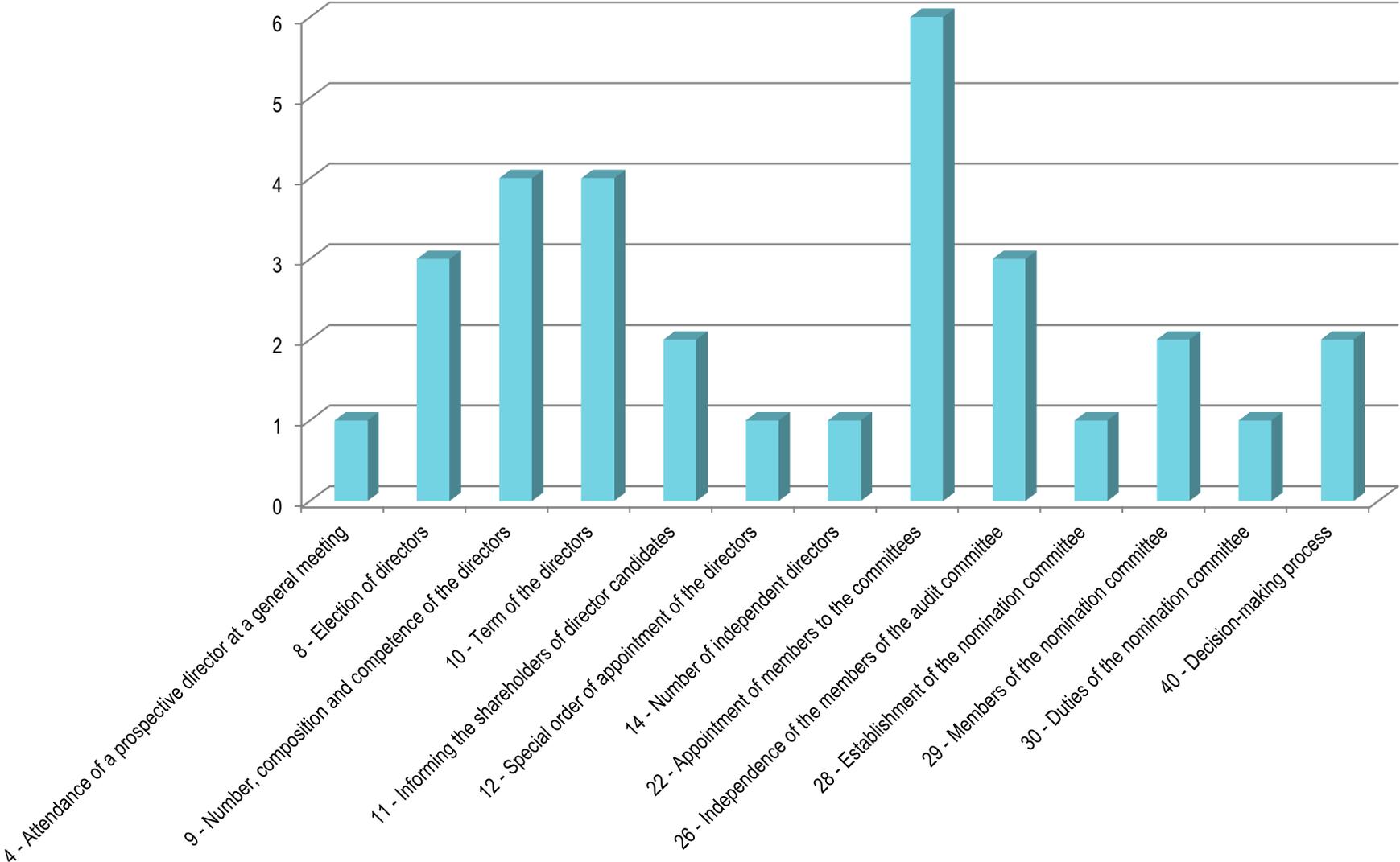
➤ **Recommendation 26 - Independence of the members of the audit committee (2/27):**

- In two cases, the members of the audit committee were not independent of the company or at least one member was not independent of significant shareholders.
- The exceptions are due to the ownership structure of the company or the applicable legislation / Articles of Association

➤ **Recommendation 32 - Members of the remuneration committee (2/27):**

- Same as the recommendation 26

DEPARTURE FROM RECOMMENDATIONS– MID CAP



MOST FREQUENT DEPARTURES FROM THE RECOMMENDATIONS – MID CAP

➤ **Recommendation 22 - Appointment of members to the committees (6/37):**

- Companies had chosen to allow non-board members in the committees to ensure shareholder influence
- Also, some companies had two-member committees, instead of the recommended three-member structure

➤ **Recommendation 9 - Number, composition and competence of the directors (4/37):**

- No female members were elected to the Board of Directors

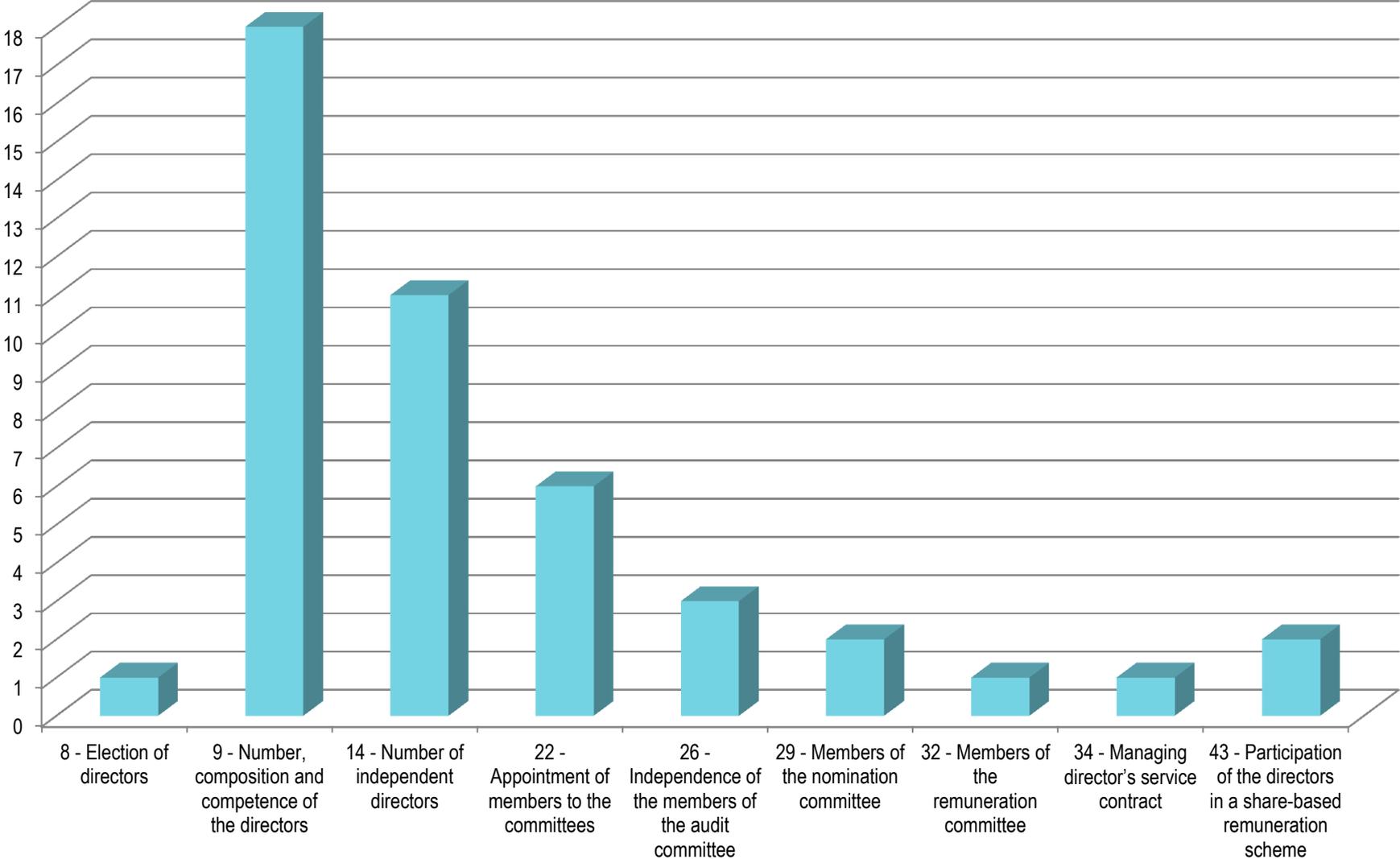
➤ **Recommendation 10 - Term of the directors (4/37):**

- Instead of the recommended one-year term, the companies chose to apply three- or four-year terms
- The applied term was determined in the firms Articles of Association or was chosen due to the nature of the business

➤ **Recommendation 8 - Election of directors (3/37):**

- In these firms, the Supervisory Board elects the Board of Directors, which is determined in the Articles of Association or is seen as good practice

DEPARTURE FROM RECOMMENDATIONS – SMALL CAP



MOST FREQUENT DEPARTURES FROM THE RECOMMENDATIONS– SMALL CAP

- **Recommendation 9 - Number, composition and competence of the directors (18/56):**
 - No female members were elected to the Board of Directors
- **Recommendation 14 - Number of independent directors (11/56):**
 - These firms had directors, who were not independent of the company or significant shareholders
 - The exceptions are made to ensure competency of the Board. Also, in some cases the deviation is made because of the ownership structure of the company
- **Recommendation 22 - Appointment of members to the committees (6/56):**
 - Companies had two-member committees due to the size of the company
 - Also, companies had chosen to allow non-board members in the committees to ensure shareholder influence

THE COMPLY OR EXPLAIN PRINCIPLE - COMPANIES THAT DID NOT PROVIDE AN EXPLANATION FOR THE DEPARTURE

➤ **Comptel Oyj:**

- There's no explanations for not complying the recommendation 9 (Number, composition and competence of the directors)

➤ **Dovre Group Oyj:**

- There's no explanations for not complying the recommendation 14 (Number of independent directors)

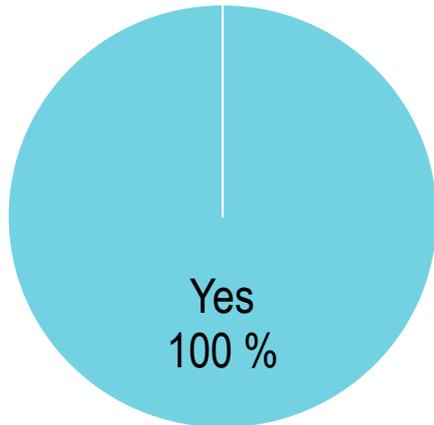
➤ **Elecster Oyj:**

- There's no explanations for not complying the recommendation 14 (Number of independent directors)

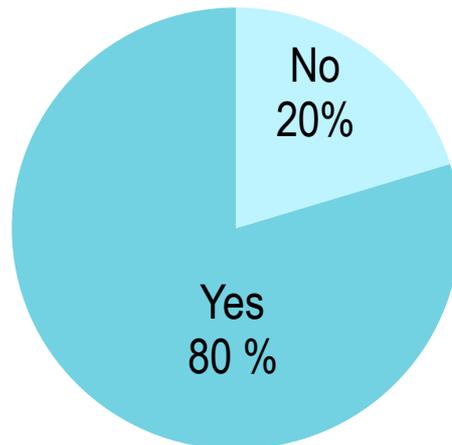
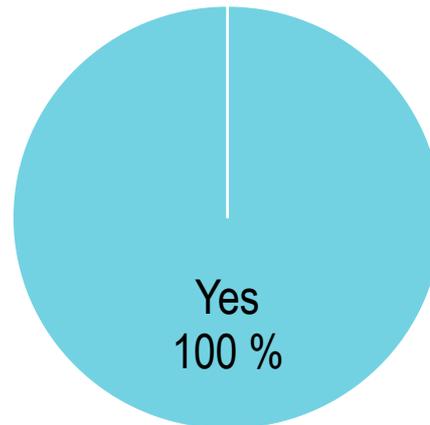
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INITIAL RESULTS - Copenhagen

FULLFILMENT OF THE CG-STATEMENT REQUIREMENTS

Large Cap

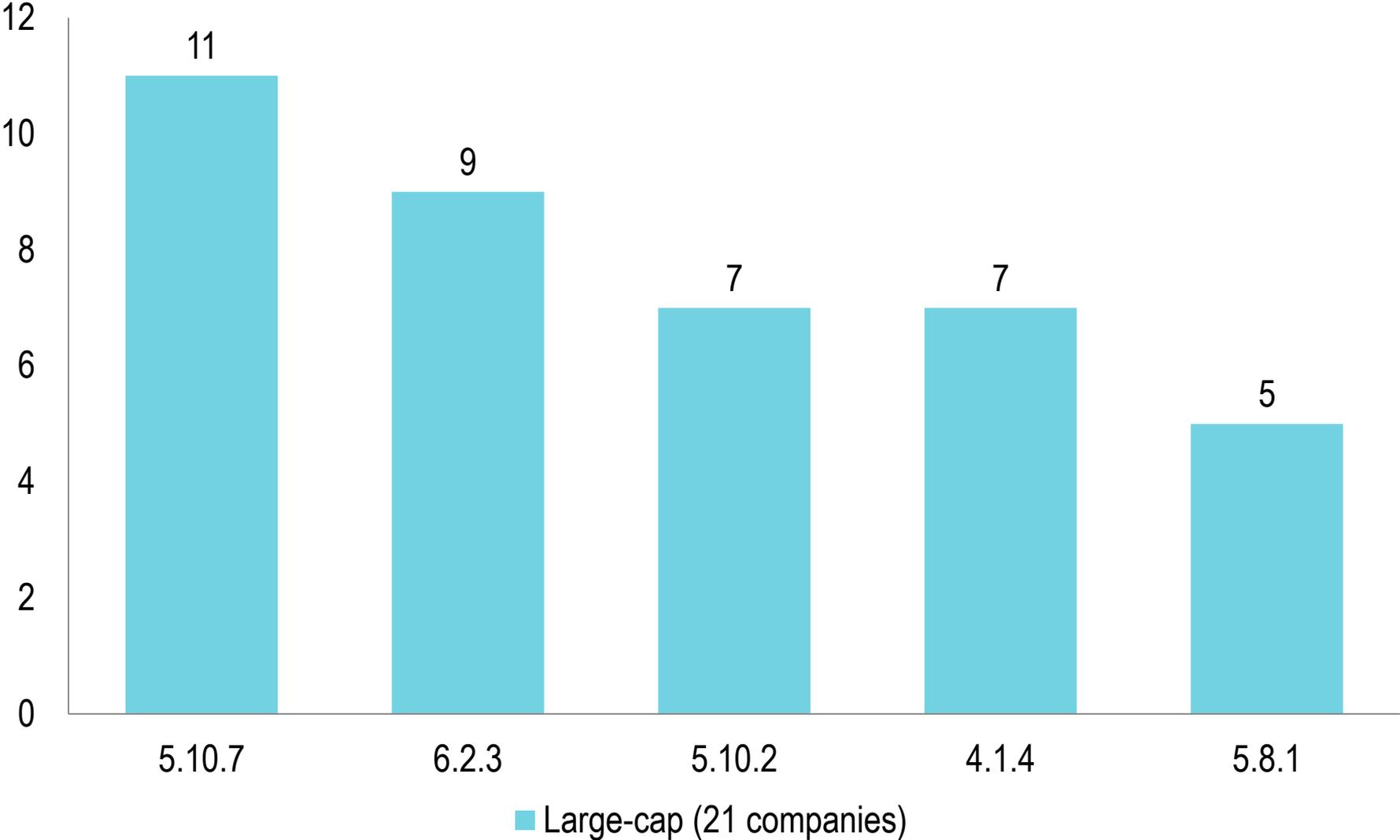


Mid Cap



- All of the Large- and Mid-Cap companies fulfilled the CG-statement requirements
- Fourteen Small-Cap companies did not comply with the CG-statement requirements as the companies either did not comply with the correct version of the recommendations or did not comply with all of the recommendations.

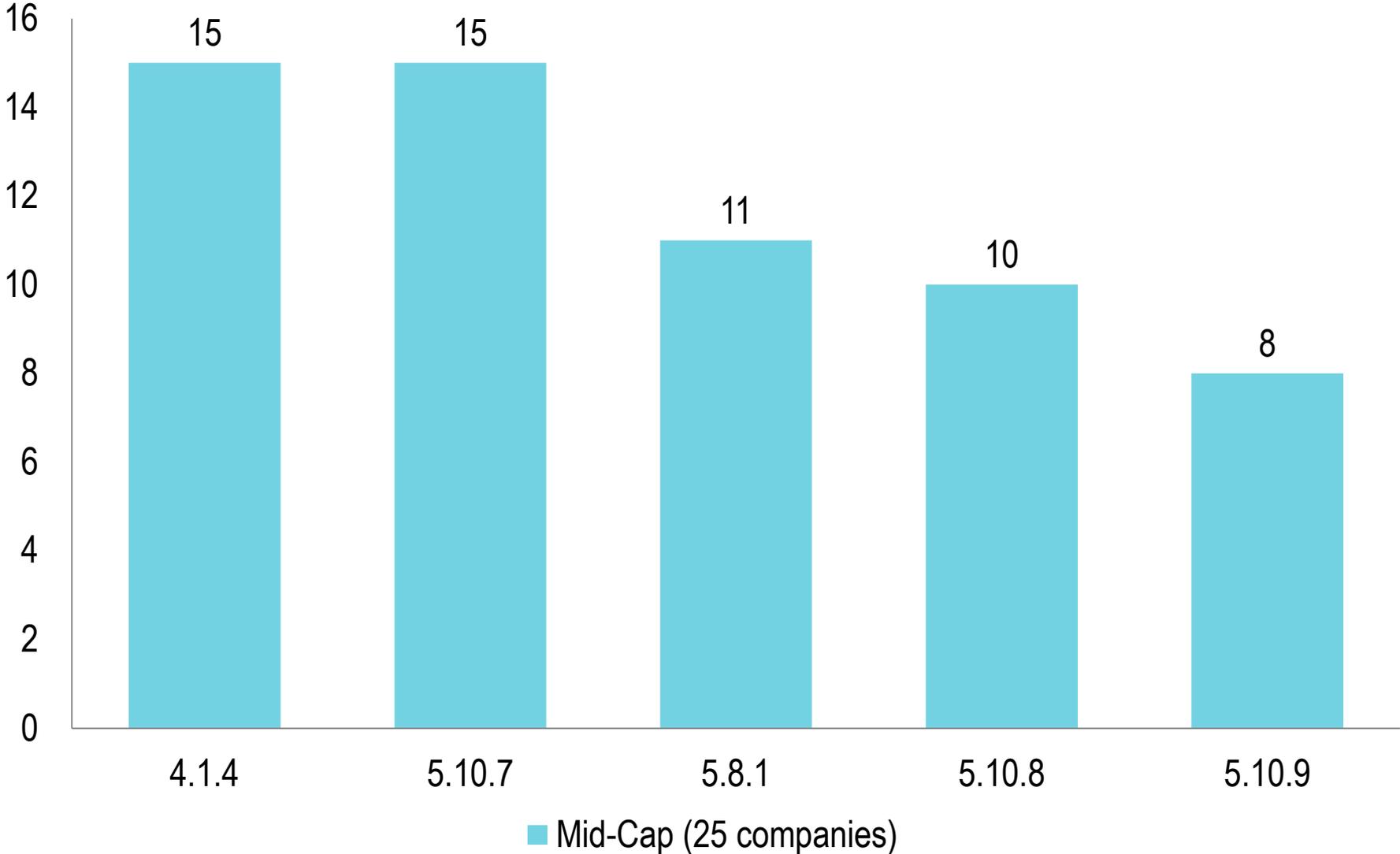
BOTTOM 5 - DEVIATIONS FROM THE RECOMMENDATIONS – LARGE CAP



BOTTOM 5 - DEVIATIONS FROM THE RECOMMENDATIONS – LARGE CAP

- **Recommendation 4.1.4** The Committee **recommends** that the supreme governing body annually discuss the company's activities to ensure diversity at management levels and that the supreme governing body set measurable objectives and the company give an account of both the objectives and the progress made in achieving the objective.
 - 4 of the companies in Large-cap discusses diversity etc. annually but do not find it necessary to create measurable objectives.
- **Recommendation 5.8.1** The Committee **recommends** that the company's articles of association fix a retirement age for members of the supreme governing body.
 - 4 of the companies in Large-cap do not find it necessary to fix a retirement age.
- **Recommendation 5.10.7** The Committee **recommends** that the supreme governing body establish a nomination committee.
 - Some of the companies in Large-cap do not find it necessary to establish a nomination committee.
- **Recommendation 5.10.8** The Committee **recommends** that the supreme governing body establish a remuneration committee.
 - Some of the companies in Large-cap do not find it necessary to establish a remuneration committee.
- **Recommendation 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.
 - Some of the companies do not find it relevant to inform about the total remuneration granted to each member in the financial statement.
 - A few of the companies do not explain the linkage between the actual remuneration and the remuneration policy in the financial statement.

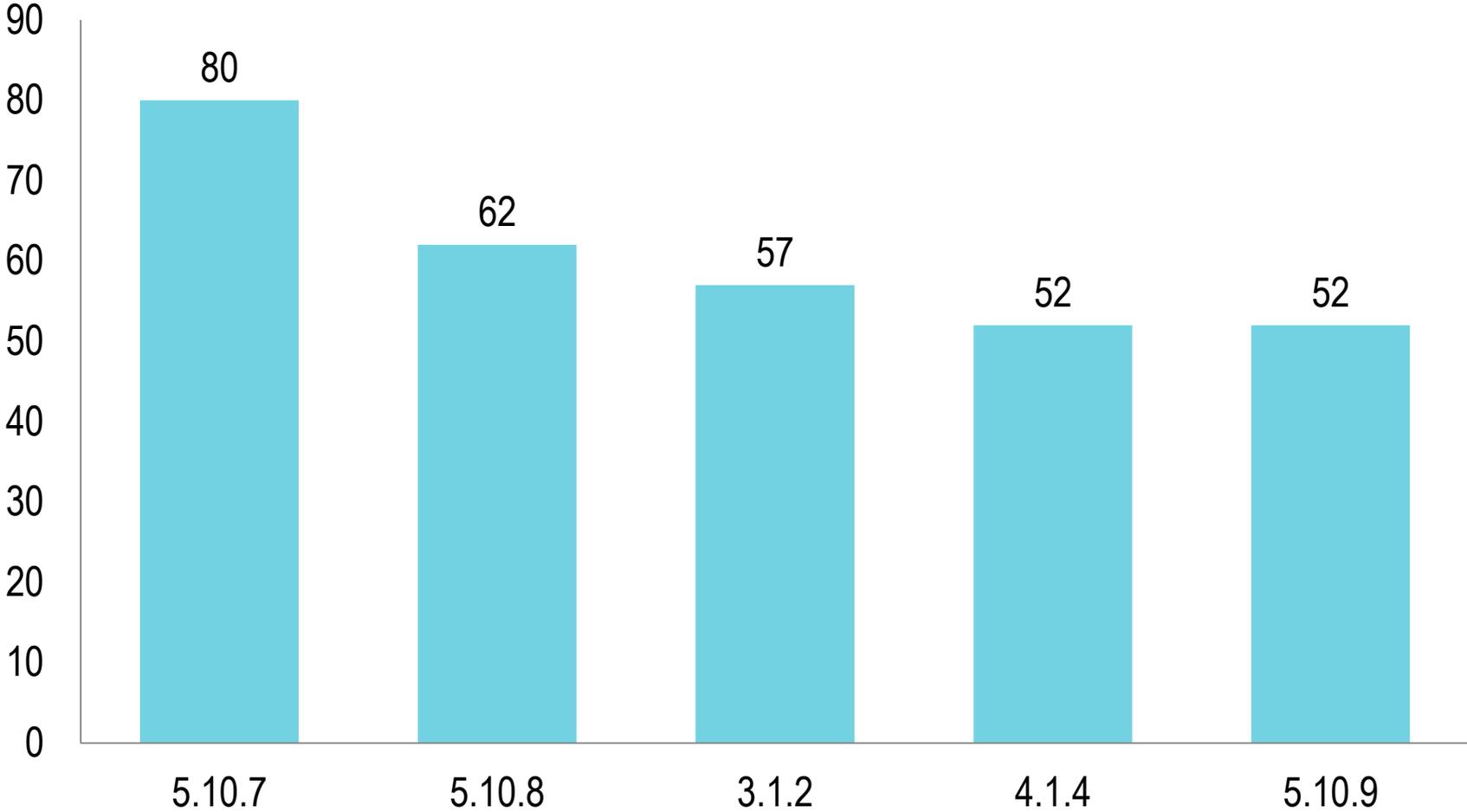
BOTTOM 5 - DEVIATIONS FROM THE RECOMMENDATIONS - MID CAP



BOTTOM 5 - DEVIATIONS FROM THE RECOMMENDATIONS – MID CAP

- **Recommendation 4.1.4** The Committee **recommends** that the supreme governing body annually discuss the company's activities to ensure diversity at management levels and that the supreme governing body set measurable objectives and the company give an account of both the objectives and the progress made in achieving the objective.
 - *Several companies in Mid-cap discuss diversity etc. annually but do not find it necessary to create measurable objectives.*
- **Recommendation 5.8.1** The Committee **recommends** that the company's articles of association fix a retirement age for members of the supreme governing body.
 - *Some of the companies in Mid-cap do not find it necessary to fix a retirement age.*
- **Recommendation 5.10.7** The Committee **recommends** that the supreme governing body establish a nomination committee.
 - *Some of the companies in Mid-cap do not find it necessary to establish a nomination committee.*
- **Recommendation 5.10.8** The Committee **recommends** that the supreme governing body establish a remuneration committee.
 - *Some of the companies in Mid-cap do not find it necessary to establish a remuneration committee..*
- **Recommendation 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.
 - *Some of the companies in Mid-cap use the same external advisers as the executive board of the company.*

BOTTOM 5 - DEVIATIONS FROM THE RECOMMENDATIONS – SMALL CAP



■ Small-Cap (90 companies)

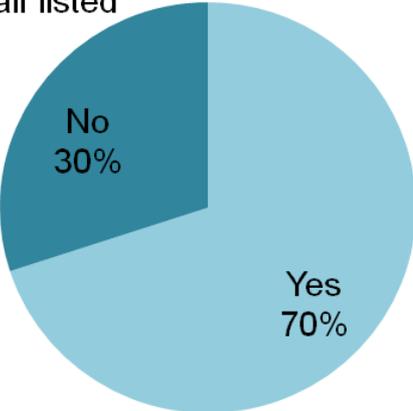
BOTTOM 5 - DEVIATIONS FROM THE RECOMMENDATIONS – SMALL CAP

- **Recommendation 3.1.2** The Committee **recommends** that information from the company to the market be published in both Danish and English.
 - *Most of the companies in Small-cap explain that the company has too small an organization to publish in English.*
 - *Some of the companies explain that they are mostly directed to Danish shareholders.*
- **Recommendation 4.1.4** The Committee **recommends** that the supreme governing body annually discuss the company's activities to ensure diversity at management levels and that the supreme governing body set measurable objectives and the company give an account of both the objectives and the progress made in achieving the objective.
 - *Several companies in Small-cap discuss diversity etc. annually but do not find it necessary to create measurable objectives.*
 - *Some of the companies in Small-cap explain that they have too small an organization with few resources to create measurable objectives.*
- **Recommendation 5.10.7** The Committee **recommends** that the supreme governing body establish a nomination committee.
 - *Some of the companies in Small-cap do not find it necessary to establish a nomination committee.*
- **Recommendation 5.10.8** The Committee **recommends** that the supreme governing body establish a remuneration committee.
 - *Some of the companies in Large-cap do not find it necessary to establish a remuneration committee.*
- **Recommendation 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.
 - *Some of the companies in Small-cap use the same external advisers as the executive board of the company.*

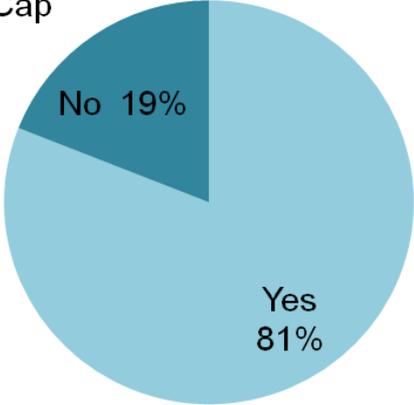
NASDAQ OMX NORDIC CG-PROJECT - FALL 2012
RESULTS - SWEDEN

FULLFILMENT OF THE CG-STATEMENT REQUIREMENTS TO PUBLISH A CG-REPORT ON THE COMPANY'S WEBBPAGE

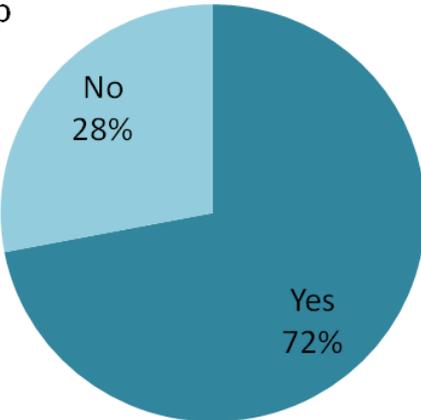
Summary of all listed companies



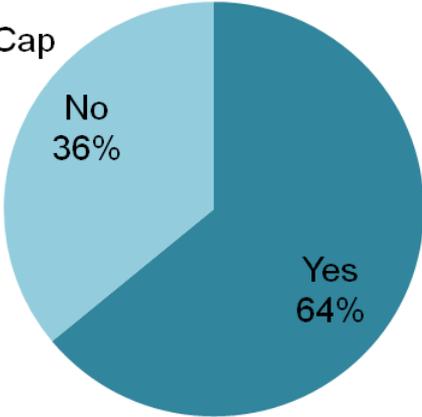
Large Cap



Mid Cap

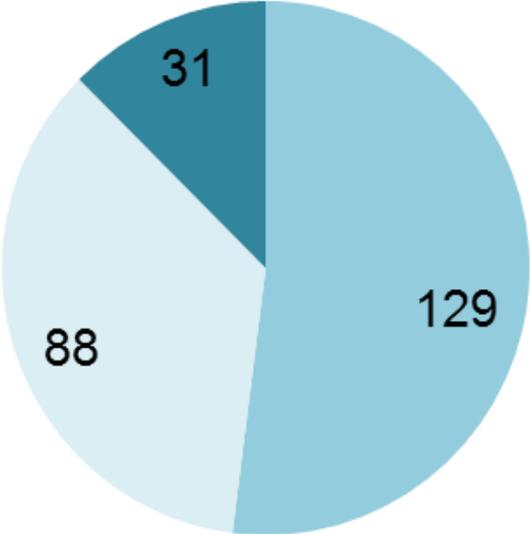


Small Cap



- All of the listed companies have published a CG-report.
- Eight companies to published their CG-report on their websites only.
- Of the companies that included their CG-report in the printed annual report, more than half include it in the directors' report, the remaining published their CG-report as a separate part of the annual report.

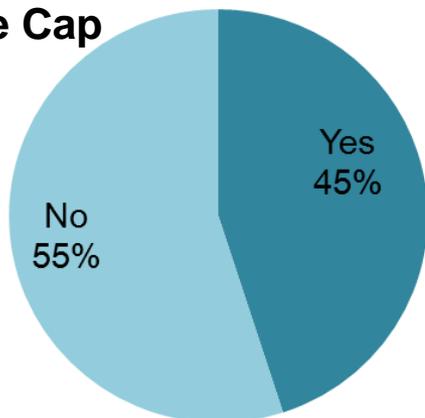
COMPANIES PER NUMBER OF INSTANCES OF NON-COMPLIANCE



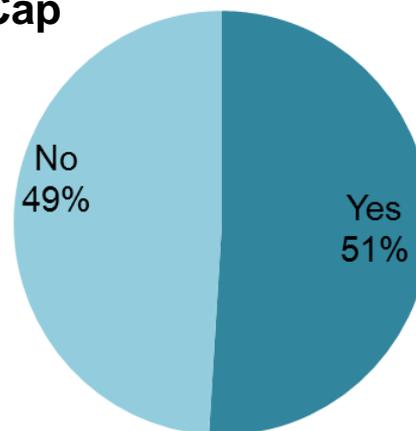
■ No deviation ■ One deviation ■ More than one deviation

COMPANIES THAT HAD NO DEPARTURES OF RECOMMENDATIONS

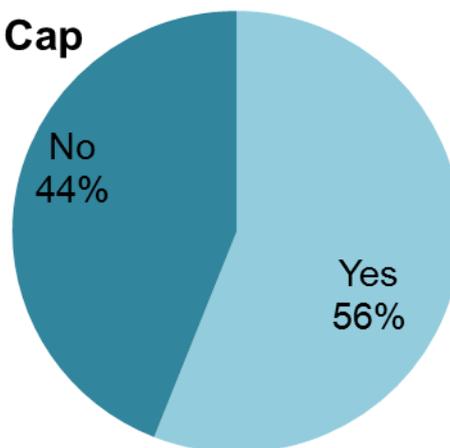
Large Cap



Mid Cap

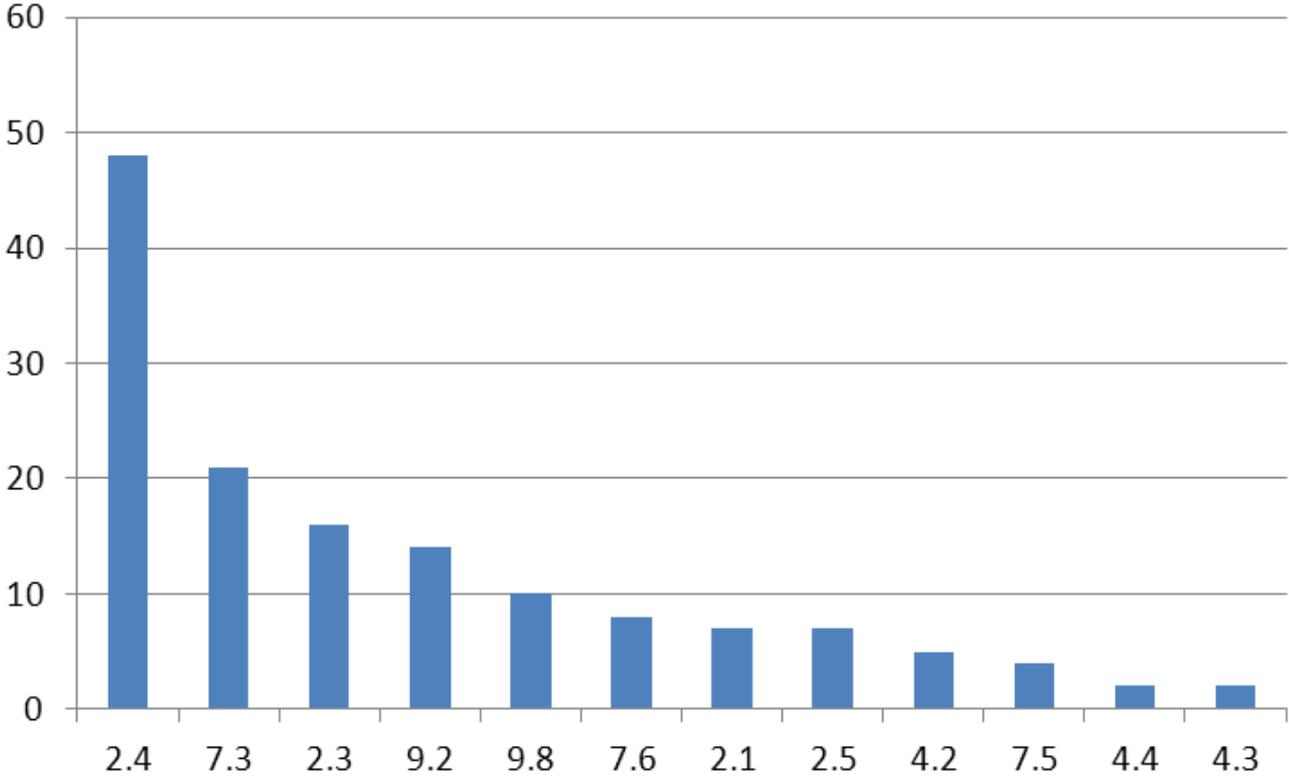


Small Cap



- All in all, companies seem to follow the recommendations quite well
- However, it looks like that as the company size decreases, the departures of recommendations came more common.

MOST COMMON DEPARTURE FROM RECOMMENDATIONS



MOST FREQUENT DEPARTURES FROM THE RECOMMENDATIONS

- **Code rule 2.4 - company chairs and members of the board on nomination committees.**
 - The rule states that members of the company board may not constitute a majority on the nomination committee and that the chair of the board may not be chair of the nomination committee.
 - The most common form of non-compliance was that the chair of the board, or in some cases another member of the board, was the chair of the nomination committee. The most common explanation for this was that the person concerned was deemed to be the most competent and/or that a major shareholder was considered best suited to lead the work of the committee.
- **Code rule 7.3 – the audit committee is to comprise no fewer than three board members.**
 - The companies have chose to appoint an audit committee with just two members rather than the three members required by the Code. The most common explanation for this was that the board is small and/or because it is considered that this is the most efficient way to carry out the tasks.
- **Code rule 2.3 – the majority of the members of the nomination committee are to be independent.**
 - The companies had the CEO and/ or other members of the company's executive management being members of the nomination committee. The explanation given for this is that they are also major shareholders in the company.
- **Code rule 9.2 - the shareholders' meeting-elected members of the remuneration committee are to be independent of the company and its executive management.**
 - The CEO or another person that could not be considered independent in relation to the company and its executive management being on the remuneration committee.