

**TDC's review on the recommendations on corporate governance,
6 May 2013**

“Comply or explain”

If a company deviates from parts of the recommendations, the company has to explain the reasons for the deviations, cf. section 107 b (1) (iii) of the Financial Statements Act. The company has to explain why it has chosen not to comply with a recommendation and what it has chosen to do instead. Failure to comply with a recommendation is not considered a breach of rules, but merely implies that the board of directors of the company has chosen a different approach. The market must decide whether deviations are justified and whether the explanation is satisfactory. A good explanation provides specific insight for stakeholders to be able to decide on any investments. In order to create the transparency necessary for investors, companies must respond to each recommendation and provide information on whether or not they will comply with the recommendation in question.

Note that the reporting must reflect the current style of management at the time of the reporting. In the event of significant changes during the year, or after the balance sheet date, descriptions of the changes should be included in the corporate governance report. Companies must consider each of the recommendations.

If the company complies partially with a recommendation the company must specify which parts it is complying with, why it is deviating from the remaining part of the recommendation and what it has chosen to do instead.

The Committee has observed that many companies choose to provide supplementary information even in cases where the company complies with a recommendation. The Committee encourages companies to provide supplementary information where this increases transparency.

Statutory review on corporate governance 2013, cf. section 107b of the Danish Financial Statements Act

The review concerns the financial year **1 January 2014 - 31 December 2014** and forms part of TDC's Annual Report 2013

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 in order for the shareholders to gain relevant insight into the company's potential and policies, and in order for the board of directors to be aware of the shareholders' views, interests and opinions on the company.	X			The Board of Directors has approved a communications policy. Further, TDC has a tax policy and the main elements of the tax policy are presented once a year to the Audit Committee. Further, TDC complies with the recommendation through the annual board review and approval of TDC's strategy. The strategy contains TDC's

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				<p>vision and plans in relation to TDC's stakeholders.</p> <p>In addition, the company has an ongoing dialogue with customers, employees, shareholders and relevant authorities.</p> <p>The dialogue with the shareholders takes place in e.g. conference calls regarding financial statement publications, and at investor meetings and conferences in Denmark and abroad</p>
<p>1.1.2. The Committee recommends that the board of directors adopt policies on the company's relationship with its stakeholders, including shareholders and other investors, and that the board ensures that the interests of the shareholders are respected in accordance with company policies.</p>	X			
<p>1.1.3. The Committee recommends that the company publish quarterly reports.</p>	X			<p>The company publishes quarterly reports. The reports are made available on the company's website.</p>

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<i>1.2. General meeting</i>				
<p>1.2.1. The Committee recommends that when organizing the company's general meeting, the board of directors plans the meeting to support active ownership.</p>	X			<p>The company invites its shareholders to participate in general meetings via the notice to convene. The notice is sent to all listed shareholders who have stated their e-mail address and is furthermore published by way of stock exchange announcement which is made available on the company's website.</p> <p>The board recommendation regarding the general meeting addresses the question in relation to conduct of the general meeting by personal attendance or electronically, wholly or partly, and the decision of the Board of Directors is included in the notice.</p>
<p>1.2.2. The Committee recommends that proxies granted for the general meeting allow shareholders to consider each individual item on the</p>	X			<p>The proxies that TDC makes available to its shareholders for use at the company's</p>

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agenda.				general meetings make it possible for the shareholders to consider each individual item on the agenda.
<i>1.3. Takeover bids</i>				
<p>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. According to such contingency procedures, 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.</p>	X			The Board of Directors has approved a set of takeover guidelines. Among others, the guidelines determine that the Board of Directors will 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 themselves.
2. Tasks and responsibilities of the board of directors				
<i>2.1. Overall tasks and responsibilities</i>				
<p>2.1.1. The Committee recommends that at least once a year the board of directors take a position on the matters related to the board's performance of its responsibilities.</p>	X			The Board of Directors' attendance to its tasks is organised in an annual cycle as well as in the Rules of Procedure for the Board of

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				Directors. Annually, the Board of Directors reviews its rules of procedure in order to ensure that the tasks of the Board of Directors are adapted to the company's business and needs.
2.1.2. The Committee recommends that at least once a year the board of directors take a position on the overall strategy of the company with a view to ensuring value creation in the company.	X			Annually, one or more strategic seminar(s) is/are held for the Board of Directors prior to the Board of Directors' taking a final position on the company's overall strategy.
2.1.3. The Committee recommends that the board of directors ensure that the company has a capital and share structure ensuring that the strategy and longterm value creation of the company are in the best interest of the shareholders and the company, and that the board of directors presents this in the management commentary on the company's annual report and/or on the company's website.	X			This is included in the work of the Board of Directors on an ongoing basis and is accounted for in the company's annual report.
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 on timely, accurate and adequate reporting to the board of directors.	X			The Board of Directors has approved Rules of Procedure for the Executive Committee which the Board of Directors reviews annually in order to ensure that the rules of procedure always reflect the business and needs of the

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				<p>company and set out the necessary requirements for the Executive Committee's reporting to the Board of Directors.</p> <p>The rules of procedure for both the Executive Committee and the Board of Directors combined with the company's corporate governance rules constitute the more specific framework for the distribution of work between the company's Board of Directors and Executive Committee.</p>
2.1.5. The Committee recommends that at least once a year the board of directors discuss the composition of the executive board, as well as developments, risks and succession plans.	X			The Board of Directors discusses this issue as part of its annual evaluation of the Executive Committee.
2.1.6. The Committee recommends that once a year the board of directors discuss the company's activities to ensure relevant diversity at management levels, including setting specific goals and accounting for its objectives and progress made in achieving the objectives in the management commentary on the company's annual report and/or on the website of the company.	X			Discussion of diversity at management levels takes place several times a year, for instance in relation to the Board of Directors' selection and nomination of candidates to the Board of Directors and the Board of Directors' review of TDC's CSR strategy which,

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				<p>among other things, includes diversity as a focus area.</p> <p>To ensure focus on diversity, TDC has, among other things, set an objective for the share of women in management. The objective is to have 27% women in the Top Management Group in the company by the end of 2015. On the company's website, the company's initiatives to support diversity with regard to for instance women in management, senior practice, opportunity of flexible jobs and other types of positions with a view to securing diversity have been accounted for.</p> <p>Further, the Board of Directors has approved a policy for the underrepresented gender at management levels below executive committee level. This policy includes the objective that the number of</p>

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				<p>female leaders at all management levels below executive committee level at least shall reflect the proportionate dispersion of the number of females in the company. It is the intention to reach this objective no later than during 2015. The policy contains a number of initiatives and tools to reach the determined objective.</p> <p>Further, the Board of Directors has determined as objective for its own composition by gender that both genders, among the members elected by the General Meeting, shall be represented in the Board of Directors by at least 25% by the end of 2016.</p> <p>Today, the entire Board of Directors already has an international profile. For that reason, the Board of Directors has set no objectives for the proportion of board members</p>

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				<p>to have an international profile, other than it is an objective of the Board of Directors to maintain an international profile.</p> <p>On the company's website, the company's objectives for diversity and the progress made in achieving the objectives are accounted for.</p>
<i>2.2. Corporate social responsibility</i>				
2.2.1. The Committee recommends that the board of directors adopt policies on corporate social responsibility.	X			<p>The Board of Directors has adopted a Corporate Social Responsibility strategy (CSR strategy) including a number of related policies as well as participation in UN Global Compact.</p> <p>The company's CSR strategy is built around the following five focus areas:</p> <ol style="list-style-type: none"> 1. Digital Denmark 2. Customer trust & safety 3. Climate & environment 4. Employee well-being and

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				<p>diversity 5. Social partnerships</p> <p>The strategy and the related policies, objectives and results of the company's work on CSR are described more detailed on the company's website and in an online CSR Report which is an integrated part of the company's annual report.</p>
<i>2.3. Chairman and vice-chairman of the board of directors</i>				
<p>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.</p>	X			<p>The Chairman and the Vice Chairman are elected at the constituent board meeting immediately following the annual general meeting.</p>
<p>2.3.2. The Committee recommends ensuring that, if the board of directors, in exceptional cases, asks the chairman of the board of directors to perform special operating activities for the company, including briefly participating in the day-to-day management, a board resolution to that effect be passed to ensure that the board of directors maintains its independent, overall management and control function. Resolutions on the chairman's participation in day-to-day management and the expected duration hereof should be published in a company announcement.</p>	X			<p>At this time, the Board of Directors has not requested the Chairman of the Board of Directors to carry out special tasks for the company. If the Board of Directors at a later stage would feel induced to request its Chairman to carry out such special tasks; this</p>

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				will be done in accordance with this recommendation.
3. Composition and organization of the board of directors				
<i>3.1. Composition</i>				
<p>3.1.1. The Committee recommends that the board of directors annually accounts for</p> <ul style="list-style-type: none"> • the skills it must have to best perform its tasks, • the composition of the board of directors, and • the special skills of each member. 	X			<p>The Board of Directors has prepared a competence profile, which the Board of Directors reviews annually in connection with its evaluation. The competency profile is made available at the company's website.</p> <p>The company's annual report contains information regarding the composition of the Board of Directors and the specific competencies of the individual members.</p>
<p>3.1.2. The Committee recommends that the selection and nomination of candidates for the board of directors be carried out through a thoroughly transparent process approved by the overall board of directors. When assessing its composition and nominating new candidates, the board of directors must take into consideration the need for integration of new talent and diversity in relation to age, international experience and gender.</p>	X			<p>The Board of Directors has set up a Nomination Committee, which, among other things, works on selecting and nominating candidates for the Board of Directors for approval by the Board of Directors prior to nomination</p>

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				<p>for election of such candidates at the company's general meeting.</p> <p>The recruitment criteria, of which the entire Board of Directors is informed, are determined in consideration of the need for renewal and diversity.</p>
<p>3.1.3. The Committee recommends that a description of the nominated candidates' qualifications, including information about the candidates'</p> <ul style="list-style-type: none"> • other executive functions, e.g. memberships in executive boards, boards of directors, and supervisory boards, including board committees in foreign enterprises, be accompanied by the notice convening the general meeting when election of members to the board of directors is on the agenda. • demanding organizational tasks, and information • about whether candidates to the board of directors are considered independent. 	X			<p>A description of the nominated candidates prepared in accordance with this recommendation is distributed together with the notice to convene when election of board members is on the agenda. The description is also made available on the company's website.</p>
<p>3.1.4. The Committee recommends that the company's articles of association stipulate a retirement age for members of the board of directors.</p>	X			<p>It appears from the company's Articles of Association and also from the Rules of Procedure for the Board of Directors that board members must, at the latest, resign from the Board of</p>

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				Directors at the first annual general meeting following the board member turning 70 years of age.
3.1.5. 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.	X			All board members elected by the general meeting are up for election each year at the annual general meeting.
3.2. Independence of the board of directors				
<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. To be considered independent, this person may not:</p> <ul style="list-style-type: none"> • be or within the past five years have been member of the executive board, or senior staff member in the company, a subsidiary undertaking or an associate, • within the past five years, have received larger emoluments from the company/group, • a subsidiary undertaking or an associate in another capacity than as member of the • board of directors, • represent the interests of a controlling shareholder, • within the past year, have had significant business relations (e.g. personal or indirectly as partner or employee, shareholder, customer, supplier or member of the executive management in companies with corresponding connection) with the company, a subsidiary undertaking or an associate. 	X			Of the six board members elected by the general meeting five board members are independent and one board member is non-independent. The last mentioned board member is considered non-independent, because this board member during 2013 and 2014 has received remuneration for services to the company in the capacity of consultant.

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<ul style="list-style-type: none"> • be or within the past three years have been employed or partner at the external auditor, • have been chief executive in a company holding cross-memberships with the company, • have been member of the board of directors for more than 12 years, or • have been close relatives with persons who are not considered independent. 				
3.3. Members of the board of directors and the number of other executive functions				
3.3.1. The Committee recommends that each member of the board of directors assesses the expected time commitment for each function in order that the member does not take on more functions than he/she can manage satisfactorily for the company.	X			Board members are encouraged to make such assessment when nominated to the Board of Directors, as well as on an ongoing basis.
3.3.2. The Committee recommends that the management commentary, in addition to the provisions laid down by legislation, includes the following information about the members of the board of directors: <ul style="list-style-type: none"> • the position of the relevant person, • the age and gender of the relevant person, • whether the member is considered independent, • the date of appointment to the board of directors of the member, • expiry of the current election period, • other executive functions, e.g. memberships in executive boards, boards of directors, and supervisory boards, including board committees in foreign enterprises and • demanding organizational tasks, and • the number of shares, options, warrants and similar in the company, and other group companies of the company, owned by the member, as 	X			The company's annual report contains such information.

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well as changes in the portfolio of the member of the securities mentioned which have occurred during the financial year.				
3.4. Board committees				
<p>3.4.1. The Committee recommends that the company publish the following on the company's website:</p> <p>The terms of reference of the board committees,</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 on which members are independent members and which members have special qualifications. 	X			This information appears from the company's website.
<p>3.4.2. The Committee recommends that a majority of the members of a board committee be independent.</p>	X			The Board of Directors complies with this recommendation in relation to all its committees.
<p>3.4.3. The Committee recommends that the board of directors set up a formal <u>audit committee</u> composed such that</p> <ul style="list-style-type: none"> the chairman of the board of directors is not chairman of the audit committee, and between them, the members should possess such expertise and experience as to provide an updated insight into and experience in the financial, accounting and audit aspects of companies whose shares are admitted to trading on a regulated market. 	X			The Board of Directors has set up an Audit Committee which complies with this recommendation.
<p>3.4.4. The Committee recommends that, prior to the approval of the</p>	X			The Audit Committee

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<p>annual report and other financial reports, the audit committee monitors and reports 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>monitors the financial reporting and reports to the Board of Directors in this regard.</p>
<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, and in such case, makes recommendations on selecting, appointing and removing the head of the internal audit function and on the budget of the internal audit function, and • monitor the executive board’s follow-up on the conclusions and recommendations of the internal audit function. 	X			<p>Annually, the Audit Committee considers the need for an internal audit function and prepares a recommendation to the Board of Directors in relation to this.</p> <p>The company has not established an internal audit function.</p>
<p>3.4.6. The Committee recommends that the board of directors establish a nomination committee chaired by the chairman of the board of directors with at least the following preparatory tasks:</p> <ul style="list-style-type: none"> • describe the qualifications required by the board of directors and the executive board, and for a specific membership, state the time expected to be spent on having to carry out the membership, as well as assess the competences, knowledge and experience of the two governing bodies combined, • annually assess the structure, size, composition and results of the board of directors and the executive board, as well as recommend any changes to the board of directors, 	X			<p>The Board of Directors has set up a Nomination Committee with a solely preparatory purpose and with the Chairman of the Board of Directors as Chairman. The tasks recommended are contained in the Mandate and Charter for the Nomination Committee.</p> <p>The search for candidates for</p>

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<ul style="list-style-type: none"> annually assess the competences, knowledge and experience of the individual members of management, and report to the board of directors in this respect, consider proposals from relevant persons, including shareholders and members of the board of directors and the executive board for candidates for the board of directors and the executive board, and propose an action plan to the board of directors on the future composition of the board of directors, including proposals for specific changes. 				the Board of Directors is conducted by the use of external assistance.
<p>3.4.7. The Committee recommends that the board of directors establish a remuneration committee with at least the following preparatory tasks:</p> <ul style="list-style-type: none"> to recommend 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, make proposals to the board of directors on remuneration for members of the board of directors and the executive board, as well as ensure 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 about the total amount of remuneration that members of the board of directors and the executive board receive from other companies in the group, and recommend a remuneration policy applicable for the company in general. 		X		The Board of Directors has set up a Compensation Committee. The Compensation Committee determines the remuneration and other employment terms for members of the Executive Committee, and annually approves the overall principals for the group's bonus and other short- or long-term incentive or retention programmes. The Board of Directors considers it appropriate for the Compensation Committee to have this limited decision making competence, especially in the light of the continued work related to the

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				<p>implementation of TDC's current Remuneration Policy for the Board of Directors and Executive Committee. The Compensation Committee reports to the entire Board of Directors on an ongoing basis.</p> <p>Otherwise the tasks of the Compensation Committee comply with the recommendation. Thus, the Board of Directors has, upon recommendation from the Compensation Committee, approved the company's Remuneration Policy for the Board of Directors and the Executive Committee prior to approval by the general meeting. Furthermore, the Board of Directors has, upon recommendation from the Compensation Committee, approved a remuneration policy applicable in general to the employees in the group.</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	X			The Compensation Committee and the Executive Committee

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company.				do not consult with the same external advisers.
<i>3.5. Evaluation of the performance of the board of directors and the executive board</i>				
<p>3.5.1. The Committee recommends that the board of directors establish an evaluation procedure where contributions and results of the board of directors and the individual members, as well as collaboration with the executive board are annually evaluated. Significant changes deriving from the evaluation should be included in the management commentary or on the company's website.</p>	X			<p>The Board of Directors determines the procedure for its annual evaluation. In 2014, the evaluation was based on a questionnaire which was completed by both the Board of Directors and the Executive Committee as well as interviews between the Chairman of the Board of Directors and the board members on basis of the replies in the questionnaire. The main conclusions from the questionnaire and the interviews will be discussed at a board meeting at which meeting an evaluation of the Chairman of the Board of Directors will be conducted by the Vice Chairman.</p> <p>Among other things, the evaluation included contributions and results from</p>

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				<p>the entire Board of Directors as well as the individual board members; cooperation in the Board of Directors, the Board of Directors' competencies; the use of board committees; the organisation of the work; and the cooperation and division of responsibilities between the Board of Directors and the Executive Committee.</p> <p>Information on material changes deriving from the year's evaluation will be given in the Annual Report 2014 or on the company's website.</p>
<p>3.5.2. The Committee recommends that in connection with preparation of the general meeting, the board of directors consider whether the number of members is appropriate in relation to the requirements of the company. This should help ensure a constructive debate and an effective decision-making process in which all members are given the opportunity to participate actively.</p>	X			<p>In the recommendation to the Board of Directors regarding the general meeting the Board of Directors is requested to consider whether the number of board members is appropriate with regard to the company's need and in order to ensure that a constructive discussion and an efficient decision-making</p>

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				process can take place in which all board members have the opportunity to participate actively.
3.5.3. The Committee recommends that at least once every year the board of directors evaluate the work and performance of the executive board in accordance with predefined clear criteria.	X			Annually, the Board of Directors evaluates the work and results of the Executive Committee.
3.5.4. 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 formalized 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.	X			The cooperation between the Board of Directors and the Executive Committee is evaluated on an ongoing basis at meetings held between the CEO and the Chairman of the Board of Directors. An evaluation of the cooperation is also an integrated part of the annual evaluation of the Board of Directors pursuant to recommendation 3.5.1, the result of which is being discussed in the Board of Directors.
4. Remuneration of management				
<i>4.1. Form and content of the remuneration policy</i>				
4.1.1. The Committee recommends that the board of directors prepare a	X			The Board of Directors has

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<p>clear and transparent remuneration policy for the board of directors and the executive board, including</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, and • a description of the criteria on which the balance between the individual components of the remuneration is based. <p>The remuneration policy should be approved by the general meeting and published on the company's website.</p>				<p>adopted a clear and transparent Remuneration Policy for the Board of Directors and the Executive Committee.</p> <p>The Remuneration Policy includes a detailed description of the components of remuneration for the Board of Directors and the Executive Committee.</p> <p>According to the Remuneration Policy, the Board of Directors is only paid cash compensation to avoid conflicts of interest in connection with the conclusion of agreements on and the calculation of performance-related remuneration.</p> <p>The remuneration of the Executive Committee is composed of a fixed compensation, pension contributions, company car as well as short and long-term</p>

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				<p>performance related pay elements. The fixed pay elements shall be at an attractive level, but not too high because there should still be a strong incentive for achieving a higher total pay by obtaining the desired results. The composition of the compensation elements is based on the need for both results in the individual financial year and for a long-term sound development of the company.</p> <p>The Remuneration Policy has been adopted by the general meeting, last time in 2013, and is made available at 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 linkage be ensured between remuneration for governing body members, expected risks and the value creation for shareholders in the short and long terms, • there be clarity about performance criteria and measurability for award 	X			<p>The company's Remuneration Policy complies with this recommendation.</p>

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<p>of variable components,</p> <ul style="list-style-type: none"> • there be criteria ensuring that qualifying periods for variable components in remuneration agreements are longer than one calendar year, and • an agreement is made which, in exceptional cases, entitles the company to reclaim in full or in part variable components of remuneration that were paid on the basis of data, which proved to be misstated. 				
<p>4.1.3. The Committee recommends that remuneration of members of the board of directors does not include share options.</p>	X			The Board of Directors receives fixed compensation only and has no incentive scheme.
<p>4.1.4. The Committee recommends that if share-based remuneration is provided, such programmes be established as roll-over programmes, i.e. the options are granted periodically and should have a maturity of at least three years from the date of allocation.</p>	X			The company's Remuneration Policy complies with this recommendation.
<p>4.1.5. The Committee recommends that agreements on termination payments should not amount to more than two years' annual remuneration.</p>	X			No agreements have been made or will be made on termination payments that amount to more than two years' annual remuneration.
<p><i>4.2. Disclosure of the remuneration policy</i></p>				
<p>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.</p>	X			The company's Remuneration Policy for the Board of Directors and the Executive Committee and compliance

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				with this policy is explained and justified in the Chairman's statement at the company's general meeting.
4.2.2. The Committee recommends that the proposed remuneration for the board of directors for the current financial year be approved by the shareholders at the general meeting.	X			At the annual general meeting remuneration of the Board of Directors for the current financial year is approved.
4.2.3. The Committee recommends that the total remuneration granted to each member of the board of directors and the executive board by the company and other companies in the group, including information on the most important contents of retention and retirement/resignation schemes, be disclosed in the annual report and that the linkage with the remuneration policy be explained.		X		<p>The company's annual report includes details of the aggregated remuneration provided by the company to the CEO and CFO respectively as well as the aggregated remuneration provided to the rest of the Executive Committee calculated in total.</p> <p>Individual information on remuneration to the CEO and the CFO is considered adequate, taking the size of the company's Executive Committee into account.</p> <p>Furthermore, the annual report contains information about the aggregated</p>

Recommendation	The company complies	The company complies partially	The company does not comply	The explanation for complying partially/not complying with the recommendation
				<p>remuneration that each board member receives from the company.</p> <p>The aggregated remuneration to the Executive Committee includes current payments to pension which discontinue in case of resignation (contribution arrangement). This appears from the company's annual report.</p> <p>Finally, the annual report includes details on the severance and retention packages of the Executive Committee. The retention packages are structured as Long Term Incentives (Performance Share Programme and Deferred Annual Bonus) resulting in a possible loss of share remuneration in the event of a notice to quit ("bad leaver").</p> <p>The linkage between the company's remuneration to</p>

Recommendation	The company complies	The company complies partially	The company does not comply	The explanation for complying partially/not complying with the recommendation
				management and the company's Remuneration Policy is accounted for in the annual report.
5. Financial reporting, risk management and audits				
<i>5.1. Identification of risks and transparency about other relevant information</i>				
5.1.1. The Committee recommends that the board of directors in the management commentary review and 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.	X			<p>Annually, the Board of Directors reviews the most important strategic and business-related risks and the company's management hereof. In addition hereto, the Board of Directors conducts a current assessment of strategic and business-related risks in connection with specific projects.</p> <p>Risks in relation to the financial reporting are evaluated on an ongoing basis by the Audit Committee. The Audit Committee reports to the Board of Directors.</p> <p>The recommended information is included in the</p>

Recommendation	The company complies	The company complies partially	The company does not comply	The explanation for complying partially/not complying with the recommendation
				company's annual report.
<i>5.2. Whistleblower scheme</i>				
<p>5.2.1. The Committee recommends that the board of directors decide whether to establish a whistleblower scheme for expedient and confidential notification of possible or suspected wrongdoing.</p>	X			<p>The Board of Directors has adopted a whistleblower scheme, which came into force in July 2011 for TDC A/S. In July 2013, the Board of Directors decided to expand the scheme to TDC Telco ApS and a notification of the scheme has been submitted to the Danish Data Protection Agency from where an approval is still pending. The whistleblower scheme enables employees in TDC A/S to make anonymous or non-anonymous notifications of possible or suspected serious wrongdoings in the company and when the approval from the Danish Data Protection Agency regarding TDC Telco A/S is available, the employees in this company will also have this option.</p> <p>Notifications of possible or</p>

Recommendation	The company complies	The company complies partially	The company does not comply	The explanation for complying partially/not complying with the recommendation
				suspected serious financial wrongdoings are a matter of the Audit Committee, which shall prepare a recommendation regarding the notification for decision by the Board of Directors. Notifications of other possible or suspected serious wrongdoings are a matter of the Chairman of the Board of Directors.
<i>5.3. Contact to auditor</i>				
5.3.1. The Committee recommends that the board of directors ensure regular dialogue and exchange of information between the auditor and the board of directors, including that the board of directors and the audit committee at least once a year meet with the auditor without the executive board present. This also applies to the internal auditor, if any.	X			The Board of Directors has regular dialogue and exchange of information with the company's auditor. The Board of Directors has at least one annual meeting with the auditor, where the Executive Committee is not present. After each audit committee meeting, the Audit Committee meets with the auditor without the presence of the Executive Committee. The audit committee conducts

Recommendation	The company complies	The company complies partially	The company does not comply	The explanation for complying partially/not complying with the recommendation
				<p>three meetings a year.</p> <p>The company has not established an internal audit function.</p>
<p>5.3.2. The Committee recommends that the audit agreement and auditors' fee be agreed between the board of directors and the auditor on the basis of a recommendation from the audit committee.</p>				<p>The company complies with this recommendation.</p>