VKR Group Policy Management Framework

Scope	VKR Group	Owner	Group General Counsel
Issuing Function	Group Legal	**Approver**	VKR Board of Directors
Review frequency	Every second year	**Latest Revision**	2024-04-30
Version	1.0		
Related documents	Policy Matrix Document Template		
Policy Portal	https://vkr-holding.com/wp-content/uploads/2020/06/2020-03_VKR_Policies_overview.pdf		

1.   INTRODUCTION

1.1   Purpose

As outlined in our Model Company Objective (see enclosure), the VKR Group is committed to upholding high ethical, moral and legal standards in all our business activities and to promoting and supporting a culture of honest and fair behavior, corporate compliance, and good corporate Governance.

The purpose of this Policy Framework is to clarify the role and applicability of VKR Group Policies (the "Policies") in reinforcing the Model Company Objective, ensuring that the Policies are developed, implemented, and managed in an effective, consistent manner. This is achieved through clearly defined roles and responsibilities, incorporation of consultation and accountability measures, and by confirming validity through established approval processes.

2.   POLICY FRAMEWORK

2.1   Document hierarchy

The Policies address areas that are deemed potentially important or critical to all companies within the VKR Group. The Policies are issued by the Board of Directors of VKR Holding A/S (the "VKR Board") and apply to the entire VKR Group, i.e. VKR Holding A/S ("VKR") and all companies ultimately controlled by VKR. Along with the Model Company Objective, the Policies are the highest ranking documents in the VKR Group, which means that all other documents, guidelines, instructions, and decisions within the VKR Group must align with these Policies.

While each VKR Group Business Area is independently managed by its respective Board of Directors and Executive Management (typically CEO and CFO), the adherence to the Model Company Objective and VKR Group Policies is mandatory, aiming at safeguarding shareholders' interests. This follows the guidelines set out in the charters for the board of directors of the Business Areas.

Additional sub-policies, guidelines, and instructions may be issued by VKR and each Business Area, provided such documents comply with the VKR Group Policies. VKR Group Policies always take precedence.

Deviations from Policies may only take place if this is permitted in the Policy itself, and approved by Group Legal.

2.2   Roles and Responsibilities

The following roles and responsibilities are defined for VKR Group Policies and other governing documents issued by VKR in accordance with the mandate set forth in the individual Policy:

Who	Role	Responsibilities
VKR Board of Directors	**Accountable (Policy Approver)**	- Reviews, validates and approves the Policy content (including updates) - Accountable for establishing the requisite procedures to ensure Policy implementation and compliance in VKR Holding - Determines whether the Policies should remain internal or made public
VKR CEO or Group General Counsel	**Responsible (Policy Owner)** as defined in section 2.3	- Defines Policy content - Ensures coherence with VKR Group Model Company Objective and decisions by the VKR Board - Ensures consultation of relevant stakeholders in VKR and the Business Areas (Executive Management and functional managers) - Obtains Policy approval by the VKR Board - Ensures Policy implementation and compliance within VKR Ensures communication of new and updated Policies to Business Area Board of Directors and Executive Management - Ensures Policy compliance monitoring, reporting and reviewing periodically, cf. section 2.7
VKR Functional Managers	**Contributor**	- Supports Policy Owner in defining content within their functional area - Supports Policy Owner in consultation of relevant stakeholders in VKR and the Business Areas (Executive Management and functional managers) - Supports the Business Areas in Policy management within their functional area
VKR Group Legal	**Support**	Responsible for implementing, managing and maintaining this Management Framework, including: - Reviews Policies against the Model Company Objective, laws and regulations, and ensures consistency between Policies - Administers the VKR Policy Portal and archiving Policies - Responsible for the Policy management lifecycle - Supports the Business Areas in Policy management - Maintains the Policy Matrix and Policy Template, cf. section 2.4 and 2.5
Business Area Board of Directors	**Informed**	- Informed about new and revised Policies approved by the VKR Board - Accountable setting up adequate procedures for Policy implementation and compliance
Business Area Executive Management	**Consulted**	- Consulted on all new and revised Policies - Responsible for Policy implementation and compliance

Business Area Functional Managers	Consulted	• Consulted on new and revised Policies within their functional area • Responsible for coordinating input from Executive Management and other internal stakeholders • Responsible for Policy implementation and compliance within their functional Area

2.3 Mandatory Business Area Policies and involvement of VKR

Each Business Area is required to establish its own version of the Policies in predefined areas. In certain instances, the involvement of VKR is mandatory during the drafting, reviewing and approval of these Business Area policies.

VKR Group Policies	Policy Owner	Business Areas must establish own Policy	Mandatory involvement of VKR	No mandatory involvement of VKR
Anti-Corruption and Fraud Prevention Policy	General Counsel	x	x	
Communication Policy	CEO	x		x
Competition Law Compliance Policy	General Counsel		x	
Crisis Management Policy	General Counsel	x		x
Data Privacy & Data Ethics Policy	General Counsel	x		x
ESG Policy	CEO			x
Insurance Policy	General Counsel	x	x	
IPR Policy	General Counsel		x	
Legal Compliance Policy	General Counsel		x	
Risk Management Policy	General Counsel	x		x
Sanctions Compliance and Export Control Policy	General Counsel		x	
Tax Policy	CEO		x	
Treasury Policy	CEO	x		x

2.4 Policy Matrix

Group Legal has the responsibility of maintaining the Policy Matrix, which tracks all Policies. The Matrix encompasses details like an overview of Policy Owners, Policy Contributors, Business Area stakeholders who need to be consulted, and dates for Policy renewals.

2.5 Policy Template

The standardized "Policy Template" enhances user comprehension and presentation consistency across all Policies. Use of the Policy Template is mandatory

2.6 Policy name, version and language

All Policies must follow the naming convention "VKR Group [*Policy area]* Policy". This uniform naming structure simplifies the process of identifying the content and status of each policy, while also differentiating it from other policies within the VKR Group.

Upon publishing an updated version of a Policy, the Policy version number must be revised accordingly (1, 2, 3, etc.). Only the latest version of a Policy is valid.

All Policies must be in English.

2.7 Review Frequency

All Policies undergo a review every second year. In addition, Policies must be reviewed and updated whenever necessary due to material legislative changes, changes in the organizational structure, a materially changed risk profile, or not yielding desired results.

2.8 Review Process

Group Legal is responsible for overseeing the Policy management lifecycle, which includes Policy reviews according to the Review Frequency.

Every year in April, a review plan for the Policies must be prepared, outlining the timeline and identifying the internal stakeholders to be involved. This plan ensures that any necessary policy updates are approved by the VKR Board by December.

3. POLICY STORAGE AND COMMNICATION

3.1 Policy Portal

Group Legal manages the SharePoint site "VKR Policy Portal" to provide access to Policies. Group Legal is responsible for ensuring that the VKR Policy Portal contains the latest versions of the Policies.

All Policies are publicly available at VKRs homepage, subject to approval by the VKR Board.

3.2 Policy Implementation and Monitoring

Policy Owners are responsible for ensuring that Policies are adequately communicated to relevant employees in VKR and to the Board of Directors and Executive Management in the Business Areas.

The Board of Directors in each Business Area are accountable, while Executive Management is responsible for Policy implementation and compliance within their respective Business Areas. Compliance procedures may include conducting risk assessments, performing due diligence, facilitating communication and training, establishing monitoring and control measures, and enforcing Policies.

VKR Group Legal and VKR Functional Managers support the Business Areas in Policy management and may have specific independent duties and responsibilities within the Business Areas, as described in the individual Policies. These responsibilities can vary according to the specific Policy in question and may include, for instance, the execution, management, or oversight of certain Policy-related processes or functions within a Business Area.

"VKR Gruppens formål er at oparbejde en række mønstervirksomheder,
som samarbejder på mønsterværdig måde.

En mønstervirksomhed arbejder med samfundsnyttige produkter og
behandler sine kunder, leverandører, medarbejdere af alle kategorier
og aktionærer bedre end de fleste andre virksomheder.

En mønstervirksomhed indtjener et overskud, der kan
finansiere vækst og bevare økonomisk uafhængighed."

Villum Kann Rasmussen, 1965

"The purpose of the VKR Group is to establish a number of model companies,
which cooperate in an exemplary manner.

A model company works with products useful to society and treats its customers, suppliers,
employees of all categories and shareholders better than most other companies.

A model company makes a profit which can finance growth
and maintain financial independence."

Villum Kann Rasmussen, 1965