

## **Veritas Corporate Governance Statement - Operating year 2022**

Veritas management focuses on adopting the best practices in corporate governance and having transparency, integrity, and high ethical standards as guiding lights. Our management also upholds the values adopted for our group of companies as a whole: reliability, candour, and progress.

### **Best practices in corporate governance**

Emphasizing quality corporate governance, Veritas management aims to adhere to the Corporate Governance Guidelines published, among others, by the Icelandic Chamber of Commerce, either complying with these guidelines or explaining any deviations in this statement.

Deviations from the Corporate Governance Guidelines in the operating year 2022 were the same as the previous year:

- The shareholders have not seen the benefits of establishing a nomination committee. The company is in vast majority owned by Stomtree ehf., that is mostly owned by Hreggvidur Jonsson. An active dialogue is ongoing between the shareholders, which ensures an easy and effective way of exchanging opinions, through the chairman of the board, regarding the composition of the board, and ensuring that the board is adequately diverse as far as their know-how, experience, and background is concerned, based on Veritas goals, needs, and operation, and that gender equality is served.
- The company does not consider it beneficial to appoint sub committees. The board of directors only consists of three individuals. In the operating year 2022, all members of the boards are deemed independent towards the company and key shareholders. The capability of the board to perform account control and make decisions on management compensation is considered satisfactory, and appointment of sub committees thereby deemed unnecessary.

### **Laws and regulations**

Veritas operates under the Act No. 2/1995 (The Icelandic Companies Act).

Veritas board has adopted rules of procedure in 15 articles pursuant to Article 70(5), Act No. 2/1995 (The Icelandic Companies Act). Veritas rules of procedure establish detailed guidelines for the functioning of the board, assessment of performance and accountability, including competences and separation of duties. Veritas board rules of procedure are available from Veritas website.

Veritas companies have adopted a Code of Conduct embodying, among others, the corporate values which are the foundation of our culture: reliability, candour, and progress. Those values incarnate the principles which represent the corporate culture of our group of companies. Veritas Code of Conduct is also available from our subsidiaries' websites and is also part of our group of companies' Employee Handbook.

### **Ownership**

By end of 2022, Veritas is 100% owned by Gudrunarborg ehf. The ownership of Gudrunarborg, on the other hand, is as follows:

- Stormtree ehf. – 90%, owned by Hreggvidur Jonsson, but he did not serve on boards or had other paid duties for the company in 2022, and Johann Jonsson, member of the board of Distica.
- Stjankur ehf. – 4%, owned by Hrund Rudolfsdottir. Veritas CEO.
- Others – 6%.

### **Internal audits and risk management**

Veritas auditors are chosen for a one-year period at a time at the annual general meeting. During Veritas annual general meeting on 27 March 2022, KPMG was chosen for another year. Their Chief Audit Executive is Hlynur Sigurdsson, chartered accountant. Hlynur has been Veritas' accountant since 2013 and Veritas' Chief Audit Executive since 2016. The auditors hold no stock in Veritas or related parties. The auditors' mission is to review Veritas annual accounts vis-à-vis the International Financial Reporting Standards.

### **Society and sustainability**

Veritas places great emphasis on sustainability and responsibility towards the society. Veritas' Sustainability and Social Responsibility Report was published for the first time in 2021 for the fiscal year of 2020. A comparable report was issued a year later and the third Sustainability and Social Responsibility Report, for the fiscal year of 2022, will be published in late spring. Veritas has through the years striven to exert a positive and constructive impact on the environment and the community. A formal report on non-financial indicators and social and environmental impact has increased formality and measurability in the effort of minimizing undesirable influence and increasing constructive influence.

### **Diversity policy**

Three to four members served on each board of Veritas and subsidiaries in 2022. All boards of Veritas group of companies complied with the frame of reference, stating that individuals of the gender with fewer representatives on the board, shall be at least one third of board members.

### **Composition and functions of the Board of Directors and the Executive Board**

Veritas Board of Directors consisted of three members in 2022. Thoranna Jonsdottir, Chair of the Board, Hordur Arnarson, and Helga Melkorka Ottarsdottir.

Hrund Rudolfsdottir is Veritas Chief Executive Officer and is the ultimate responsible for Veritas business development and day-to-day operations.

In addition to the CEO, Veritas Executive Board is composed of our subsidiaries' General Managers, Veritas Chief Financial Officer, Veritas Chief Information Officer, and Veritas Internal Service and Human Resources Manager.

Veritas Executive Board was composed in 2022 by:

- Hrund Rudolfsdottir, CEO, Veritas
- Thordur Arnar Thordarson, General Manager, Vistor
- Julia Ros Atladottir, General Manager, Distica

- Brynjulfur Gudmundsson, General Manager, Artasan.
- Sigtryggur Hilmarsson, General Manager, MEDOR
- Olafia Asa Johannesdottir, General Manager, Stod
- Kjartan Steinsson, Chief Financial Officer, Veritas
- Petur Veigar Petursson, Manager, Internal Service, Human Resources Manager, Veritas
- Hakonia J. Gudmundsdottir, Chief Information Officer, Veritas.

The executive board had regular meetings three times a month as well as ad hoc meetings, as needed.

### **Board meetings**

Five board meetings were held in 2022, in March, June, September, October and December. All board members and the CEO were present at meetings which generally were held at the company headquarters (Horgatun, Gardabaer), but the October meeting was held on-line. All board members attended the meetings and actively took part in them. The CFO participated during the discussions of financials. In addition, the general managers of subsidiaries and support units briefly attended some meetings to give reports on their operations. The meeting agenda and relevant documents were posted on a closed digital platform three days before each board meeting.

Veritas board's rules of procedure were updated in 2022, please see on Veritas's website [Rules on working procedures \(veritas.is\)](#)

### **About the board members**

Thoranna Jonsdottir, Chair of the Board, was born on 19 December 1968 and lives in Reykjavik. She is a management consultant with her own company, Delta Consulting. Thoranna is also an assistant professor at Reykjavik University, where she previously served as dean of the Department of Business, and as senior executive director of strategy and operations. She was Business Development Chief Officer at Audur Capital, Veritas, and Vistor, as well as the first general manager of Artasan. Thoranna has extensive experience in executive training and consulting, particularly in the field of change management, strategic planning, and corporate governance. She is the chairman of the board of Landsbref and has served on various corporate boards including Festi, Kronan, Islandsbanki, and Lyfja. Thoranna is a PhD in Management and Corporate Governance from Cranfield University, holds an MBA degree from IESE – Barcelona Campus and a MSc degree in Pharmacology from the University of Iceland.

Hordur Arnarson was born on 24 November 1962 and lives in Reykjavik. He is the CEO of Landsvirkjun, Iceland's state-owned energy company. Hordur was hired by Marel in 1985 and was their CEO between 1999-2009. He has extensive experience in international management and has served on the boards of various companies and industry associations. Hordur holds a degree in Electronic Engineering from the University of Iceland and is a PhD in Engineering from the Technical University of Denmark. He has also attended various seminars at INSEAD and Harvard Business School.

Helga Melkorka Ottarsdottir joined the board on 7 January 2022. She was born on 16 May 1966 and lives in Reykjavik. Helga Melkorka is a Supreme Court Attorney, working at the law firm LOGOS, which she joined in 2001. She holds an LL.M. degree in European law from Ruprecht Karls Universität, Germany. Helga Melkorka has many years of experience as an attorney, as well as extensive real-world business experience.

She was a managing partner at LOGOS between 2013-2019, and has litigated numerous cases before the Icelandic courts, the national competition authorities, the EFTA-Court and the EFTA Surveillance Authority (ESA). In addition to Competition Law and European Law, her main areas of expertise are Corporate Law and Financial Services and Regulation. Helga taught European Law as an Adjunct Lecturer at Reykjavik University, Faculty of Law and the University of Iceland, Faculty of Law. She has been on the board of several companies and organisations, i.a. the Icelandic Bar Association between 2003-2005 where she was a vice chairman in 2005-2006. Helga was on the board of the Chamber of Commerce between 2014-2022 and an ad hoc College Member of the EFTA Surveillance Authority since 2004.

### **Independence of the members of the board**

- Thoranna Jonsdottir has been on the board since 2018. She holds no stock in Veritas and, according to the definition given in the Corporate Governance Guidelines, is not associated to key shareholders. Thoranna is not considered dependent to the company or its management according to the definition given in the Corporate Governance Guidelines.
- Hordur Arnarson has been on the board since 2010. He holds no stock in Veritas and, according to the definition given in the Corporate Governance Guidelines, is not associated to key shareholders. Hordur is not dependent to the company or its management according to the definition given in the Corporate Governance Guidelines.
- Helga Melkorka Ottarsdottir has been on the board since the beginning of 2022. She holds no stock in Veritas and, according to the definition given in the Corporate Governance Guidelines, is not associated to key shareholders. Helga is not dependent to the company or its management according to the definition given in the Corporate Governance Guidelines.

All members of the board are therefore deemed independent of the company and its management, as well as of key shareholders. In accordance with the Corporate Governance Guidelines, the majority of the board is deemed not dependent to the company, as well as not dependent to key shareholders.

### **Management performance assessment**

Veritas management conducts formal assessments of their own work, CEO's and Chair of the Board's work concerning business development. The board closely monitors the evolution of key performance indicators and the Veritas development, including Veritas CEO's performance.

### **Chief Executive Officer**

Veritas CEO is Hrund Rudolfsdottir. She was born on 25 March 1969 and lives in Reykjavik. Hrund is ultimately responsible for business development and day-to-day operations at Veritas. She holds a MSc degree in International Business from Copenhagen Business School, and a Cand. Æcon. degree in Economics and Business from The University of Iceland. Hrund was Corporate Director of Human Resources at Marel from 2009 to 2013, and Director of Operation and Investments at Milestone ehf./Moderna Finance ehf. from 2007 to 2009. Before that, Hrund was the CEO of L&H Holding from 2003 to 2007, and CEO of Lyf & heilsa hf. from 2003 to 2006. She is a member of a few corporate boards and boards of social organizations in Iceland. Hrund also served on the boards of Veritas subsidiaries Artasan, MEDOR, Stod and Distica in 2022.

**Information about violations of laws and regulations**

Veritas was not found guilty of any violations of laws and regulations by any regulatory authorities or adjudicating entities in 2022.

**Communications among shareholders and the board of directors**

Communications and dissemination of information to shareholders take place at regular shareholders' meetings.