

Terms of reference for NKT's (Company) ESG Committee

1. Scope and purpose

- 1.1 These terms of reference establish the duties and powers of NKT's ESG Committee
- 1.2 The ESG Committee is a Board of Directors' committee charged solely with preparing resolutions to be taken by the Board of Directors in fulfilling its responsibility for oversight of relevant ESG policies, strategies and programs of the Company.

2 Constitution and members

- 2.1 The ESG Committee shall consist of at least two members
- 2.2 Members may be removed by the Board of Directors at any time. Any member of the ESG Committee who resigns from the Board of Directors must also resign from the ESG Committee.

3. Meetings

- 3.1. Meetings are held as often as the Chair of the ESG Committee deems necessary and aligned with the Annual Plan, Each member of the ESG Committee may convene a Committee meeting if considered necessary
- 3.1. The agenda is drafted by the Chair of the Committee. The agenda for each meeting, accompanied by relevant material, shall be circulated to the other participants in the meeting in due time
- 3.3 The secretariat of the Board of Directors shall also be secretariat of the ESG Committee in preparing and keeping minutes of events at the ESG Committee's meetings.
- 3.4 The ESG Committee is quorate when at least one of two members is present. Decisions are passed by simple majority and in the event of an equal number of votes, the Chair has the casting vote.

4. ESG Committee duties

Duties are performed according to an Annual Plan approved by the Board of Directors.

- 4.1 Review and provide oversight of programs and make recommendations to the Board of Directors on the Company's policies, strategies pertaining to ESG issues and associated impacts with the purpose to support the sustainable growth of the Company
- 4.2 Ensure that
 - a) NKT management has a robust and documented corporate process in place to identify and manage ESG issues,
 - b) ensure it is tied into NKT's Purpose
 - c) ensure alignment with the overall business strategy, and
 - d) discuss ESG issues with Board of Directors
- 4.3 Ensure that appropriate policies are in place working effectively to build and consistently protect the Company's internal and external reputation to ensure the long term preservation and enhancement of shareholder value, through NKT's Performance, Behaviors and Communication.
- 4.4 Monitor the Company's performance against relevant external sustainability (ESG) indices including public reporting and a review of the Company's annual CSR report. Ensure that ESG disclosures contain high quality, consistent information that investors and other stakeholders can use to make decisions.
- 4.5 Monitor the Company's reputation and relationships with stakeholders through periodic reports from Management
- 4.6 Monitor risk management associated with ESG issues
- 4.7 Perform an annual self-assessment

4.8 Review regulatory, governance, market and other trends of relevance to the Company's ESG activities

4.9 Include in its duties any other ESG task assigned by the Board of Directors to the ESG Committee

5. Disclosure

5.1 The ESG Committee's composition, activities, frequency of meetings are disclosed in the annual report and on NKT's website.

5.2 The Chair of the Board of Directors will summarize the results of the self-assessment at the annual general meeting

5.3 Changes to these Terms of Reference may be adopted at any time by a simple majority in the Board of Directors.