Guidelines on Good Management of a Listed Company (Corporate Governance) – Draft dated Februar 29, 2000.

The Annual General Meeting (AGM):

Invitations should be sent out at least 3 weaks in advance and enclose an agenda with detailed proposals and recommended decisions to be taken
All strategic decisions of a fundamental importance to the company should be approved at a shareholders meeting
Limitations on voting rights should be limited to a minimum in importance and time – shareholders should have easy access to vote in absentia, and shares with disproportional voting rights should be abandoned
Statements from minority board-members or shareholders should be registered in the minutes
Committees responsible for the proposal of candidates for the board and the auditing companies should be established - candidates' identity and profile should be presented prior to the meeting, and more candidates than seats available should be proposed – elections should take place directly at the AGM and for a period of one year only
No-one should become a board-member in more than 6 listed companies, and a CEO or a chairman should not hold more than 2 seats
The auditors should be independent of the management, and they should be elected by the shareholders – for a total period of maximum 7 years.

Governance:

Given a reasonable treatment of other stakeholders management should try to maximise the company's long term profitability and shareprice development – excess capital should be paid back to the shareholders
The board should have 4 members independant of day-to-day management
At the most one present or past director of the company should be a member of the board, and no board member should be re-elected for a total period of more than 12 years.
The board or a special committee should decide upon the remuneration of company directors
The remuneration principles should be published in the annual report
The remuneration of the directors and the board members should to a reasonable extent depend on the company's profitability and shareprice development
The director's dismissal compensation should normally not exceed 2 years payment. The compensation should not be paid out if the director severely mismanages his job, or if he/she resigns on his/hers own initiative. The dismissal compensation should not include any kind of bonuses.

Motivating programmes:

Motivating programmes are seen as positive – providing they are reasonable in scope.

At emissions proposed to the employees:
motivating programmes should in total not delude the share capital by more than 5%
only employees presently working in the company should profit
the shareholders should be well informed about such projects prior to the shareholder meeting deciding upon it
the auditors should carefully evaluate such programmes and answer all questions at the shareholders meeting

other motivating programmes may also be of a nature to be voted upon at a shareholder meeting

Public take-over bids:

Take-over bids should always, whenever possible, include a share trading alternative – and shareholders obtaining more than 33% of the votes in a listed company should be obliged to bid for the remaining shares at identical conditions
The listing of the taken-over company should remain in force for the longest possible period of time
The forced sale of shares should be carried out as quickly as possible

Information to the market:

All listed companies should in the annual report inform about their strategy and objective financial goals
All listed companies should publish quarterly reports and inform when insiders (directors, members of the board, and majority shareholders) have been trading shares in the company
News having anything more than marginal influence on the share price should immediately be communicated – including an evaluation of the consequences for the company
All listed companies should have an investor relation (IR) function
Internet and e-mail should be applied more frequently for communication with the shareholders
All shareholders - not having expressly declined so - should receive information regarding the company
Representatives from the press and from DAF should be invited to participate in our investor meetings
Prospects should include budgets. At take-overs the consequences of a stand-alone alternative should be included