

**STATUTORY REPORT ON
CORPORATE GOVERNANCE**

2024



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STATUTORY REPORT

This Statutory Corporate Governance Report (hereinafter referred to as “the report”) covers the period 1 January - 31 December 2024. It is prepared pursuant to section 107b of the Danish Financial Statements Act.

The report forms part of the Directors’ Report provided in UIE Plc’s (“UIE”) annual report 2024. It is based on the recommendations set out by the Committee on Corporate Governance in Denmark.

The recommendations are considered best practice guidelines. They supplement Danish law, particularly the Danish Companies Act, the Danish Financial Statements Act, EU corporate law rules and the OECD Principles of Corporate Governance. The guidelines were last updated on 2 December 2020, incorporating adjustments from the implementation of the Shareholder Rights Directive II in Denmark.

Corporate Governance Principles

The essence of corporate governance is to foster a culture of responsible corporate management committed to creating long-term value achieved through transparent management processes and effective communication with stakeholders.

Annually, the UIE Board of Directors undertakes a comprehensive evaluation of the Company’s corporate governance framework, including assessing adherence to the recommendations for corporate governance provided by the Committee on Corporate Governance.

Danish Recommendations on Corporate Governance

Pursuant to section 107b of the Danish Financial Statements Act and clause 4.3 of “Rules and Issuers of Shares on Nasdaq Copenhagen”, listed companies must disclose how they address the Committee’s recommendations, using the “comply or explain” approach.

This report details UIE’s stance on each corporate governance recommendation. According to the guidelines, explaining a deviation from a specific recommendation is as acceptable as complying with it. The primary objective is to ensure transparency in corporate governance practices.

UIE complies with all recommendations except for three, where it only partially complies:

- **Recommendation 1.2.1.** The general meeting; it is recommended that shareholders be given the option to observe the general meeting via webcast or digital transmission. Currently, UIE’s general meetings are conducted as physical meetings, a format that persisted throughout 2024. Starting in 2025, however, shareholders will have the option to participate electronically through an online platform. This shift reflects UIE’s commitment to modernising its practices and enhancing convenience for its shareholders, aligning with contemporary standards and expectations.
- **Recommendation 3.4.2.** Board committees; it is recommended that Board committees solely consist of members of the Board of Directors and that the majority of the members are independent. However, Mr. Appalanaidu Ganapathy (member of the Audit Committee) is not part of the UIE Board. He is the former Company Secretary of UP (UIE’s largest investment) and served as Finance Manager for many years. Thus, he has a lot of know-how and experience, which is of great value to the Audit Committee and UIE. The majority of the members of the

Audit Committee are independent, while the majority of the members of the Remuneration Committee and the Nomination Committee are non-independent.

- **Recommendation 3.5.1.** Board evaluation; it is recommended that the Board of Directors once a year evaluates the Board of Directors and at least every third year engages external assistance in the evaluation. The Board of Directors in UIE has defined a formal procedure of annual assessment and views self-assessment as a continuous process. Therefore, it undertakes an evaluation of the work and interaction between Board members regularly. The evaluation of the Board of Directors is based on a number of questions answered by the directors and forms the basis of a discussion at the annual strategy meeting. So far, it has been assessed that no external assistance is required; however, it is not precluded that the need for obtaining external assistance will become relevant in the future.

For further information, please see the complete list of all the recommendations on Corporate Governance and UIE’s stance on these recommendations in the following report.

The recommendations are also available in their entirety at www.corporategovernance.dk.

Recommendation

Compliance

UIE's approach

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

1.1. Communication with the company's shareholders, investors and other stakeholders

1.1.1. The Committee **recommends** that the management through ongoing dialogue and interaction ensures that the shareholders, investors and other stakeholders gain the relevant insight into the company's affairs, and that the board of directors obtains the possibility of hearing and including their views in its work.

● UIE complies

The Company is committed to maintaining open and effective communication with shareholders and other stakeholders. Communication is facilitated through the Company's website, quarterly and annual reports, regular company announcements in both Danish and English, investor meetings and the Annual General Meeting ("AGM"). Additionally, the Company holds an informal shareholder meeting each year following the AGM, featuring presentations from the Chairman, Deputy Chairman and Managing Director. In 2024, the shareholder meeting was held as an online meeting via webcast. UIE will continue with a digital format.

The Company has a separate section for investor information on its website, where it regularly provides comprehensive information about financial and operational issues, and where all information announced to the market is easily and readily available. Furthermore, through the shareholder portal, shareholders can choose to receive information by e-mail from the Company (annual reports, quarterly reports, and other company announcements) and monitor their shareholding.

The insight of the Board of Directors in the dialogue and interaction with shareholders and other stakeholders is ensured through the ongoing communication between the Board of Directors and the Management. If shareholders or stakeholders have any questions or inquiries, the Company can always be reached at the following e-mail: uie-info@plantations.biz or by phone +45 33 93 33 30.

1.1.2. The Committee **recommends** that the company adopts policies on the company's relationships with its shareholders, investors and if relevant other stakeholders in order to ensure that the various interests are included in the company's considerations and that such policies are made available on the company's website.

● UIE complies

The Company has adopted policies on the relationship with its stakeholders, including its investor relations policy and risk management policy, which are available on the Company's website www.uie.dk/invester-relations/press/

The Board of Directors regularly reviews the policies on the Company's relations with its stakeholders.

1.1.3. The Committee **recommends** that the company publish quarterly reports.

● UIE complies

The Company publishes quarterly reports that are publicly available at www.uie.dk and intends to continue doing so. The publication dates for future quarterly reports are available at www.uie.dk/finance-calender/.

Recommendation	Compliance	UIE's approach
1.2. The general meeting		
1.2.1. The Committee recommends that the board of directors organises the company's general meeting in a manner that allows shareholders, who are unable to attend the meeting in person or are represented by proxy at the general meeting, to vote and raise questions to the management prior to or at the general meeting. The Committee recommends that the board of directors ensures that shareholders can observe the general meeting via webcast or other digital transmission.	● UIE partially complies	Shareholder are entitled to ask relevant questions related to the agenda items of a general meeting. They can either pose these questions at the AGM or submit them beforehand in writing or electronically. The Board of Directors, or an appointed delegate, is responsible for providing answers. In 2024, UIE's AGM was conducted physically at the Company's registered office in Malta. However, from 2025, shareholders will have the option to participate electronically at the AGM through an online platform. This digital format enhances accessibility and encourages greater shareholder engagement.
1.2.2. The Committee recommends that proxies and postal votes to be used at the general meeting enable the shareholders to consider each individual item on the agenda.	● UIE complies	Shareholders have the opportunity to vote for or against each item on the agenda. Postal vote and proxy forms are made available on the Company's website www.uie.dk/annual-general-meeting/ and the shareholder portal on the day the notice of the AGM is announced, allowing registered shareholders to consider each agenda item. They are also submitted to shareholders who have requested to receive such information from the company. Shareholder's rights to attend and vote at the AGM either in person, by proxy or by postal vote are determined relative to the shares held by the shareholder in the shareholder portal as of the record date, which is thirty (30) days immediately preceding the AGM.

Recommendation

Compliance

UIE's approach

1.3. Takeover bids

1.3.1. The Committee **recommends** that the company has a procedure in place in the event of takeover bids, containing a "road map" covering matters for the board of directors to consider in the event of a takeover bid, or if the board of directors obtains reasonable grounds to suspect that a takeover bid may be submitted. In addition, it is recommended that it appears from the procedure that the board of directors abstains from countering any takeover bids by taking actions that seek to prevent the shareholders from deciding on the takeover bid, without the approval of the general meeting.

● UIE complies

The Company's current shareholder structure makes it impossible in practice for an actual takeover of the Company to take place without the two major shareholders, who are Chairman and Deputy Chairman of the Board, participating in or accepting the bid.

The Company's Articles of Association do not contain any provisions that limit ownership or voting rights or generally make it possible for the Board of Directors to prevent takeover bids.

In the event of a takeover attempt, the Board of Directors will, in accordance with the Company's takeover manual, provide information about the potential advantages and disadvantages associated with the bid so that the shareholders have the opportunity to determine the disposition of their shares.

1.4. Corporate Social Responsibility

1.4.1. The Committee **recommends** that the board of directors adopts a policy for the company's corporate social responsibility, including social responsibility and sustainability, and that the policy is available in the management commentary and/or on the company's website. The Committee recommends that the board of directors ensures compliance with the policy.

● UIE complies

UIE strongly focuses on ESG-related matters and actively encourages and supports its current portfolio companies to operate responsibly and with high integrity. It is crucial for UIE that the portfolio companies conduct their business ethically and professionally, considering their long-term economic, social and environmental impact. Additionally, sustainability is a key criterion in evaluating new investment opportunities. UIE has established investment processes incorporating comprehensive due diligence, including assessment of ESG issues, which is further described in the ESG section of the annual report.

A formalised sustainability policy has been adopted by the Board of Directors, providing a practical framework for maintaining high corporate responsibility standards. The policy is available on UIE's website www.uie.dk/corporate-governance/

1.4.2. The Committee **recommends** that the board of directors adopts a tax policy to be made available on the company's website.

● UIE complies

The Board of Directors is responsible for the approach towards taxes and for ensuring that this approach is embedded throughout the Group, which is described in detail in the Company's tax policy. UIE's tax policy was last approved on 1 March 2022 and is available on the website www.uie.dk/corporate-governance/

With support from Management and professional tax advisors, the Board of Directors is responsible for compliance with the tax policy and completing an annual review of the policy.

Recommendation

Compliance

UIE's approach

2. The duties and responsibilities of the board of directors

2.1. Overall tasks and responsibilities

2.1.1 The Committee **recommends** that the board of directors in support of the company's statutory objects according to its articles of association and the long-term value creation considers the company's purpose and ensures and promotes a good culture and sound values in the company. The company should provide an account thereof in the management commentary and/or on the company's website.

● UIE complies

The strategy for realising UIE's corporate purpose is encapsulated within its values and culture, which is described in detail in the annual report.

As a long-term investor, UIE's approach to value creation involves active engagement with its portfolio companies. This includes board representation and maintaining close dialogues with management teams. UIE is committed to using its influence where relevant.

UIE promotes long-term partnerships built on dedication, trust and loyalty. A key aspect of its strategy is the integration of sustainability principles into both its business strategy and culture. This integration reinforces UIE's purpose and the Company's commitment to sustainable practices.

2.1.2 The Committee **recommends** that the board of directors at least once a year discusses and on a regular basis follows up on the company's overall strategic targets in order to ensure the value creation in the company.

● UIE complies

The Board of Directors discusses and determines the Company's strategy during the year as well as at the annual strategy meeting, which is normally held in November.

2.1.3 The Committee **recommends** that the board of directors on a continuous basis takes steps to examine whether the company's share and capital structure supports the strategy and the long-term value creation in the interest of the company as well as the shareholders. The Committee recommends that the company gives an account thereof in the management commentary.

● UIE complies

The Board of Directors regularly evaluates whether the Company's capital and share structure are in the interest of UIE and its shareholders, and focus on promoting the Company's long-term profitable growth and development. This assessment is accounted for in the annual report.

2.1.4. The Committee **recommends** that the board of directors prepares and on an annual basis reviews guidelines for the executive management, including requirements in respect of the reporting to the board of directors.

● UIE complies

The rules/guidelines for the Management are included to the Board of Directors' rules of procedure, in articles 15 & 16.

The rules of procedure for the management are reviewed on an annual basis and amendments are made, if necessary.

The Board of Directors, particularly the Chairmanship, meets regularly with the Management to discuss the financial and operational management of the Company. Furthermore, the Board of Directors receives monthly management reports as well as material for board meetings presenting the financial and business-related status of the Company.

Recommendation

Compliance

UIE's approach

As UIE is an investment holding company with no independent operations, the operational management of the Company is primarily overseeing the current investments and implementing strategic and investment decisions made by the Board and the Chairmanship.

The Management can only carry these into effect based on clear instructions from the Board of Directors or Chairmanship.

2.2. Members of the board of directors

2.2.1. The Committee **recommends** that the board of directors, in addition to a chairperson, appoints a vice chairperson, who can step in if the chairperson is absent and who can generally act as the chairperson's close sparring partner.

● UIE complies

The Board of Directors has selected a Deputy Chairman, who acts in the Chairman's absence (in accordance with article 44 of UIE's Articles of Association). Furthermore, the Deputy Chairman is an effective sparring partner for the Chairman.

The Board of Directors has adopted a Charter of the Chairmanship, which specifies the tasks, duties and responsibilities of the Chairman and the role of the Deputy Chairman.

2.2.2. The Committee **recommends** that the chairperson in cooperation with the individual members of the board of directors ensures that the members up-date and supplement knowledge of relevant matters, and that the members' special knowledge and qualifications are applied in the best possible manner.

● UIE complies

The Board of Directors regularly evaluates, in cooperation with the Chairman, whether there is a need for additional Director education/training and development. The Chairmanship generally supports the attendance of relevant courses, conferences and exhibitions. It is a good way of staying up-to-date on developments and improving skills, thus contributing positively to the work of the Board of Directors. In addition, the Chairman ensures that the skills and background of the Board of Directors are adequately applied within the UIE context.

2.2.3. The Committee **recommends** that if the board of directors, in exceptional cases, requests a member of the board of directors to take on special duties for the company, for instance, for a short period to take part in the daily management of the company, the board of directors should approve this in order to ensure that the board of directors maintains its independent overall management and control function. It is recommended that the company publishes any decision on allowing a member of the board of directors to take part in the daily management, including the expected duration thereof.

● UIE complies

The Board of Directors is actively involved in implementing strategic and investment decisions in UIE.

Members of the Board of Directors must not perform any special duties for the Company that are not an inherent part of their function, except for specific tasks at the request of the Board of Directors.

No members of the Board of Directors performed any special duties for UIE in 2024. It has been decided that if a given member is to participate in the Company's daily management, this decision will be disclosed in a company announcement.

Recommendation

Compliance

UIE's approach

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

3.1. Composition

3.1.1. The Committee **recommends** that the board of directors on an annual basis reviews and in the management commentary and/or on the company's website states

- which qualifications the board of directors should possess, collectively and individually, in order to perform its duties in the best possible manner and
- the composition of and diversity on the board of directors.

● UIE complies

The Board of Directors at UIE regularly reviews its composition, including assessing whether the required competencies are adequately represented. A key priority for UIE is to have a Board encompassing a range of specialised knowledge and experience, particularly in sectors relevant to UIE's investments. Additionally, members are expected to possess robust financial insight and experience with publicly listed companies to ensure the positive development of the Company.

UIE is committed to fostering diversity within its Board, valuing a broad spectrum of work experiences, cultural backgrounds, international experience and gender balance. The Company recognises that bringing together various perspectives, experiences, educations and backgrounds can lead to innovative ideas and strategies that might not otherwise be considered. Thus, diversity is seen as a crucial driver for adding more value to the Company. While individual Board members each bring their unique contributions, they collectively are responsible for reviewing and assessing current and future opportunities and risks, shaping the Company's values and business strategy, and setting the objectives and direction for UIE's growth and development. Thus, the Board's overall competencies are meticulously aligned to meet UIE's requirements for knowledge and experience, ensuring sustainable long-term value creation for the Company.

Details of the competencies of the individual directors are included in the annual report under the section "Board of Directors & Management" and are available on the Company's website www.uie.dk/board-of-directors/.

3.1.2. The Committee **recommends** that the board of directors on an annual basis discusses the company's activities in order to ensure relevant diversity at the different management levels of the company and adopts a diversity policy, which is included in the management commentary and/or available on the company's website.

● UIE complies

UIE is committed to achieving a diverse workforce at all levels, which is discussed at Board level. UIE has adopted a diversity policy, which is available on the Company's website www.uie.dk/corporate-governance/. Diversity, particularly gender diversity, is a key priority for the Board of Directors. UIE is determined to ensure that both genders are represented on the Board of Directors.

In 2022, UIE achieved the target of having at least one female member on the Board of Directors with the election of Dr. Catherine Bannister; thus, the Company has set a new target figure for the share of the under-represented gender from the current 13% women to 25% women on the Board of Directors by 2026.

Recommendation

Compliance

UIE's approach

3.1.3. The Committee **recommends** that candidates for the board of directors are recruited based on a thorough process approved by the board of directors. The Committee recommends that in assessing candidates for the board of directors - in addition to individual competencies and qualifications - the need for continuity, renewal and diversity is also considered.

● UIE complies

The Management of UIE is comprised of one person (the Managing Director). Therefore, the Company does not provide specific details and targets regarding diversity for management functions.

Although UIE recognises the importance of promoting diversity, the Company primarily prioritises professional and human competences, know-how and experience in the Managing Director's recruitment process. Age, religion, gender and ethnicity are not regarded as qualifications in their own right, and thereby not decisive factors in the nomination of a potential candidate. That said, UIE always strives to enhance diversity, and therefore, diversity is naturally taken into account when considering potential candidates.

3.1.4. The Committee **recommends** that the notice convening general meetings, where election of members to the board of directors is on the agenda - in addition to the statutory items - also includes a description of the proposed candidates'

- qualifications,
- other managerial duties in commercial undertakings, including board committees,
- demanding organisational assignments and
- independence.

● UIE complies

The Chairman is, in cooperation with the Nomination Committee, responsible for selecting and nominating new candidates for the Board of Directors. A number of factors are taken into consideration in this connection, including qualifications, the need for integration of new talent and the need for diversity.

It is UIE's policy to ensure that the Board of Directors is primarily comprised of directors with specialised knowledge and experience within the sectors where UIE has its investments, as well as knowledge of financing, accounting, M&A, ESG and legal aspects. Therefore, directors are selected mainly based on their competencies, know-how and experience.

The Board of Directors supports efforts to promote diversity and aims to create an environment that actively embraces diversity and contributes positively to the future development of the company.

A comprehensive description of each board member is enclosed in the Notice of AGM.

Furthermore, all directors are presented on the Company's website www.uie.dk/board-of-directors/ and in the annual report under the section "Board of Directors & Management" with regard to age, background, qualifications, special competencies, other directorships, independent/non-independent and period of office.

3.1.5. The Committee **recommends** that members to the board of directors elected by the general meeting stand for election every year at the annual general meeting, and that the members are nominated and elected individually.

● UIE complies

Pursuant to the Company's Articles of Association, all directors of the Board are elected individually by the AGM for a period of one year and must seek re-election at the ensuing AGM.

Recommendation

Compliance

UIE's approach

3.2. The board of director's independence

3.2.1. The Committee **recommends** that at least half of the members of the board of directors elected in general meeting are independent in order for the board of directors to be able to act independently avoiding conflicts of interests.

● UIE complies

In order to be independent, the member in question may not:

- be or within the past five years have been a member of the executive management or an executive employee in the company, a subsidiary or a group company,
- within the past five years have received large emoluments from the company/group, a subsidiary or a group company in another capacity than as member of the board of directors,
- represent or be associated with a controlling shareholder,
- within the past year have had a business relationship (e.g. personally or indirectly as a partner or an employee, shareholder, customer, supplier or member of a governing body in companies with similar relations) with the company, a subsidiary or a group company, which is significant for the company and/or the business relationship,
- be or within the past three years have been employed with or a partner in the same company as the company's auditor elected in general meeting,
- be a CEO in a company with cross-memberships in the company's management,
- have been a member of the board of directors for more than twelve years, or
- be closely related to persons, who are not independent, cf. the above-stated criteria.

Even if a member of the board of directors does not fall within the above-stated criteria, the board of directors may for other reasons decide that the member in question is not independent.

3.2.2. The Committee **recommends** that members of the executive management are not members of the board of directors and that members retiring from the executive management does not join the board of directors immediately thereafter.

● UIE complies

The Chairman and Deputy Chairman are major shareholders and thereby not independent.

Out of the remaining six directors, one of them has served on the Board for more than 12 years and should accordingly be considered as non-independent.

The remaining five directors are independent.

The Company has incorporated a number of restrictions for the Board in its Articles of Association, which ensure a high degree of independence and integrity.

The Articles of Association are available on the Company's website www.uie.dk.

Management is not a member of the Company's Board of Directors.

One of the eight directors on the Board served as Managing Director of UIE until 10 June 2009, where he retired. However, he has never taken the position of Chairman nor Deputy Chairman on the Company's Board of Directors.

Recommendation

Compliance

UIE's approach

3.3. Members of the board of directors and the number of other managerial duties

3.3.1. The Committee **recommends** that the board of directors and each of the members on the board of directors, in connection with the annual evaluation, cf. recommendation 3.5.1., assesses how much time is required to perform the board duties. The aim is for the individual member of the board of directors not to take on more managerial duties than the board member in question is able to perform in a satisfactory manner.

● UIE complies

Each director of the Board is responsible for assessing and allocating sufficient time to fulfil his or her responsibilities towards the Company in a satisfactory manner. How much time each director needs to invest in satisfactorily performing his or her board duties is, amongst others, discussed at the annual evaluation in connection with the strategy meeting.

3.3.2. The Committee **recommends** that the management commentary, in addition to the statutory requirements, contains the following information on the individual members of the board of directors:

● UIE complies

UIE's annual report and website contain all the recommended information about the individual directors.

- position, age and gender,
- competencies and qualifications relevant to the company,
- independence,
- year of joining the board of directors,
- year of expiry of the current election period,
- participation in meetings of the board of directors and committee meetings,
- managerial duties in other commercial undertakings, including board committees, and demanding organisational assignments, and
- the number of shares, options, warrants, etc. that the member holds in the company and its group companies and any changes in such holdings during the financial year.

The biographies of all the directors seeking election/re-election at the Company's AGM are set out in the appendix to the notice of AGM.

3.4. Board committees

3.4.1. The Committee **recommends** that the management describes in the management commentary:

● UIE complies

Presently, UIE has an Audit Committee, a Remuneration Committee, a Nomination Committee and an Investment Committee.

- the board committees' most significant activities and number of meetings in the past year, and

The annual report and the website include specified information about the number of meetings, most essential activities during 2024, the names of the members, chairmanships, independence and special competencies of the members of the respective committees.

Recommendation

Compliance

UIE's approach

- the members on the individual board committees, including the chairperson and the independence of the members of the committee in question.

In addition, it is recommended that the board committees' terms of reference are published on the company's website.

3.4.2. The Committee **recommends** that board committees solely consist of members of the board of directors and that the majority of the members of the board committees are independent.

● UIE complies partially

The terms of reference of the Audit Committee, Remuneration Committee, Nomination Committee and Investment Committee are disclosed on the Company's website www.uiе.dk.

All four members of the Audit Committee are non-executives and three of the members are independent.

Mr. John Goodwin, Chairman of the Audit Committee, is considered non-independent, whereas Mr. Jørgen Balle, Mr. Appalanaidu Ganapathy and Dr. Catherine Bannister are considered independent. Mr. Appalanaidu Ganapathy is not part of the UIE Board, however, he was the former Company Secretary of UP (UIE's largest investment) and served as Finance Manager for many years. Therefore, he has a lot of know-how and experience, which is of great value to UIE.

The Remuneration and Nomination Committee consist of three members; Mr. Carl Bek-Nielsen, Chairman of the Company, Mr. Martin Bek-Nielsen, Deputy Chairman of the Company, and one independent director of the Company (Mr. Jørgen Balle is a member of the Remuneration Committee and Mr. Bent Mahler is a member of the Nomination Committee).

The Investment Committee consist of three non-independent members; Mr. Carl Bek-Nielsen (Chairman of the Board), Mr. Martin Bek-Nielsen (Deputy Chairman of the Board), and Mr. John Goodwin (who served the Board for more than 12 years).

3.4.3. The Committee **recommends** that the board of directors establishes an audit committee and appoints a chairperson of the audit committee, who is not the chairperson of the board of directors. The Committee recommends that the audit committee, in addition to its statutory duties, assists the board of directors in:

● UIE complies

- supervising the correctness of the published financial information, including accounting practices in significant areas, significant accounting estimates and related party transactions,
- reviewing internal control and risk areas in order to ensure management of significant risks, including in relation to the announced financial outlook,
- assessing the need for internal audit,
- performing the evaluation of the auditor elected by the general meeting,

The Board of Directors formed an Audit Committee in 2007.

The Chairman of the Audit Committee is not the Chairman of the Board. The Audit Committee possesses the necessary skills and qualifications within the area of accounting, auditing and financial matters.

The tasks and duties of the Audit Committee are described in the Committee's terms of reference, which are available on the Company's website www.uiе.dk/the-committees-of-the-board/.

Prior to the approval of the annual report and other financial statements, the Audit Committee reviews and reports to the Board of Directors on the Company's

Recommendation

Compliance

UIE's approach

- reviewing the auditor fee for the auditor elected by the general meeting,
- supervising the scope of the non-audit services performed by the auditor elected by the general meeting, and
- ensuring regular interaction between the auditor elected by the general meeting and the board of directors, for instance, that the board of directors and the audit committee at least once a year meet with the auditor without the executive management being present.

If the board of directors, based on recommendation from the audit committee, decides to set up an internal audit function, the audit committee must:

- prepare terms of reference and recommendations on the nomination, employment and dismissal of the head of the internal audit function and on the budget for the department,
- ensure that the internal audit function has sufficient resources and competencies to perform its role, and
- supervise the executive management's follow-up on the conclusions and recommendations of the internal audit function.

3.4.4. The Committee **recommends** that the board of directors establishes a nomination committee to perform at least the following preparatory tasks:

- describing the required qualifications for a given member of the board of directors and the executive management. the estimated time required for performing the duties of this member of the board of directors and the competencies, knowledge and experience that is or should be represented in the two management bodies,
- on an annual basis evaluating the board of directors and the executive management's structure, size, composition and results and preparing recommendations for the board of directors for any changes,
- in cooperation with the chairperson handling the annual evaluation of the board of directors and assessing the individual management members' competencies, knowledge, experience and succession as well as reporting on it to the board of directors,
- handling the recruitment of new members to the board of directors and the executive management and nominating candidates for the board of directors' approval,
- ensuring that a succession plan for the executive management is in place,

● UIE complies

accounts, its compliance with statutory and regulatory requirements, significant accounting estimates, internal systems in relation to financial reporting, risk management systems and related party transactions.

The Chairman of the Audit Committee has independent meetings with the auditor, without the Management's presence, as often as deemed necessary.

The Audit Committee assesses the need for an internal audit function on an annual basis.

In 2024, the Audit Committee assessed that UIE is not in the need of establishing an internal audit function due to its positive assessment of the Company's internal control system and considering the nature and level of operations of the Company.

The Board of Directors has established a Nomination Committee comprising the Chairmanship and an independent director. The tasks and duties of the Nomination Committee are described in the Committee's terms of reference, which are available on the Company's website www.uie.dk/the-committees-of-the-board/. The tasks include:

- to identify, assess and nominate new candidates for the Board of Directors
- to make recommendations to the Board concerning matters related to the nomination of a director
- to review the structure, size and composition of the Board (including the balance of skills, experience, independence and knowledge of the directors) and to make recommendations to the Board with regard to any changes
- to consider proposals submitted by relevant persons, including shareholders.

As mentioned previously, UIE is committed to having a diverse workforce and has a policy on diversity, which is available on the Company's website www.uie.dk/corporate-governance/. The Nomination Committee oversees the implementation and ongoing monitoring of the Company's diversity policy, including an annual review.

Recommendation

Compliance

UIE's approach

- supervising executive managements' policy for the engagement of executive employees, and
- supervising the preparation of a diversity policy for the board of directors' approval.

3.4.5. The Committee **recommends** that the board of directors establishes a remuneration committee to perform at least the following preparatory tasks:

● UIE complies

- preparing a draft remuneration policy for the board of directors' approval prior to the presentation at the general meeting,
- providing a proposal to the board of directors on the remuneration of the members of the executive management,
- providing a proposal to the board of directors on the remuneration of the board of directors prior to the presentation at the general meeting,
- ensuring that the management's actual remuneration complies with the company's remuneration policy and the evaluation of the individual members' performance, and
- assisting in the preparation of the annual remuneration report for the board of directors' approval prior to the presentation for the general meeting's advisory vote.

The Board of Directors has established a Remuneration Committee comprising the Chairmanship and an independent director. The tasks and duties of the Remuneration Committee are described in the Committee's terms of reference, which are available on the website www.uie.dk/the-committees-of-the-board/.

The Remuneration Committee makes recommendations to the Board of Directors on the remuneration of the Board of Directors and Management.

Furthermore, the Remuneration Committee makes recommendations to the Board of Directors on the remuneration policy and the remuneration report prior to submission to the AGM.

The remuneration policy and remuneration report are both available on the Company's website www.uie.dk/remuneration-policy/.

3.5. Evaluation of the board of directors and the executive management

3.5.1. The Committee **recommends** that the board of directors once a year evaluates the board of directors and at least every three years engages external assistance in the evaluation. The Committee recommends that the evaluation focuses on the recommendations on the board of directors' work, efficiency, composition and organisation, cf. recommendations 3.1.-3.4. above, and that the evaluation as a minimum always includes the following topics:

● UIE complies partially

- the composition of the board of directors with focus on competencies and diversity,
- the board of directors and the individual members' contribution and results,
- the cooperation on the board of directors and between the board of directors and the executive management,
- the chairperson's leadership of the board of directors,
- the committee structure and the work in the committees,

The Board of Directors has established a formal, annual self-evaluation process to assess its performance, results and the dynamics of interaction between the Board of Directors and the Chairmanship. This includes an evaluation of the Chairman's effectiveness in leading the Board's work and responsibilities. The evaluation is based on a number of questions designed to stimulate discussion on relevant matters. The last self-evaluation was conducted in November 2024.

Despite this annual self-evaluation, the Board recognises that self-assessment is an ongoing process, not limited to a yearly event.

To date, the Board has concluded that external assistance for this process is not necessary. However, the possibility of seeking external assistance and expertise in the future for evaluating the Board's performance has not been precluded.

Recommendation

Compliance

UIE's approach

- the organisation of the work of the board of directors and the quality of the material provided to the board of directors, and
- the board members' preparation for and active participation in the meetings of the board of directors.

The Chairman is in charge of the evaluation of the individual directors, which is discussed by the Board of Directors. It is the duty of the Chairman to ensure that the Board, in its entirety, performs the tasks assigned to it and that the individual directors perform their duties satisfactorily. If a need for skills development becomes apparent, members of the Board of Directors will participate in relevant courses, conferences or other activities as agreed with the Chairman.

3.5.2. The Committee **recommends** that the board of directors discusses the result of the evaluation of the board of directors and that the procedure for the evaluation and the general conclusions of the evaluation are described in the management commentary, on the company's website and at the company's general meeting.

● UIE complies

The board evaluation process and results are discussed in detail by the Board of Directors at the annual strategy meeting and subsequently disclosed in the annual report, on the Company's website and at the Company's AGM.

3.5.3. The Committee **recommends** that the board of directors at least once a year evaluated the work and results of the executive management according to pre-established criteria, and that the chairperson reviews the evaluation together with the executive management. In addition, the board of directors should on a continuous basis assess the need for changes in the structure and composition of the executive management, including in respect of diversity, succession planning and risks, in light of the company's strategy.

● UIE complies

The Board of Directors evaluates the work and performance of the Managing Director on an ongoing basis. The evaluation is a natural element of the regular meetings held by the Chairman and/or Deputy Chairman and the Managing Director.

The Board of Directors regularly discusses, among others, the need for changes to the structure and composition of Management.

Every year, the cooperation between the Board of Directors and the Managing Director is assessed by the Chairman. The Chairman presents the outcome of the evaluation to the Board of Directors on an annual basis.

4. Remuneration of management

4.1. Remuneration of the board of directors and the executive management

4.1.1. The Committee **recommends** that the remuneration for the board of directors and the executive management and the other terms of employment/service is considered competitive and consistent with the company's long-term shareholder interests.

● UIE complies

UIE strives to keep the remuneration level for the Board of Directors and Management at a reasonable level relative to the achieved results and the particular situation of the Company. Furthermore, it shall support the strategic goals of UIE and promote long-term sustainable value creation for the benefit of the Company's shareholders.

UIE aims to provide the Board of Directors and Management with a competitive financial package, which is reviewed regularly against external benchmarks.

Recommendation	Compliance	UIE's approach
4.1.2. The Committee recommends that share-based incentive schemes are revolving, i.e. that they are periodically granted, and that they primarily consist of long-term schemes with a vesting or maturity period of at least three years.	 UIE complies	The Board of Directors, as well as the Managing Director, are not covered by any share, option, nor warrant programmes. However, on 1 January 2021, an employee share programme was initiated in UIE, making it possible for the Managing Director and employees in UIE Services A/S to have part of the fixed salary paid in UIE shares. In accordance with section 7P of the Danish Tax Assessment Act ("Ligningsloven §7P"), the Managing Director's fixed gross salary was reduced by 18% in 2024. In exchange, the Managing Director received UIE shares at the prevailing market price, equivalent to the abovementioned salary reduction. The acquisition of shares (compensating for the salary reduction) was made in four blocks after each quarterly announcement. The Managing Director's remuneration consists of a fixed salary and a performance-based salary, consisting of a cash bonus scheme based on contribution and on achieving specific targets set by the Chairmanship. For more information, please see the remuneration policy and remuneration report available on the Company's website www.uie.dk/remuneration-policy/.
4.1.3. The Committee recommends that the variable part of the remuneration has a cap at the time of grant, and that there is transparency in respect of the potential value at the time of exercise under pessimistic, expected and optimistic scenarios.	 UIE complies	The Managing Director receives a performance-based remuneration, consisting of a cash bonus scheme based on UIE's profit before tax for the year and the achievement of the Managing Director's individual targets, which are determined by the Chairman and Deputy Chairman. However, the total maximum for the ordinary bonus component is 50% of the fixed annual salary (including pension).
4.1.4. The Committee recommends that the overall value of the remuneration for the notice period, including severance payment, in connection with a member of the executive management's departure, does not exceed two years' remuneration including all remuneration elements.	 UIE complies	In the event of termination by the Company, the Managing Director is entitled to a severance payment of nine months' salary.
4.1.5. The Committee recommends that members of the board of directors are not remunerated with share options and warrants.	 UIE complies	As a matter of principle, the Board of Directors is remunerated with a fixed annual fee and is not covered by any incentive programme.
4.1.6. The Committee recommends that the company has the option to reclaim, in whole or in part, variable remuneration from the board of directors and the executive management if the remuneration granted, earned or paid was based on information, which subsequently proves to be incorrect, or if the recipient acted in bad faith in respect of other matters, which implied payment of a too large variable remuneration.	 UIE complies	The Board of Directors does not receive variable or share-based remuneration. In the event of serious misconduct, or if a cash bonus is made on the basis of accounts that prove to be materially misstated, UIE has the option to reclaim, in full or in part, any overpayment from the cash bonus to the Managing Director. In such case, it will be described in the Remuneration Report for the relevant year.

Recommendation

Compliance

UIE's approach

5. Risk Management

5.1. Identification of risks and openness in respect of additional information

5.1.1. The Committee **recommends** that the board of directors based on the company's strategy and business model considers, for instance, the most significant strategic, business, accounting and liquidity risks. The company should in the management commentary give an account of these risks and the company's risk management.

● UIE complies

The responsibility for risk oversight resides with the Board of Directors.

UIE has a process for managing risks, including risk assessment and a mitigation strategy for those risks. Risk assessment covers both the identification of potential risk and the evaluation of the potential impact of the risk on the Company's result, balance sheet and future profitability.

The Management and the Audit Committee provides oversight of activity and advice to the Board in relation to current and potential future risks, risk management strategies and risk mitigation plans.

The Management and Audit Committee regularly report to the Board of Directors on developments within the most crucial risk areas and compliance with adopted policies. In addition, the Board of Directors is informed about any relevant matters where the Management and Audit Committee believe that action or improvement is required. In such a case, an action plan is also presented to the Board of Directors to eliminate or minimise the impact of the risk.

UIE reviews and reports on the most important strategic, business-related and financial risks in the annual report.

5.1.2. The Committee **recommends** that the board of directors establishes a whistleblower scheme, giving the employees and other stakeholders the opportunity to report serious violations or suspicion thereof in an expedient and confidential manner, and that a procedure is in place for handling such whistleblower cases.

● UIE complies

The Board of Directors implemented a whistleblower scheme in 2011, which was last updated on 25 May 2022.