

Corporate Governance Report 2023

In accordance with section 107b of The Danish Financial Statements Act

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1 Introduction

This is the Corporate Governance report for NTG Nordic Transport Group A/S, Business Reg. (CVR) no. 12546106 ("NTG") and its subsidiaries (NTG and its subsidiaries hereinafter referred to as the "Group"). The report forms part of the [2023 Annual Report](#).

The statement includes a description of NTG's management structure supplementary to the description in the 2023 Annual Report, a description of the main elements of the internal control and risk management systems in connection with NTG's financial reporting, as well as a review of how NTG considers the Danish Recommendations on Corporate Governance issued by the Committee on Corporate Governance in December 2020 available at corporategovernance.dk.

2 NTG's management structure

NTG has a two-tier management structure where powers and responsibilities are distributed between the Board of Directors and the Executive Management. The Executive Management means only the persons registered with the Danish Business Authority as such. 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 as well as financial and other material matters, including the appointment of the members of the Executive Management, while the Executive Management handles the day-to-day management.

3 The Board of Directors

The Board of Directors currently consists of seven members elected by the general meeting. Eivind Drachmann Kolding and Jørgen Hansen have been elected by the Board of Directors as Chairman and Deputy Chairman respectively. Six of the seven members of the Board of Directors elected by the general meeting including the chairman are regarded as "independent". The

members of the Board of Directors comprise a group of skilled professionals representing diversity and international experience, who possess the expertise required to be in charge of the overall management of a company with shares admitted to trading and official listing on a regulated market and who can ensure that NTG complies with applicable laws and regulations.

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. 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 the Executive Management. Furthermore, the Board of Directors annually evaluates the work, performance and results of the Executive Management.

An overview of the Board of Directors and their competencies is available in the Management Review of NTG's 2023 Annual Report.

4 Board Committees

The Board of Directors has established three permanent committees for the purpose of assisting the Board of Directors with preparing decisions and submitting recommendations for the entire Board of Directors. Each committee is governed by its own charter, which describes, among other things, the composition of the committee, its meeting frequency and its tasks, duties and responsibilities.

The Board of Directors has established an audit committee, a nomination committee and a remuneration committee.

Audit Committee

The purpose and duties of the Audit Committee include reporting to the Board of Directors of the results of the statutory audit, supervising the correctness of the published financial information as well as the Group's financial reporting process, reviewing the statutory audit of NTG's financial report, supervising the auditor's non-audit services to NTG, supervising and controlling the external auditor's independence and remuneration, supervising the process for election of NTG's external auditor and ensuring regular interaction between the auditor and the board of directors, reviewing the Group's internal control and risk management systems, reviewing NTG's whistleblowing procedures and complaints, and assessing the need for establishing an internal audit function. The Audit Committee is comprised of three members of the Board of Directors each appointed for a one-year term, the majority of which are considered independent.

The following members of the Board of Directors are members of the Audit Committee: Carsten Krogsgaard Thomsen, Finn Skovbo Pedersen and Eivind Drachmann Kolding. Carsten Krogsgaard Thomsen serves as the chairman of the Audit Committee.

Nomination Committee

The purpose of the Nomination Committee is to assess the composition and results of the Board of Directors and the Executive Management, including evaluating the individual members of the management bodies with the aim of ensuring that each member possesses the necessary expertise and experience required to fulfil the expectations of the capital markets. The Nomination Committee shall also present recommendations to the Board of Directors about the nomination of potential board members up for election at general meetings. Further, the Nomination Committee shall ensure that a succession plan is in place for the Executive Management, supervise Executive Management's policy for the engagement of executive employees and the preparation of NTG's diversity policy. The Nomination Committee is comprised of three members of the Board of Directors each appointed for a one-year term, the majority of which are considered independent.

The following members of the Board of Directors are members of the Nomination Committee: Jørgen Hansen, Eivind Drachmann Kolding and Jesper Præstensgaard. Jørgen Hansen serves as the chairman of the Nomination Committee.

Remuneration Committee

The purpose of the Remuneration Committee is to assist the Board of Directors by preparing and presenting decision proposals and recommendations on NTG's Remuneration Policy as well as matters related to the remuneration of NTG's Board of Directors and Executive Management, including submitting proposals for the Remuneration Policy to be approved by the Board of Directors and the general meeting. The Remuneration Committee is comprised of three members of the Board of Directors each appointed for a one-year term, the majority of which are considered independent.

The following members of the Board of Directors are members of the Remuneration Committee: Eivind Drachmann Kolding, Jørgen Hansen and Jesper Præstensgaard. Eivind Kolding serves as the chairman of the Remuneration Committee.

5 The Executive Management

The Board of Directors has appointed an Executive Management consisting of two registered members. The Executive Management is responsible for the day-to-day operations and management of NTG and is in charge of ensuring that NTG and its operations are compliant with applicable legislation and the Board of Directors' guidelines and instructions. Further, the Executive Management is responsible for implementing the strategy set by the Board of Directors, to make recommendations for amendments hereto and to ensure adequate reporting procedures are in place to provide the Board of Directors with the necessary knowledge about NTG and its business and operations. The Executive Management must also continuously assess NTG's financial position and ensure that its capital resources are adequate.

6 NTG's internal controls and risk management

The Board of Directors is responsible for the overall risk management and internal control systems of NTG, while the Audit Committee monitors and evaluates the risk framework and provides recommendations to the Board of Directors. The Executive Management, responsible for the design and maintenance of the Group's risk management systems, supports the Audit Committee in identifying and mitigating NTG's risk exposures.

NTG takes a structured approach towards risk management and identified risks are discussed regularly at meetings of the Executive Management, the Audit Committee, and the Board of Directors. The level of significance that NTG gives to a particular risk is based on the assessment of the risk based on past events and the specific risk at hand.

The goal of risk management is to reduce business risks and financial risks to a satisfactory level for stakeholders of the Group. The process of identifying and mitigating risks is based upon a large managerial experience within the freight forwarding industry, combined with a strong backoffice focus on compliance and capital structure. The Group's governance model supports the risk management strategy by having short lines of communication and an ability to adapt to shifting market situations. Adaptability and managerial involvement are crucial in creating value from the risks faced by the Group. A description of the key risks faced by the NTG Group is included in the 2023 Annual Report.

NTG applies financial reporting and controlling systems and procedures ensuring that all transactions are timely and rightfully recorded in accordance with the applicable regulatory requirements and NTG's internal finance policies and manuals. The Executive Management receives monthly reports on subsidiaries' results, cash situation etc. The results are extensively controlled by NTG's finance department before reported to the Board of Directors. In accordance with the annual wheel, the Audit Committee and NTG's external auditors, monitor that the processes are effective and adequate.

7 Recommendations on Corporate Governance

As a company listed on Nasdaq Copenhagen, NTG is required to report on its compliance with the Danish Recommendations on Corporate Governance according to the “comply or explain” principle. NTG’s position on each of the recommendations is described below in this section 7.

In 2023, NTG complies with all Recommendations on Corporate Governance:

This Corporate Governance Report has been adopted by the Board of Directors of NTG Nordic Transport Group A/S on 29 February 2024.

Corporate Governance overview

Below, NTG reports on the Group's status of compliance with the recommendations issued by the Danish Committee on Corporate Governance in December 2020, using the standard reporting scheme provided. The recommendations specify that it is equally legitimate for a company to provide an explanation as it is to comply with a specific recommendation.

NTG's position on each recommendation is indicated in the overview below as follows:

 Yes

 No

Recommendation	NTG complies	NTG explains Why	NTG explains How
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 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.			
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.			
1.1.3. The Committee recommends that the company publishes quarterly reports.			
1.2. The general meeting			

Recommendation	NTG complies	NTG explains Why	NTG explains How
<p>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.</p>	●		
<p>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.</p>	●		
<p>1.3. Takeover bids</p>			
<p>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.</p>	●		
<p>1.4. Corporate Social Responsibility</p>			
<p>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.</p>	●		
<p>1.4.2. The Committee recommends that the board of directors adopts a tax policy to be made available on the company's website.</p>	●		

Recommendation	NTG complies	NTG explains Why	NTG explains How
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.	●		
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.	●		
2.1.3. The Committee recommends that the board of directors on a continuously 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.	●		
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.	●		
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.	●		
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 their knowledge of relevant matters, and that the members' special knowledge and qualifications are applied in the best possible manner.	●		
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.	●		

Recommendation	NTG complies	NTG explains Why	NTG explains How
3. The composition, organisation and evaluation of the board of directors			
3.1. Composition			
<p>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</p> <ul style="list-style-type: none"> • 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. 	●		
<p>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.</p>	●		
<p>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.</p>	●		
<p>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'</p> <ul style="list-style-type: none"> • qualifications, • other managerial duties in commercial undertakings, including board committees, • demanding organisational assignments and • independence. 	●		
<p>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.</p>	●		

Recommendation	NTG complies	NTG explains Why	NTG explains How
<p>3.2. The board of director's independence</p>			
<p>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.</p> <p>In order to be independent, the member in question may not:</p> <ul style="list-style-type: none"> • 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. <p>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.</p>	●		
<p>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.</p>	●		

Recommendation	NTG complies	NTG explains Why	NTG explains How
<p>3.3. Members of the board of directors and the number of other managerial duties</p>			
<p>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.</p>	●		
<p>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:</p> <ul style="list-style-type: none"> • 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. 	●		
<p>3.4. Board committees</p>			
<p>3.4.1. The Committee recommends that the management describes in the management commentary:</p> <ul style="list-style-type: none"> • the board committees' most significant activities and number of meetings in the past year, and • the members on the individual board committees, including the chairperson and the independence of the members of the committee in question. <p>In addition, it is recommended that the board committees' terms of reference are published on the company's website.</p>	●		

Recommendation	NTG complies	NTG explains Why	NTG explains How
<p>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.</p>	●		
<p>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:</p> <ul style="list-style-type: none"> • 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, • 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. <p>If the board of directors, based on a recommendation from the audit committee, decides to set up an internal audit function, the audit committee must:</p> <ul style="list-style-type: none"> • 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. 	●		

Recommendation	NTG complies	NTG explains Why	NTG explains How
<p>3.4.4. The Committee recommends that the board of directors establishes a nomination committee to perform at least the following preparatory tasks:</p> <ul style="list-style-type: none"> • 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, • supervising executive managements' policy for the engagement of executive employees, and • supervising the preparation of a diversity policy for the board of directors' approval. 	●		
<p>3.4.5. The Committee recommends that the board of directors establishes a remuneration committee to perform at least the following preparatory tasks:</p> <ul style="list-style-type: none"> • 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 member's 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. 	●		

Recommendation	NTG complies	NTG explains Why	NTG explains How
<p>3.5. Evaluation of the board of directors and the executive management</p>			
<p>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:</p> <ul style="list-style-type: none"> • the composition of the board of directors with focus on competencies and diversity • the board of directors and the individual member's 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 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. 	●		
<p>3.5.2. The Committee recommends that the entire 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.</p>	●		
<p>3.5.3. The Committee recommends that the board of directors at least once a year evaluates 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.</p>	●		

Recommendation	NTG complies	NTG explains Why	NTG explains How
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.	●		
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.	●		
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.	●		
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.	●		
4.1.5. The Committee recommends that members of the board of directors are not remunerated with share options and warrants.	●		
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.	●		

Recommendation	NTG complies	NTG explains Why	NTG explains How
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.	●		
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.	●		



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