

CORPORATE GOVERNANCE



Corporate governance practices at TOP-TOY

TOP-TOY strives to comply with generally accepted corporate governance principles as required under the Danish Companies Act, the Danish Financial Statements Act, the International Financial Reporting Standards and the internal rules and procedures described in the company's Rules of Procedure for the Board of Directors and Executive Management. As TOP-TOY is controlled by EQT, which is a member of the Danish Venture Capital and Private Equity Association (DVCA), the company also strives to comply with the corporate governance guidelines issued by DVCA.

At TOP-TOY, powers are distributed between the Board of Directors and Executive Management in accordance with common practices for Danish companies and as formalised by the company's Rules of Procedure. The Executive Management handles all day-to-day operations while the Board of Directors supervises the work of the Executive Management and approves certain types of decisions and investments. TOP-TOY's Executive Management is supported by an Executive Management Team (EMT), consisting of four members in addition to the Executive Management.

TOP-TOY's Board of Directors develops the corporate strategy together with the Executive Management, oversees progress and financial development, and assesses whether the necessary skills and qualifications are in place to support TOP-TOY's development and strategic business objectives. In addition, the Board of Directors ensures that TOP-TOY works towards implementing efficient and transparent business procedures. The Board aims to have six board meetings a year.

The content of the meetings is determined by the Board's meeting schedule, which is updated and approved by the Board of Directors at the beginning of each financial year and through ongoing discussions between the Board of Directors and Executive Management.

Board and Executive Management

The Board of Directors has six members and held six board meetings in 2016/2017. Each meeting lasted at least a day, ensuring enough time to discuss current performance and strategic issues. Key topics of discussion this year related to sales development, ERP implementation, our omni-channel approach, deep dives into each of our six markets and the company's strategy.

During 2016/2017, Albert Gustafsson, partner in EQT Partners, became a member of the Board, replacing Anders Misund, partner in EQT Partners. There were no changes in the composition of the Executive Management during the financial year.

Internal control systems

The Executive Management is responsible for maintaining an adequate and efficient internal control environment in connection with financial reporting. In the coming year, we will continue to strengthen the control environment as part of our ongoing efforts to ensure we benefit fully from our new ERP system.

Ownership and capital structure

TOP-TOY's majority shareholder is private equity fund EQT, which owns 73% of TOP-TOY, while the founding Gjørup family owns 24%. The remaining shares are owned by board and management members.