

Corporate governance

in

Gabriel Holding A/S

**Updated
November 2011**

I. The role of the shareholders and their interaction with the management of the company

NASDAQ OMX Copenhagen A/S recommends, September 2011	Gabriel's values and practice
<p>1) Dialogue between the company and its shareholders</p> <p>It is recommended that the supreme management organ ensures regular dialogue between the company and its shareholders via its investor relations work , so that the supreme management organ knows the shareholders' attitudes, interests and points of view in relation to the company, and that investor relations material is made available to all investors on the company's website.</p>	<p>Compliance Both shareholders and other partners can subscribe to news within various categories and submit inquiries to the company via Gabriel's website.</p>
<p>2) Capital and share structure</p> <p>It is recommended that the supreme management organ makes an annual assessment of whether the company's capital and share structures continue to be in the interests of the shareholders and the company, and that this assessment is given in the company's annual report and/or its website.</p>	<p>Compliance The supreme management organ regularly assesses the company's financial position, financial goals, dividend policy and share structure. Gabriel has only one share class, and all shares are negotiable and freely transferable.</p>
<p>3) General meeting</p> <p>It is recommended that the supreme management organ and management actively promote ownership, including participation by shareholders in the general meeting.</p> <p>It is recommended that the supreme management organ decides or recommends to the general meeting whether the meeting should be held by physical attendance or partly or entirely electronically.</p> <p>It is recommended that shareholders be given the opportunity to express an opinion on each individual point on the agenda in proxies to the supreme management organ.</p> <p>It is recommended that all members of the supreme management organ and management attend the general meeting.</p>	<p>Compliance</p> <p>Compliance</p> <p>Compliance</p> <p>Compliance</p>
<p>4) Attempted takeovers</p> <p>It is recommended that as soon as the supreme management organ becomes aware that a takeover offer will be made, it does not, without the acceptance of the general meeting, attempt to counter a takeover bid by making decisions which in reality prevent the shareholders from deciding on the takeover bid</p>	<p>Compliance</p>

<p>It is recommended that the supreme management organ give shareholders a genuine opportunity to decide whether they want to surrender their shares in the company on the terms offered.</p>	<p>Compliance</p>
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II. The role of the stakeholders and their importance to the company and its social responsibility

<p>NASDAQ OMX Copenhagen A/S recommends, September 2011</p>	<p>Gabriel's values and practice</p>
<p>1) The company's policy in relation to the stakeholders</p> <p>It is recommended that the supreme management organ identifies the company's most important stakeholders and their most significant interests in relation to the company.</p> <p>It is recommended that the supreme management organ adopt policies for the company's relationship to its stakeholders, including the investors, and ensures that the stakeholders' interests are respected in accordance with the company's policies.</p>	<p>Compliance</p> <p>Compliance Gabriel's policies for stakeholders are specified in Gabriel's mission, vision, strategies and policies, which are explained on the company's website.</p>
<p>2) Social responsibility</p> <p>It is recommended that the supreme management organ adopt policies for the company's social responsibility.</p>	<p>Compliance Given on the company's website under information on CSR.</p>

III. Openness and transparency

<p>NASDAQ OMX Copenhagen A/S recommends, September 2011</p>	<p>Gabriel's values and practice</p>
<p>1) Disclosure of information for the market</p> <p>It is recommended that the supreme management organ adopt a communication strategy.</p> <p>It is recommended that information from the company to the market be prepared in Danish and English.</p> <p>It is recommended that the company publish quarterly reports.</p>	<p>Compliance The supreme management organ follows the OMX recommendations.</p> <p>Compliance</p> <p>Compliance</p>

IV. The duties and responsibilities of the supreme management organ

NASDAQ OMX Copenhagen A/S recommends, September 2011	Gabriel's values and practice
<p>1) General tasks and responsibilities</p> <p>It is recommended that the supreme management organ specifies the company's general strategy at least once a year in order to secure the company's value chain.</p> <p>It is recommended that at least once a year, the supreme management organ discusses and ensures that the requisite expertise and financial resources are available so that the company can achieve its strategic goals.</p> <p>It is recommended that at least once a year, the supreme management organ specifies its most important duties in relation to the financial and managerial control of the company, including the manner in which it will exercise control of the management's work..</p> <p>It is recommended that each year, the supreme management organ discusses the company's activities to ensure diversity in the company's levels of management, including that there are equal opportunities for both sexes, and that the supreme management organ specifies concrete goals, and discusses both its goals and the status of their fulfilment in the directors' report in the company's annual report and/or on the company's website.</p>	<p>Compliance</p> <p>Compliance</p> <p>Compliance</p> <p>Compliance</p>
<p>2) Procedures</p> <p>It is recommended that the supreme management organ makes an annual review of its procedures in order to ensure that they are comprehensive and adapted to the company's needs and activities.</p> <p>It is recommended that the supreme management organ annually reviews and approves procedures for the management, and specifies requirements for management's timely, precise and adequate reporting to the supreme management organ and for communication in general between the two management organs.</p>	<p>Compliance</p> <p>Compliance</p>
<p>3) The chairman and the deputy chairman of the supreme management organ</p> <p>It is recommended that a deputy chairman be elected to the supreme management organ to act in the event of the chairman's absence and in general</p>	<p>Compliance</p>

<p>to be an effective sparring partner for the chairman.</p> <p>It is recommended that a job description be prepared containing a description of the tasks, duties and responsibilities of the chairman and the deputy chairman.</p> <p>It is recommended that the chairman of the supreme management organ organise, call and manage the meetings to ensure efficiency in the management organ's work and to create the best possible basis for its members' individual and collective work.</p> <p>It is recommended that if the board of directors requests its chairman to perform tasks for the company as an exceptional case, including short-term participation in the daily management, there should be an appropriate decision by the board of directors, including precautions to ensure that the board preserves its general managerial and control function. There should be a proper division of duties between the chairman, the deputy chairman, the other board members and management. Agreements on participation in the daily management by the chairman and the expected duration thereof should be advised in an announcement to the stock exchange.</p>	<p>Compliance The description of the tasks, duties and responsibilities of the chairman is included in the board of directors' procedures, and the supreme management organ does not find that further description is necessary.</p> <p>Compliance</p> <p>Compliance</p>
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V. The composition and organisation of the supreme management organ

NASDAQ OMX Copenhagen A/S recommends, September 2011	Gabriel's values and practice
<p>1) Composition</p> <p>It is recommended that the supreme management organ provide an annual description of the expertise it requires so that it can perform its tasks as well as possible, and that this description be published on the website. The recommendation to the general meeting on the composition of the supreme management organ should be formulated accordingly.</p> <p>It is recommended that the supreme management organ ensures a formal, thorough and, for its members, transparent process for the selection and recommendation of candidates for the management organ. In evaluating the composition and recommendation of new candidates, account should be taken of the need for renewal and the need for diversity in relation to international experience,</p>	<p>Compliance but not published</p> <p>Compliance</p>

<p>gender and age etc.</p> <p>It is recommended that a description of proposed candidates' expertise with information on their other managerial activities, including positions on boards of management, boards of directors and supervisory boards, including managerial committees, in Danish and foreign companies as well as demanding organisational duties, be sent out with the notice of the general meeting where the election of the supreme management organ is on the agenda.</p> <p>It is recommended that the annual directors' report provide a description of the composition of the supreme management organ, including with respect to diversity, and of the individual members' special areas of expertise.</p>	<p>Compliance</p> <p>Compliance</p>
<p>2) Training of members of the supreme management organ</p> <p>It is recommended that the members of the supreme management organ be given an introduction to the company on their commencement.</p> <p>It is recommended that the supreme management organ make an annual assessment of whether there are areas where the members' skills and expert knowledge should be updated.</p>	<p>Compliance</p> <p>Compliance</p>
<p>3) Number of members of the supreme management organ</p> <p>It is recommended that the number of members of the supreme management organ be no greater than that there can be a constructive debate and effective decision-making process where all members can play an active part.</p> <p>It is recommended that the supreme management organ consider in connection with the preparations for each year's general meeting whether the number of members is appropriate relative to the company's needs.</p>	<p>Compliance</p> <p>Compliance</p>
<p>4) The supreme management organ's independence</p> <p>It is recommended that at least half of the members of management elected by the general meeting be independent, so that the supreme management organ can act independently of special interests.</p> <p>To be independent, the person in question may not:</p> <ul style="list-style-type: none"> • be, or have been within the past five years, 	<p>Non-compliance</p> <p>One of Gabriel's four board members elected by the general meeting is independent in relation to the group:</p> <p><u>Jørgen Kjær Jacobsen, chairman:</u> Independent; former member of management</p>

<p>a member of management or managerial employee in the company or an affiliated company,</p> <ul style="list-style-type: none"> • have received greater payment from the company/group or an affiliated company in a different capacity than as a member of the supreme management organ, • represent a controlled shareholder's interests, • have had a material business relationship within recent years (e.g. personally or indirectly as a partner or employee, shareholder, customer, supplier or member of management in companies with an equivalent connection) with the company or an affiliated company, • be, or have been within the last three years, an employee or partner of the external auditor, • be manager of a company where there is cross-managerial representation with the company, • have been a member of the supreme management organ for more than 12 years, or • be closely related to persons not considered independent. <p>It is recommended that the supreme management organ provide information at least once a year on which members are considered independent, and that advice is provided on whether new candidates for the supreme management organ are considered independent.</p>	<p><u>Kaj Taidal, deputy chairman:</u> Not independent; member of the board of directors for more than 12 years</p> <p><u>Claus Christensen, board member:</u> Independent</p> <p><u>Søren Brahm Lauritsen, board member:</u> Not independent; close relative of former chairman of the board of directors</p> <p>Compliance</p>
<p>5) Members of the supreme management organ elected by employees</p> <p>It is recommended that the annual report or the company's website provide a statement of the rules for employee election and the company's use thereof in companies where the employees have chosen to use the rules under company law on employee representation.</p>	<p>Compliance</p>
<p>6) Frequency of meetings</p> <p>It is recommended that the supreme management organ meet regularly in accordance with a previously determined meeting and work schedule and when otherwise considered necessary or appropriate in relation to the company's needs, and that the number of meetings held be specified in the annual report.</p>	<p>Compliance</p>
<p>7) Members' commitments and the number of other managerial activities</p>	

<p>It is recommended that each member of the supreme management organ assess the time required for the work in question so that the person in question does not take on more than will permit each individual activity to be performed in a manner satisfactory to the company.</p> <p>It is recommended that the annual report include the following information on members of the supreme management organ:</p> <ul style="list-style-type: none"> • the position held by the person, • the person's other managerial activities, including positions on boards of management, boards of directors and supervisory boards, including managerial committees, in Danish and foreign companies and demanding organisational duties, and • the number of shares, options, warrants and similar in the company and other companies in the group owned by the member, and the changes in the member's portfolio of the securities in question during the financial year. 	<p>Compliance</p> <p>Non-compliance The company does not publish members' shareholdings etc.</p>
<p>8) Age limit</p> <p>It is recommended that the company specify an age limit in its articles of association for members of the supreme management organ, and that the annual report include information on the age limit and the ages of the individual board members.</p>	<p>Non-compliance There is no specified age limit for members of the board of directors. The ages of board members and managers are given in the annual report.</p>
<p>9) Term of election</p> <p>It is recommended that the members of the supreme management organ elected by the general meeting be elected each year at the annual general meeting.</p> <p>It is recommended that the annual report advise the dates of members' joining the supreme management organ, whether the member has been re-elected, and the end of the current term of election.</p>	<p>Compliance</p> <p>Compliance</p>
<p>10) Management committees</p> <p>It is recommended that the company publish in the directors' report or the company's website:</p> <ul style="list-style-type: none"> • managerial committees' terms of reference, • the committees' most important activities during the year and the number of meetings in each committee, and • the names of the members of the individual committees, including each committee's 	<p>Non-compliance Given the company's size and complexity, Gabriel has established an audit committee, and no occasion has been found to use other managerial committees of the board of directors.</p>

<p>chairman, and information on who are independent members and who have special qualifications.</p> <p>It is recommended that the majority of the members on a managerial committee be independent.</p> <p>It is recommended that the supreme management organ appoint an actual <u>audit committee</u>.</p> <p>It is recommended that when the audit committee is constituted, care is taken to ensure that:</p> <ul style="list-style-type: none"> • the chairman of the supreme management organ is not chairman of the audit committee, and that • the committee collectively possesses a level of knowledge and experience such that it has an up-to-date understanding of and experience with financial accounting and auditing matters in companies whose shares are traded on a regulated market. <p>It is recommended that before approving the annual and other financial reports, the audit committee monitors and reports to the supreme management organ on:</p> <ul style="list-style-type: none"> • accounting policies in the most important areas, • major accounting estimates, • transactions with related parties, and • uncertainties and risks, including in relation to expectations. <p>It is recommended that the audit committee:</p> <ul style="list-style-type: none"> • makes an annual assessment of the need for an internal audit, and if so, • makes recommendations on the selection, appointment and dismissal of the head of any internal audit and the internal audit's budget, and • monitors management's follow-up on the internal audit's conclusions and recommendations. <p>It is recommended that the supreme management organ appoint a <u>nomination committee</u> with at least the following preparatory duties:</p> <ul style="list-style-type: none"> • describe the qualifications required in the two management organs and for a given position, and specify the estimated time required for the duties of the position, and assess the expertise, knowledge and experience in the two management organs, • make an annual assessment of the management organs' structure, size, composition and results, and recommend any changes to the supreme management 	<p>-</p> <p>Compliance</p> <p>Compliance</p> <p>Compliance</p> <p>Compliance</p> <p>Compliance</p> <p>Compliance</p> <p>Non-compliance</p>
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<p>organ,</p> <ul style="list-style-type: none"> • make an annual assessment of the expertise, knowledge and experience of the individual members of management, and report to the supreme management organ thereon, • consider proposals from relevant persons, including shareholders and members of the management organs, for candidates for managerial positions, and • recommend proposals to the supreme management organ for candidates for the management organs. <p>It is recommended that the supreme management organ appoint a <u>remuneration committee</u> with at least the following preparatory duties:</p> <ul style="list-style-type: none"> • recommend the remuneration policy (including general guidelines for incentive payments) to the supreme management organ and management for the supreme management organ’s approval before the general meeting’s approval, • offer proposals to the supreme management organ on remuneration for members of the supreme management organ and management , and ensure that the remuneration is in accordance with the company’s remuneration policy and the assessment of the performance in question. The committee must possess a knowledge of the total payments received by members of the supreme management organ and management from other companies in the group, and • regularly check that the information on remuneration in the annual report provided to the supreme management organ and management is correct, true and complete. <p>It is recommended that a remuneration committee does not use the same external advisers as the company’s management.</p>	<p>Non-compliance</p> <p>-</p>
<p>11) Evaluation of the work of the supreme management organ and management</p> <p>It is recommended that the supreme management organ specify an evaluation procedure to which the full supreme management organ and its individual members contribute, and annual results are evaluated.</p> <p>It is recommended that the evaluation of the supreme management organ be made by the chairman, that the result be discussed in the supreme management organ, and that information on the procedure for self-evaluation and the results</p>	<p>Compliance</p> <p>Compliance but not published</p>

<p>thereof be provided in the annual report.</p> <p>It is recommended that the supreme management organ evaluate management's performance and results at least once a year in accordance with clear preset criteria.</p> <p>It is recommended that management and the supreme management organ specify a procedure under which their partnership is evaluated annually in a formalised dialogue between the chairman of the supreme management organ and the general manager, and that the result of the evaluation be presented to the supreme management organ.</p>	<p>Compliance</p> <p>Compliance</p>
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VI. Management's remuneration

NASDAQ OMX Copenhagen A/S recommends, September 2011	Gabriel's values and practice
<p>1) The form and content of the remuneration policy</p> <p>It is recommended that the supreme management organ adopt a remuneration policy for the supreme management organ and management.</p> <p>It is recommended that the remuneration policy and changes thereto be approved by the company's general meeting.</p> <p>It is recommended that the remuneration policy contain a full description of the salary components which enter into the remuneration of the supreme management organ and management.</p> <p>It is recommended that the remuneration policy contain:</p> <ul style="list-style-type: none"> • reasons for the choice of 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>It is recommended that if the remuneration policy contains variable components,</p> <ul style="list-style-type: none"> • limits be set for the variable parts of the total remuneration, • an appropriate and balanced composition between managerial remuneration, expected risks and the value creation for the shareholders in the short and long terms is ensured, 	<p>Non-compliance</p> <p>Given the company's size, the board of directors does not find it relevant to prepare a remuneration policy for the supreme management organ and management.</p> <p>-</p> <p>-</p> <p>-</p> <p>-</p>

<ul style="list-style-type: none"> • there is clarity with respect to the performance criteria and measurability for implementing the variable parts, and • there are criteria to ensure that full or partial earning of a variable part of a remuneration agreement extends over more than one calendar year. <p>It is recommended that members of the supreme management organ are not remunerated with share or option programmes.</p> <p>It is recommended that if management is given share-based remuneration, the programmes should be revolving, i.e., the options are allocated periodically and should be usable at the earliest three years after their allocation. The relationship between the call price and the market price on the date of allocation should be explained.</p> <p>It is recommended that remuneration agreements for management which include agreements on variable salary components specify a right for the company in very special cases to demand full or partial repayment of variable salary components which were paid on the basis of information which was subsequently documented to be faulty.</p> <p>It is recommended that agreements on compensation on resignation specify a maximum value equivalent to the previous two years' salary.</p>	<p>Compliance</p> <p>-</p> <p>Compliance No remuneration agreements containing variable salary components for management have been entered into.</p> <p>Compliance</p>
<p>2) Information on the remuneration policy</p> <p>It is recommended that the remuneration policy be clear and easy to understand, and that its content be discussed in the directors' report in the annual report, and that the policy be published on the company's website.</p> <p>It is recommended that the company's remuneration policy and compliance with it be explained and justified in the chairman's report to the company's general meeting.</p> <p>It is recommended that the annual/consolidated accounts for the year provide information on the total remuneration received from the company and other companies in the group by each individual member of the supreme management organ and management, and that an explanation of the relationship to the remuneration policy be provided.</p> <p>It is recommended that as part of the information on the total remuneration, any performance-based</p>	<p>Non-compliance Reference is made to the comment under point VI, 1) first recommendation.</p> <p>Non-compliance</p> <p>Non-compliance The remuneration paid to the supreme management organ and management is on market-based terms for a listed company of this size. The board of directors does not find it necessary to specify the order of magnitude of the remuneration paid to the individual member of the supreme management organ and management.</p> <p>Non-compliance (Following from the above).</p>

<p>pension schemes which the company has adopted for members of the supreme management organ and management, and these schemes' actuarial value and movements over the year, be advised.</p> <p>It is recommended that information on the most important content of loyalty and resignation schemes be published in the company's annual report.</p> <p>It is recommended that the shareholders at the general meeting approve any proposal for remuneration for the supreme management organ for the current financial year.</p>	<p>Gabriel has no current loyalty and resignation schemes.</p> <p>Non-compliance (Because of the above).</p>
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VII Presentation of accounts (Financial reporting)

NASDAQ OMX Copenhagen A/S recommends, September 2011	Gabriel's values and practice
<p>1) Additional relevant information</p> <p>It is recommended that the annual report and the other financial reporting be supplemented by further financial and non-financial information where it is judged to be required or relevant in relation to recipients' need for information.</p>	<p>Compliance</p>
<p>2) The Going Concern assumption</p> <p>It is recommended that when considering and approving the annual report, the supreme management organ specifically decides whether the accounts were presented under the assumption of a going concern, including any special assumptions acting as a basis for the above, and if this is the case, any uncertainties associated therewith.</p>	<p>Compliance</p>

VIII Risk management and internal controls

NASDAQ OMX Copenhagen A/S recommends, September 2011	Gabriel's values and practice
<p>1) Identification of risks</p> <p>It is recommended that at least once a year, the supreme management organ identifies the most important commercial risks associated with realisation of the company's strategy and general goals, and risks in connection with the presentation of the accounts.</p> <p>It is recommended that management regularly</p>	<p>Compliance</p> <p>Compliance</p>

<p>report to the supreme management organ on developments within the most important risk areas and compliance with any policies, guidelines etc. which have been adopted to ensure that the supreme management organ can monitor the developments and make the necessary decisions.</p>	.
<p>2) Whistleblower scheme</p> <p>It is recommended that the supreme management organ decide whether a whistleblower scheme should be established to enable appropriate and confidential reporting of serious negligence or suspicion thereof.</p>	<p>The board of directors has decided that a whistleblower scheme is not currently relevant for Gabriel.</p>
<p>3) Openness and risk management</p> <p>It is recommended that the company report on its risk management for business risks in its directors' report.</p>	<p>Compliance</p>

VIII. Auditing

NASDAQ OMX Copenhagen A/S recommends, September 2011	Gabriel's values and practice
<p>1) Contact with the auditor</p> <p>It is recommended that the supreme management organ ensure regular dialogue with and exchange of information between the auditor and the supreme management organ.</p> <p>It is recommended that the auditing agreement and associated auditor's fee be agreed between the supreme management organ and the auditor on the basis of a recommendation from the audit committee.</p> <p>It is recommended that the supreme management organ and the audit committee meet with the auditor at least once a year without the presence of management. This also applies to any internal auditor.</p>	<p>Compliance</p> <p>Compliance</p> <p>Compliance</p>
<p>2) Internal audit</p> <p>It is recommended that at least once a year, the supreme management organ decides on the basis of a recommendation from the audit committee whether an internal audit should be established to support and check the company's internal control and risk management systems, and to justify the decision in the directors' report in the annual report.</p>	<p>Compliance</p>