

# Corporate Governance Statement

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Veritas places emphasis on transparency, integrity and ethics in its business. It honors the values of the Company and its subsidiaries; Reliability, Candor and Progress.

The Company complies with Guidelines on Corporate Governance published by the Iceland Chamber of Commerce et al. This includes guidelines on the adoption of rules that go a step further than required by the law and are intended to strengthen the Company's infrastructure and the community's trust towards it.

## **1 Shareholders**

- 1.1 Shareholders hold the decision-making powers in the affairs of the Company and are the supreme authority in the Company's affairs.

## **2 Laws and rules**

- 2.1 Veritas operates in accordance with Act no. 2/1995 on limited liability companies.

## **3 Board of Directors**

- 3.1 Veritas' Board of Directors comprises three Board Members; Chairman Hreggvidur Jonsson and Directors Hordur Arnarson and Thoranna Jonsdottir.
- 3.2 The company complies with Article 63 of Act no. 2/1995 on limited liability companies, as regards gender ratio in Boards of Directors.
- 3.3 Veritas' Board of Directors has adopted 15 procedures, according to Paragraph 5, Article 70 of Act no. 2/1995 on limited liability companies. The rules stipulate the Board's work minutely, its assessment of results and responsibility, as well as jurisdiction and division of roles. The procedures of the Board of Directors can be found on the Company's website.
- 3.4 Members of Veritas' Board of Directors disclose personal information such as other positions of trust, membership on the Boards of other companies and other possible conflicts of interest, in order to facilitate assessment of their competence. The Directors of Veritas' Board of Directors do not have conflicts of interest involving the main clients or competitors of the Company. Thus, according to the definition of Guidelines on Corporate Governance, the Directors of the Company's Board of Directors are considered independent in every respect.

### **3.5 Information on members of the Board of Directors**

The Chairman, Hreggvidur Jonsson, was born on June 18, 1963, living in Reykjavik, Iceland. He is also the main owner of the Company with a share of about 77% through his private limited company Stormtree ehf. Mr. Jonsson holds a Bachelor's degree in Economics from Macalester College, St. Paul, Minnesota, and an MBA degree from Harvard Business School, Boston. He has extensive management experience in various industries. Prior to founding Veritas in 2002, Mr. Jonsson was CEO of Northern Lights Communications and before that, CFO of the Icelandic Broadcasting Corporation. He has

also worked as a Management Consultant for McKinsey and Company in Sweden. Mr. Jonsson was the CEO of Veritas and before that Vistor from 2002-2013. He has served as a board member of various companies and organizations.

Thoranna Jonsdottir was born on December 19, 1968. She lives in Stokkseyri, Iceland. Mrs. Jonsdottir is a management consultant with her own company, Delta Consulting. She is also an Assistant Professor at Reykjavik University where she previously served as Dean of the Business School and as Senior Executive Director of Strategy and Operations. She was VP of Business Development at Audur Capital, Veritas and Vistor, and the first GM of Artasan. Mrs. Jonsdottir has extensive experience of executive consulting, particularly change management, strategy and corporate governance. She is currently the Chairman of the Board of Landsbref and has served on various corporate boards, including Festi, Krónan, Íslandsbanki and Lyfja. Thoranna holds a doctorate in business from Cranfield University, an MBA degree from IESE in Barcelona and a master's degree in pharmaceuticals. She is an independent Board Member.

Hordur Arnarson was born on November 24, 1962. He lives in Reykjavik, Iceland. Mr. Arnarson is CEO of Landsvirkjun, Iceland's state-owned energy company. He was CEO of Marel Food Systems from 1999-2009 and prior to that held various other positions within the company from 1985-1999. Mr. Arnarson has extensive experience in international management and has served on the boards of various companies and industry associations in recent years. He holds a degree in Electronic Engineering from the University of Iceland and a Ph.D. degree in Engineering from the Technical University of Denmark. He has also attended various seminars at INSEAD and Harvard Business School. Mr. Arnarson is an independent Board Member.

### **3.6 Internal Controls and Risk Management**

The Company's auditors are elected at the Annual General Meeting for a term of one year. The Company auditors cannot own shares in the Company, nor can related parties. The auditors shall review the Company's Annual Financial Statements in accordance with International Standards on Auditing. The Company's auditors examine its books in connection with the annual settlement of accounts. They shall have full access to Company data and report any deviations in its books in the Auditor's Report, which is presented to the Company's Board of Directors before the Financial Statements are endorsed.

The current Company auditors are KPMG hf. The main auditor on its behalf is Mr. Hlynur Sigurdsson, Legal Accountant. Mr. Sigurdsson has been the Company's auditor since 2013 and became Chief Accountant in 2016.

Every year, each department within the company makes a plan for next year's operation. Every month the operation results of the Group as a whole, as well as each affiliate's, units and departments are summed up. This makes it possible for the Company's Board of Directors to compare operational results with plans made and take measures in case of substantial negative changes. The same applies to financial and cash flow plans for the Company as a whole.

- 3.7 The Board of Directors normally meets every three months. It has supreme authority in all matters of the Company and bears principal responsibility for its operations.

- 3.8 The Board of Directors supervises the Company's organization and operation, ensuring its soundness, as well as protecting the interests of all shareholders at all times. It is in the lead, along with the CEO, in formulating policies and setting goals. The Board is ultimately responsible for the Company's activities and operations and therefore needs to have an overview of the operations and exercise reasonable restraint on the executive directors.

Veritas' Board of Directors hires the Company's CEO, formulates his written job description in the employment contract, as well as granting his release. The Board supervises the CEO's work and handles the management of the Company along with him.

#### **4 Information on the CEO**

Veritas' CEO is Mrs. Hrund Rudolfsdottir. She was born on March 25, 1969 and lives in Reykjavik, Iceland. She bears principal responsibility for the Company's development and day-to-day operations. Prior to taking on the responsibilities of CEO of Veritas she was Corporate Director of Human Resources at Marel Food Systems Corporate from 2009-2013. Mrs. Rudolfsdottir was Director of operation and investments at Moderna Finance ehf./Milestone ehf. 2007-2009. Prior to that she was CEO for L&H holding 2003-2007 (part of the Milestone group, responsible for all its investments within the health, retail and pharmaceutical sector, both in Iceland and abroad), CEO for Lyf & heilsa hf. (the second largest chain of pharmacies in Iceland) and Chief of Operation at Lyf & heilsa hf. 2003-2006. Mrs. Rudolfsdottir also serves on the boards of various companies and committees in Iceland. She holds a Master of Science degree from Copenhagen Business School and a Cand.oecon. degree, with Management as a major degree, from the University of Iceland.

- 4.1 The Management of Veritas includes, besides the CEO of the Company, the General Managers of the affiliates, a CFO, an IT Manager and a Human Resource Manager.

They are the following:

- Gunnur Helgadóttir, the General Manager of Vistor. Mrs. Helgadóttir holds an MBA degree from Reykjavik University and a BSc in Nursing from the University of Iceland. She has been working at Vistor since 2003.
- Julia Ros Atladóttir, the General Manager of Distica. Mrs. Atladóttir holds a Master's degree in Management and Strategic Planning, a B.Ed., a Diploma in Human Resources Management and a Diploma in Project Management and Leadership Training, all from the University of Iceland. She is also a Pharmacy Technician from Health School Armuli. She joined the Company in 2020.
- Brynjulfur Guðmundsson, the General Manager of Artasan. Mr. Guðmundsson holds an MBA degree and a BSc in international marketing from Reykjavik University. He started working for Artasan in 2007.
- Sigtryggur (Siggi) Hilmarsson, the General Manager of MEDOR. Mr. Hilmarsson holds a Master's degree in Pharmacy from the University of Iceland and an MBA degree from Rotterdam School of Management. He started working for the Company in 2004.

- Olafía Asa Johannesdóttir, the General Manager of Stod. Mrs. Johannesdóttir holds an MBA degree from Reykjavík University, a Master's degree in Health Sciences and a B.Sc. in nursing, both from the University of Iceland. She joined Stod in 2020.
- Kjartan Steinsson is Veritas' CFO. Mr. Steinsson holds a Master's degree in Business Administration from the University of Iceland. He joined the Company in 2007.
- Petur Veigar Petursson is Veritas' Human Resources Manager and Department Manager of the Internal Services Department. Mr. Petursson holds a Master's degree in Human Resource Management from the School of Business at the University of Iceland and a B.Sc. degree in sports science. She joined the Group in 2016.
- Hakonia J. Guðmundsdóttir is Manager of the IT department in Veritas. Mrs. Guðmundsdóttir holds a BSc degree in Computer Science from the University of Iceland and an MBA degree from the University of Edinburgh. She joined Veritas in 2017.

4.2 There are no subcommittees operating under the Company's Board of Directors. The Board does not appoint a nomination board.

## **5 Performance Assessment**

5.1 Veritas' Board of Directors evaluates its work and the performance of the CEO and General Manager as regards development of the Company, among other things, by examining financial statements and communicating information at board meetings on e.g. employee issues, employee satisfaction and performance measurement towards suppliers and customers.

## **Values and Social Responsibility**

5.2 The Companies of the Veritas Group have agreed on a code of ethics including, among other things, the values on which the Company's operation is based. They are Reliability, Candor and Progress, which describes the main rules reflecting the corporate culture of the Companies. The code of ethics are available on the Companies' websites and in the Group's employee manual.

5.3 Social responsibility appears in employees and directors awareness of their scope of responsibility, which also includes the society and environment. An example of this is the Group's annual donation to community charity.

## **6 The Board's relations with shareholders**

6.1 The Company is not listed on the stock market and the shareholders have access to information on the Company's operation at the Annual General Meeting or other Shareholder Meetings.

## **7 Information on Corporate Governance**

A statement on Veritas' governance is accessible on the Company website [www.veritas.is](http://www.veritas.is)

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