

Palsgaard Whistleblowing Policy

WHAT'S THE PURPOSE WITH A WHISTLEBLOWING SET-UP?

At Palsgaard¹, we want to do business in accordance with current laws and ethical standards and in line with our culture and traditions. We have implemented a complaint system to allow all employees, managers and business partners (such as customers, suppliers, consultants, etc.) to report alleged violations or violations of Palsgaard's ethical guidelines if they feel uncomfortable using the standard channels for communication.

The system allows you to report securely and anonymously if you prefer to remain anonymous when contacting.

WHAT IS A WHISTLEBLOWER?

A whistleblower is a person who reports any risks and/or concerns regarding illegal behavior or other misconduct within an organization. At Palsgaard, a whistleblower is an employee, a member of management, or a partner who reports a suspected criminal act or violation of Palsgaard's ethical guidelines.

WHAT CONDITIONS CAN BE REPORTED?

- Serious conditions that may have an impact on the business as a whole and/or have a vital impact on a person's life or health.
- Conditions of offense or suspicion thereof, as well as violations of Palsgaard's Code of Conduct.

The policy is designed to provide a reporting channel for serious and sensitive cases that could adversely affect Palsgaard's reputation and results, and which are of a character where the organization's normal communication path fails. The scheme is intended for reports on, for example:

- Criminal conditions, e.g. misuse of financial means, fraud (e.g. accounting manipulation, embezzlement or misrepresentation), material theft, fraud and serious breach of professional secrecy.
- Serious violations of legislation, internal rules and control procedures, as well as non-compliance with legal obligations.
- Bribery or corruption (e.g. conflicts of interest, bribery, sponsorship and donations, gifts or lubrication)
- Actions taken by management and/or (local) boards that cannot be reported through normal channels.
- Violation of competition law (e.g. pricing, exchange of price sensitive information, secret agreements with competitors).
- Serious threats to the environment, health and safety.
- Activities that otherwise constitute seriously inappropriate behavior by law, treaty or agreement (e.g. discrimination, sexual harassment, use of child labor, violation of human rights).

The system should NOT be used for conditions such as the following examples, where reference is made to the nearest manager or HR department:

- Cooperation difficulties at work.
- Bullying.
- Employment conditions/wages.

¹ Consists of the entities Palsgaard A/S and subsidiaries, Schou Foundation, Palsgaard Estate A/S, Nexus A/S.

- Absence.
- Violation of internal guidelines (e.g. alcohol/smoking, internet abuse).
- Dissatisfaction with managerial decisions.

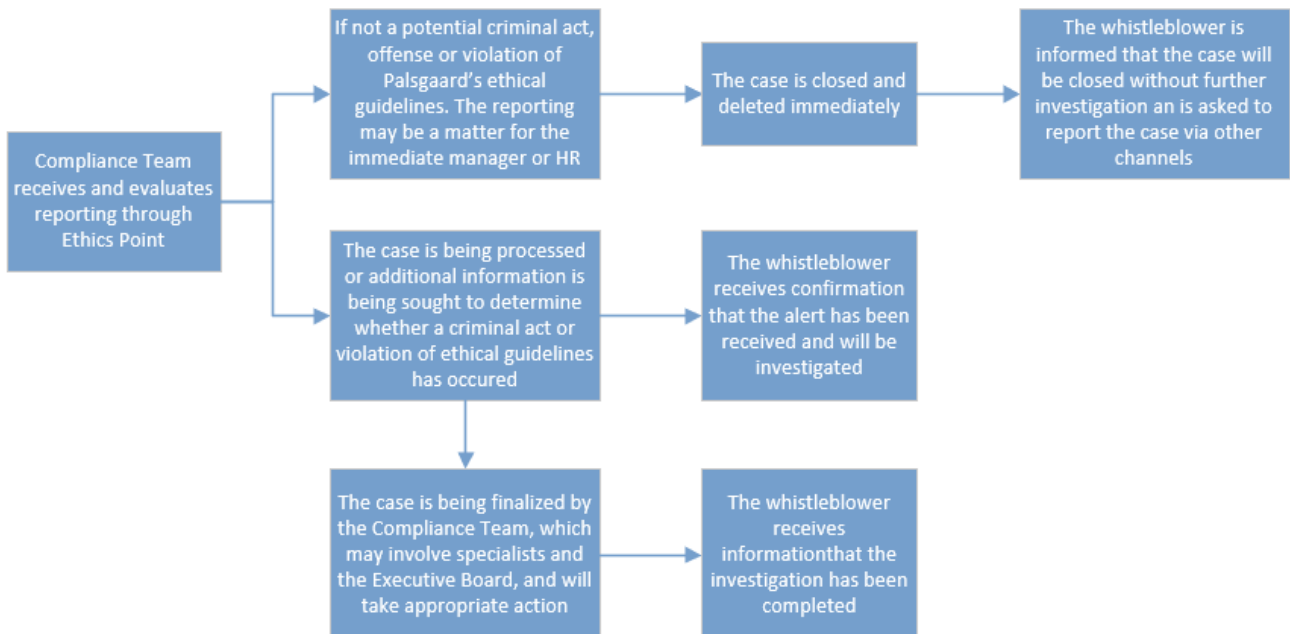
However, if there is any doubt as to whether a case is serious, it is encouraged to report it.

WHO AND HOW ARE THE REPORTS PROCESSED?

All reports are processed by Palsgaard's Compliance Team, which has been set up by the Executive Board specifically for this purpose. Compliance Team treats all reports confidentially and with respect for anonymity.

If a report concerns a member of Compliance Team, that person will be excluded from the case investigation.

HOW ARE ALERTS PROCESSED?



CONFIDENTIALITY AND ANONYMITY

Anyone involved in an investigation is required to keep all information in the case confidential.

If a whistleblower has chosen to remain anonymous, the Compliance Team ensures anonymity throughout the investigation. They work under complete confidentiality.

CONSEQUENCES FOR A PERSON BEING REPORTED THROUGH THE SYSTEM AND FOR THE WHISTLEBLOWER

A report may have employment consequences or penalties for the person reported through the system. The police or other relevant authorities may need to be involved for further investigation and / or prosecution.

CONSEQUENCES FOR THE WHISTLEBLOWER

It will never lead to degradation, punishment or other reprisals against the whistleblower who informs about irregularities or reports of violations.

UNJUSTIFIED ALLEGATIONS

The system should not be used for unfounded claims. A report must be based on well-founded information and made in good faith.

REPORTS

Reporting can be done via palsgaard.com where you can find the link to whistleblower reporting and guidance. Palsgaard is obliged to have a copy of all reports with associated evidence for audit purposes. There will be an annual report on the number of reports and in what areas they have occurred.

QUESTIONS TO THE POLICY

Read more in the FAQ and the Privacy Policy for the system at www.palsgaard.com. Other questions regarding the whistleblower policy can be sent to the Compliance Team* by e-mail: MLO@palsgaard.dk.

*Compliance Team: Anders Brix, Group CEO, Helle Müller Petersen, CEO, Maiken Lorensen, Secretary Schou Foundation/Global Human Resources Director and Frank Lau, external State Authorised Public Accountant.