

Corporate Governance Statement

Statutory Corporate Governance Statement pursuant to section 107b of
the Danish Financial Statements Act for the financial year 2019

NNIT A/S

CVR no. 21 09 31 06

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1 Introduction

This corporate governance statement for NNIT A/S ("NNIT") has been prepared in connection with the Annual Report for the financial year 2019. Corporate governance refers to the way a company is governed as well as the interaction between a company's managerial bodies, its shareholders and other stakeholders. The purpose of corporate governance is to adopt procedures and rules to support and improve the control and management of NNIT. The statement includes a description of the company's management structure, a review of how the company considers the Danish Recommendations on Corporate Governance issued by the Committee on Corporate Governance November 23, 2017 as well as a description of the main elements of the internal control and risk management systems in connection with the company's financial reporting.

2 Board of Directors

As is current practice in Denmark, the company has a two-tier management structure where powers and responsibilities are distributed between the Board of Directors and the Executive Management. No person serves as a member of both corporate bodies. The two bodies are independent. The Board of Directors supervises the work of the Executive Management and is responsible for the overall management and strategic direction, while the Executive Management handles the day-to-day management.

The Board of Directors currently consists of six members elected by the general meeting and three employee elected members. A chairman and a deputy chairman have been elected by the general meeting. Four of the six members of the Board of Directors elected by the general meeting are independent. The members of the Board of Directors comprise a group of professionally skilled business people also representing diversity and international experience.

The members of the Board of Directors elected by the general meeting are elected for a term of one year. Re-election of board members may take place. Only persons who are younger than 70 years at the time of election may be elected to the Board of Directors. The Board of Directors meets at least six times a year and on an ad-hoc basis if necessary.

The Board of Directors evaluates its work on an annual basis and describes the procedures for such evaluation as well as the overall outcome thereof in the annual report. The Board of Directors also conducts an annual review of the Board of Directors' performance and achievements, including the competencies of each board member, and the cooperation with Executive Management. Furthermore, the Board of Directors annually evaluates the work and performance of the Executive Management.

In March 2019 the Annual General Meeting elected the following members to the Board of Directors, the majority of whom are independent:

- Carsten Dilling (chairman and member since 2016, independent)

- Peter Haahr (deputy chairman and member since 2017, not independent)
- Eivind Kolding (member since 2016, independent)
- Anne Broeng (member since 2014, independent)
- Christian Kanstrup (member since 2018, not independent)
- Caroline Serfass (member since 2018, independent)

In 2019, the Board of Directors conducted 7 meetings. The Board members participated in all meetings in 2019, except for one, where one member was absent due to illness.

3 The Chairmanship

The annual general meeting elects the chairman and deputy chairman of the Board of Directors directly. The Chairmanship carries out administrative tasks, such as planning board meetings to ensure a balance between overall strategy-setting and financial and managerial supervision of the company. For a detailed view of the Chairmanship's tasks please refer to the Chairmanship Charter on NNIT's website.

At the March 2019 annual general meeting, the shareholders reelected the chairman, Carsten Dilling, independent, and the deputy chairman, Peter Haahr, not independent. In the 2019 term, the Chairmanship conducted seven meetings, and the chairman and the deputy chairman participated in all meetings.

4 The Audit Committee

The Board of Directors has established an Audit Committee, which is responsible for assisting the Board in overseeing the financial reporting process and the effectiveness of the internal control and risk management systems. For a detailed view of the committee's tasks please refer to the Audit Committee Charter available on NNIT's website.

In March 2019 the Board of Directors elected the following members to the Audit Committee, the majority of whom are independent:

- Anne Broeng (member and chairman since 2015, independent)
- Eivind Kolding (member since 2018, independent)
- Christian Kanstrup (member since 2018, not independent)

In 2019, the Audit Committee conducted 5 meetings. The members of the Audit Committee participated in all meetings in 2019.

5 The Remuneration Committee

The Board of Directors has established a Remuneration Committee, which is responsible for assisting the Board in overseeing the Remuneration Policy for the members of the Board of Directors and Executive Management, including guidelines on incentive pay to Executive Management, the remuneration of the members of the Board of Directors, its

committees and the members of Executive Management, as well as the preparation of the annual remuneration report. For a detailed view of the committee's tasks please refer to the Remuneration Committee Charter available on NNIT's website.

In March 2019 the Board of Directors elected the following members to the Remuneration Committee, the majority of whom are independent:

- Eivind Kolding (Chairman since 2018, independent)
- Carsten Dilling (member since 2018, independent)
- Peter Haahr (member since 2018, not independent)

In 2019, the Remuneration Committee conducted 2 meetings. The members of the Remuneration Committee participated in all meetings in 2019.

6 Executive Management

The Executive Management is responsible for the day-to-day management and compliance with the procedures, instructions, guidelines and recommendations issued by the Board of Directors. The Executive Management's responsibilities include inter alia organization of the company as well as allocation of resources, determination and implementation of strategies and policies and ensuring timely reporting to the Board of Directors. The Executive Management also presents and recommends proposals on the overall strategy and objectives to the Board of Directors.

As of 2019 the Executive Management consists of the following two members:

- Per Ove Kogut (chief executive officer (CEO))
- Carsten Krogsgaard Thomsen (chief financial officer (CFO))

7 Internal control and risk management

The Board of Directors and Executive Management set out general requirements for business processes and internal controls in connection with NNIT's financial reporting.

The responsibility for maintaining sufficient and effective internal controls and risk management system in relation to financial reporting is anchored with Executive Management. Executive Management ensures design and implementation of controls considered necessary to mitigate risks identified in relation to the financial reporting process.

The Audit Committee appointed by the Board of Directors monitors on an ongoing basis the management of risk and the design and operating effectiveness of the implemented internal controls in connection with the financial reporting process.

The Executive Management is responsible for performing compliance reviews in NNIT's affiliates and reports to the Audit Committee.

The Audit Committee and Executive Management perform assessments of the risk exposure of NNIT, including the impact on the financial reporting and the financial reporting process.

8 Recommendations for Corporate Governance in Denmark

NNIT is subject to the Recommendations on Corporate Governance from November 2017 as amended, which are available on the Committee on Corporate Governance's website www.corporategovernance.dk. As a company listed on Nasdaq Copenhagen, NNIT will be required to report on its compliance with these recommendations according to the "comply or explain" principle. NNIT's position on each recommendation is described in the following. NNIT complies with the Recommendations on Corporate Governance in all material respects, with one exception:

Due to the size of NNIT, the Board of Directors has not found it necessary or appropriate to establish a nomination committee. The tasks of the nomination committee are handled by the Chairmanship.

This corporate governance statement has been approved by the Board of Directors of the Company on 12 December 2019.

Table:

Recommendations for Corporate Governance

Recommendation	The company complies	The company complies partially	The company does not comply	The explanation for complying partially/not complying with the recommendation
1. Communication and interaction by the company with its investors and other stakeholders				
<i>1.1. Dialogue between company, shareholders and other stakeholders</i>				
1.1.1. The Committee recommends that the board of directors ensure ongoing dialogue between the company and its shareholders, so that the shareholders gain relevant insight into the company and in order for the board of directors to be aware of the shareholders' views, interests and opinions in relation to the company.	√			
1.1.2. The Committee recommends that the board of directors adopt policies on the company's relationship with its stakeholders, including shareholders, and that the board of directors ensure that the interests of the stakeholders are respected in accordance with company policies.	√			
1.1.3. The Committee recommends that the company publish quarterly reports	√			

<i>1.2. General meeting</i>				
1.2.1. The Committee recommends that in organising the company's general meeting, the board of directors plans the meeting to support active ownership.	✓			
1.2.2. The Committee recommends that proxies or votes by post for the general meeting allow shareholders to consider each individual item on the agenda.	✓			
<i>1.3. Takeover bids</i>				
1.3.1. The Committee recommends that the company set up contingency procedures in the event of takeover bids, from the time that the board of directors has reason to believe that a takeover bid will be made. The contingency procedures should establish that the board of directors should not without the acceptance of the general meeting, attempt to counter the takeover bid by making decisions which, in reality, prevent the shareholders from deciding on the takeover bid themselves.	✓			
2. Tasks and responsibilities of the board of directors				
<i>2.1. Overall tasks and responsibilities</i>				
2.1.1. The Committee recommends that at least once annually the board of directors consider the matters that should be included in the board's performance of its work.	✓			
2.1.2. The Committee recommends that at least once annually the board of directors consider the overall strategy of the company with a	✓			

view to ensuring value creation in the company.				
2.1.3. The Committee recommends that the board of directors ensure that the company has a capital and share structure which supports that the strategy and long-term value creation of the company are in the best interest of the shareholders and the company, and that the board of directors explain this in the management commentary and/or on the company's website.	✓			
2.1.4. The Committee recommends that the board of directors annually review and approve guidelines for the executive board; this includes establishing requirements for the executive board's reporting to the board of directors.	✓			
2.1.5. The Committee recommends that at least once annually, the board of directors discuss the composition, developments, risks and succession plans of the executive board.	✓			
<i>2.2. Corporate social responsibility</i>				
2.2.1. The Committee recommends that the board of directors adopt policies on corporate social responsibility.	✓			
<i>2.3. Chairman and vice-chairman of the board of directors</i>				
2.3.1. The Committee recommends appointing a vice chairman of the board of directors, who will assume the responsibilities of the chairman in the event of the chairman's absence, and who will also act as effective sparring partner for the chairman.	✓			
2.3.2. The Committee recommends that, if the board of directors, in	✓			

<p>exceptional cases, asks the chairman of the board of directors or other board members to perform special activities for the company, including briefly participating in the day-to-day management, a board resolution to that effect should be passed to ensure that the board of directors maintains its independent, general management and control function. Resolutions on the chairman's or other board members' participation in day-to-day management and the expected duration hereof should be publicly announced.</p>				
<p>3. Composition and organisation of the board of directors</p>				
<p><i>3.1. Composition</i></p>				
<p>3.1.1. The Committee recommends that the board of directors annually evaluate and in the management commentary account for</p> <ul style="list-style-type: none"> • the competencies that it must have to best perform its tasks, • the composition of the board of directors, and • the special competencies of each member. 	√			
<p>3.1.2. The Committee recommends that the board of directors annually discuss the company's activities to ensure relevant diversity at management levels and prepare and adopt a policy on diversity. The policy should be published on the company's website.</p>	√			
<p>3.1.3. The Committee recommends that the selection and nomination of candidates for the board of directors be carried out through a careful and transparent process approved by the board of directors. When assessing its composition and nominating new candidates, the board of directors should, in addition to the need for competencies and qualifications, take into consideration the need for integration of new talent and diversity.</p>	√			

<p>3.1.4. The Committee recommends that the notice convening a general meeting where the agenda includes the election of members to the board of directors, include (in addition to the statutory requirements) a description of the qualifications of nominated candidates, including information about the candidates'</p> <ul style="list-style-type: none"> • other executive functions, including positions on executive boards, boards of directors and supervisory boards, including board committees, in Danish and foreign enterprises, and • demanding organisational tasks. <p>Furthermore, it should be indicated if the candidates to the board of directors are considered independent.</p>	<p>✓</p>			
<p>3.1.5. The Committee recommends that members of the company's executive board be not members of the board of directors and that a resigning chief executive officer be not directly elected as chairman or vice chairman for the same company.</p>	<p>✓</p>			
<p>3.1.6. The Committee recommends that members of the board of directors elected by the general meeting be up for election every year at the annual general meeting.</p>	<p>✓</p>			
<p><i>3.2. Independence of the board of directors</i></p>				
<p>3.2.1. The Committee recommends that at least half of the members of the board of directors elected by the general meeting be independent persons, in order for the board of directors to be able to act independently of special interests.</p> <p>To be considered independent, this person may not:</p>	<p>✓</p>			

<ul style="list-style-type: none"> • be or within the past five years have been a member of the executive board, or senior staff member in the company, a subsidiary or an associated company, • within the last five years, have received significant remuneration from the company/group, a subsidiary or an associated company in a different capacity than as member of the board of directors, • represent or be associated with a controlling shareholder, • within the past year, have had significant business relations (e.g. personally or indirectly as partner or employee, shareholder, customer, supplier or member of management in companies with corresponding connection) with the company, a subsidiary or an associated company. • be or within the past three years have been employed or been a partner in the same company as the auditor elected by the general meeting, • be part of the executive management in a company with cross-management representation in the company, • have been a member of the board of directors for more than 12 years, or • be a close relative with persons who are not considered independent. <p>Even if a member of the board of directors is not covered by the above criteria, certain conditions may exist that will lead the board of directors to decide that one or more members cannot be regarded as independent.</p>				
<p><i>3.3. Members of the board of directors and the number of other management functions</i></p>				
<p>3.3.1. The Committee recommends that each member of the board of directors assess the expected time commitment for each function so that the member does not take on more functions than he/she can complete at a satisfactory level for the company.</p>	<p>✓</p>			
<p>3.3.2. The Committee recommends that the management commentary,</p>	<p>✓</p>			

<p>in addition to the provisions laid down by legislation, includes the following information about the members of the board of directors:</p> <ul style="list-style-type: none"> • the position of the relevant person, • the age and gender of the person in question, • the person’s competencies and qualifications that are relevant to the company • whether the member is considered independent, • the member’s date of appointment to the board of directors, • expiry of the current election term, • the member’s participation in the meetings on the board of directors and committee meetings, • other management functions, including memberships in executive boards, boards of directors, and supervisory boards, including board committees in Danish and foreign enterprises and demanding organisational tasks, and • the number of shares, options, warrants and similar owned by the member in the company and other group companies, as well as changes to the member’s portfolio of the mentioned securities which have occurred during the financial year. 				
<p>3.3.3. The Committee recommends that the annual evaluation procedure, cf. section 3.5, include an evaluation of what is regarded as a reasonable level for the number of other management functions, where the number, level and complexity of the other individual management functions are taken into account.</p>	<p>✓</p>			
<p>3.4. Board committees</p>				
<p>3.4.1. The Committee recommends that the company publish the following on the company’s website:</p> <ul style="list-style-type: none"> • the terms of reference of the board committees, 	<p>✓</p>			

<ul style="list-style-type: none"> • the most important activities of the committees during the year and the number of meetings held by each committee, and • the names of the members of each committee, including the chairmen of the committees, as well as information regarding which members are independent members and which members have special competencies. 				
<p>3.4.2. The Committee recommends that a majority of the members of a board committee be independent.</p>	√			
<p>3.4.3. The Committee recommends that the members of the board of directors set up an <u>audit committee</u> and that a chairman is appointed who is not the chairman of the board of directors.</p>	√			
<p>3.4.4. The Committee recommends that, prior to the approval of the annual report and other financial reports, the audit committee monitor and report to the board of directors about:</p> <ul style="list-style-type: none"> • significant accounting policies, • significant accounting estimates, • related party transactions, and • uncertainties and risks, including in relation to the outlook for the current year. 	√			
<p>3.4.5. The Committee recommends that the audit committee:</p> <ul style="list-style-type: none"> • annually assesses the need for an internal audit function and, in such a case, presents mandates and recommendations on selecting, appointing and removing the head of any internal audit function and on the budget of the internal audit function, • ensure that if an internal audit has been established, a description of its functions is available and approved by the board of directors, 	√			

<ul style="list-style-type: none"> • ensure that if an internal audit has been established, adequate resources and competencies are allocated to carry out the work, and • monitor the executive board’s follow-up on the conclusions and recommendations of the internal audit function. 				
<p>3.4.6. The Committee recommends that the board of directors establish a <u>nomination committee</u>, which is at least, responsible for the following preparatory tasks:</p> <ul style="list-style-type: none"> • describing the qualifications required by the board of directors and the executive board and for a given position, indicating the time expected to be spent carrying out a specific position, as well as assessing the competencies, knowledge and experience found in the two governing bodies, • annually assessing the structure, size, composition and results of the board of directors and the executive board and recommend any changes to the board of directors, • annually assessing the competencies, knowledge, experience and succession of the individual members of management and report to the board of directors in this respect, • recommending candidates for the board of directors and the executive board, and • proposing an action plan to the board of directors on the future composition of the board of directors, including proposals for specific changes. 			<p>✓</p>	<p>Due to the size of NNIT, The Board of Directors has not found it necessary or appropriate to establish a nomination committee. The nomination committee tasks are handled by the Chairmanship.</p>
<p>3.4.7. The Committee recommends that the board of directors establish a <u>remuneration committee</u>, which is at least, responsible for the following preparatory tasks:</p>	<p>✓</p>			

<ul style="list-style-type: none"> • recommending the remuneration policy (including the "General Guidelines for incentive-based Remuneration") to the board of directors and the executive board for approval by the board of directors prior to approval by the general meeting, • making proposals to the board of directors on remuneration for members of the board of directors and the executive board, as well as ensuring that the remuneration is in compliance with the company's remuneration policy and the assessment of the performance of the persons concerned. The committee should have information on the total remuneration that members of the board of directors and the executive board receive from other companies in the group, • recommending a remuneration policy applicable for the company in general and • assisting with the preparation of the annual remuneration report. 				
<p>3.4.8. The Committee recommends that the remuneration committee do not consult with the same external advisers as the executive board of the company.</p>	√			
<p><i>3.5. Evaluation of the performance of the board of directors and the executive board</i></p>				
<p>3.5.1. The Committee recommends that the board of directors establish an evaluation procedure for an annual evaluation of the board of directors and the individual members. External assistance should be obtained at least every third year. The evaluation should inter alia include:</p> <ul style="list-style-type: none"> • contribution and results, • cooperation with the executive board, • the chairman's leadership of the board of directors, • the composition of the board of directors (including competencies, 	√			

<p>diversity and the number of members),</p> <ul style="list-style-type: none"> the work in the committees and the committee structure, and the organisation and quality of the material that is submitted to the board of directors. <p>The evaluation procedure and the general conclusions should be described in the management commentary and on the company's website. The chairman should account for the evaluation of the board of directors, including the process and general conclusions on the general meeting prior to the election of the board of directors.</p>				
<p>3.5.2. The Committee recommends that at least once annually, the board of directors evaluate the work and performance of the executive board in accordance with pre-defined criteria. Furthermore, the board of directors should evaluate the need for changes to the structure and composition of the executive board, in light of the company's strategy.</p>	√			
<p>3.5.3. The Committee recommends that the executive board and the board of directors establish a procedure according to which their cooperation is evaluated annually through a formalised dialogue between the chairman of the board of directors and the chief executive officer, and that the outcome of the evaluation be presented to the board of directors.</p>	√			
<p>4. Remuneration of management</p>				
<p><i>4.1. Form and content of the remuneration policy</i></p>				
<p>4.1.1. The Committee recommends that the board of directors prepare a remuneration policy for the board of directors and the executive board, which includes</p>	√			

<ul style="list-style-type: none"> • a detailed description of the components of the remuneration for members of the board of directors and the executive board, • the reasons for choosing the individual components of the remuneration, • a description of the criteria that form the basis for the balance between the individual components of the remuneration, and • an explanation for the correlation between the remuneration policy and the company's long-term value creation and relevant related goals. <p>The remuneration policy should be approved by the general meeting at least every fourth year and upon any material amendments and it should be published on the company's website.</p>				
<p>4.1.2. The Committee recommends that if the remuneration policy includes variable components,</p> <ul style="list-style-type: none"> • limits be set on the variable components of the total remuneration package, • a reasonable and balanced composition be ensured between remuneration for members of management and the value creation for shareholders in the short and long term, • clarity be established about performance criteria and measurability for the award of variable components, • it is ensured that variable remuneration not only consists of short-term remuneration components, and that long-term remuneration components must have a vesting or maturity period of at least three years, and • it be ensured that the company has the ability to reclaim, in full or in part, variable components of remuneration that were paid on the 	√			

basis of information, which subsequently are found to be incorrect.				
4.1.3. The Committee recommends that remuneration of members of the board of directors does not include share options or warrants.	✓			
4.1.4. The Committee recommends that if, in relation to long-term incentive programmes, a share-based remuneration is used, the programmes should have a vesting or maturity period of at least three years after being allocated and should be roll-over programmes, i.e. the options should be granted periodically.	✓			
4.1.5. The Committee recommends that the total value of the remuneration relating to the notice period, including severance pay, do not exceed two years of remuneration, including all components of the remuneration.	✓			
<i>4.2. Disclosure of remuneration</i>				
4.2.1. The Committee recommends that the company's remuneration policy and compliance with this policy be explained and justified annually in the chairman's statement at the company's general meeting.	✓			
4.2.2. The Committee recommends that shareholders at the general meeting consider proposals for approval of remuneration for the board of directors for the current financial year.	✓			
4.2.3. The Committee recommends that the company prepares a remuneration report that includes information on the total remuneration received by each member of the board of directors and the executive board from the company and other companies in the group and	✓			

<p>associated companies for the last three years, including information on the most important content of retention and resignation arrangements and that the correlation between the remuneration and company strategy and relevant related goals be explained.</p> <p>The remuneration report should be published on the company's website.</p>				
<p>5. Financial reporting, risk management and audits</p>				
<p><i>5.1. Identification of risks and transparency about other relevant information</i></p>				
<p>5.1.1. The Committee recommends that the board of directors consider and in the management commentary account for the most important strategic and business-related risks, risks in connection with the financial reporting as well as for the company's risk management.</p>	<p>✓</p>			
<p><i>5.2. Whistleblower scheme</i></p>				
<p>5.2.1. The Committee recommends that the board of directors establish a whistleblower scheme for expedient and confidential notification of serious wrongdoing or suspicions thereof.</p>	<p>✓</p>			
<p><i>5.3. Contact to auditor</i></p>				
<p>5.3.1. The Committee recommends that the board of directors ensure regular dialogue and exchange of information between the auditor elected by the general meeting and the board of directors, including that the board of directors and the audit committee meet with the auditor elected by the general meeting at least once annually without the executive board present. This also applies to the internal auditor, if any.</p>	<p>✓</p>			

5.3.2. The Committee recommends that the audit agreement and auditor's fee be agreed by the board of directors and the auditor elected by the general meeting based on a recommendation from the audit committee.	✓			