

BOARD OF DIRECTORS' RULES OF PROCEDURE

ACRO Securities hf.

1. Purpose

1.1 These rules, which are established on the basis of the 4th paragraph of Article 54 of Act no.161/2002 on Financial Undertakings, Guidelines no. 1/2010 of the Financial Supervisory Authority of the Central Bank of Iceland, the 5th paragraph of Article 70 of Act no. 2/1995 on Public Limited Companies and taking into account the Guidelines of Corporate Governance published by the Icelandic Chamber of Commerce and the EBA's guidelines on the internal governance of financial undertakings (EBA/GL/2021/05), are set for the purpose of strengthening the credibility of ACRO Securities hf. (hereinafter "*the Company*"), by ensuring that normal and healthy business practices are followed in its operations.

1.2 Furthermore, the purpose of these rules is to establish the division of tasks of the Company's Board of Directors as well as its other work and communications in order to, among other things, prevent conflicts of interest at work.

2. Election of the Board, division of tasks and duties

2.1. The Board of Directors shall be elected at the Company's Annual General Meeting for a period of one year. Three people and two alternates shall be elected.

2.2. At the end of the Annual General Meeting, the newly elected Board of Directors of the Company shall convene and divide its tasks.

2.3. The Chairperson of the Board of Directors conducts the first meeting if he/she has been specifically elected. Otherwise, the departing chairperson of the Board shall do so if he/she has been re-elected, but otherwise, the board member that has sat longest on the Board. If no board member has previously sat on the Company's Board of Directors, the most senior member shall conduct the first meeting.

2.4. A simple majority of votes determines the election to positions on the Board, as provided for in the Company's Articles of Association.

2.5. If more than one person receives the same number of votes, lots shall be drawn to decide the issue.

2.6 The function of the Board according to the Company's Articles of Association is:

- 1) To appoint a CEO, determine his/her salary and terms of employment and supervise his/her work.

- 2) To constantly scrutinise all of the Company's operations and ensure that the Company's organisation and activities are at all times in correct and good order. The Board shall specifically ensure that the Company's accounting and handling of funds are sufficiently supervised.
 - 3) To act on behalf of the Company before courts and authorities.
 - 4) To cooperate with the CEO on the recruitment of other key employees of the Company.
 - 5) To resolve disputes that may arise between the CEO and other employees.
 - 6) To decide on who will have the authority to bind the Company.
- 2.7 The signature of a majority of board members is required to bind the Company. However, important decisions, such as the purchase and sale of real estate and similar investments, cannot be made unless all board members have had the opportunity to discuss the matter.
- 2.8 Board members must familiarise themselves with the laws and regulations applicable to their activities and understand their role and responsibility as board members. They must individually and collectively possess sufficient knowledge, experience and competence to be able to fulfil their positions. Board members shall be acquainted with the Company's operations and infrastructure and shall ensure that they always have sufficient time to perform their work as board members.
- 2.9 2.9 Every year, the Board of Directors shall discuss how it defines its role.

3. Meetings, calling meetings and meeting minutes

- 3.1. The chairperson convenes board meetings in a verifiable manner and submits the agenda for each meeting no later than two days before the meeting or assigns the task to the CEO.
 - 3.2. The chairperson is obliged to convene a board meeting if a board member or the CEO requests it. Meetings shall be called with reasonable notice and the documents of the meeting must generally be sent or made available to the board members before the meeting and be available to the board members after the meeting.
 - 3.3. The chairperson chairs the meetings and is responsible for ensuring that minutes are kept. Any board member can request his/her statements to be entered in the minutes. The draft minutes shall be submitted for approval at the beginning of the following meeting of the Board of Directors.
- 3.4 The minutes of meetings shall, among other things, include a record of the following:
- 1) Where and when the meeting is held, when it starts and when it ends.

- 2) The board meeting number.
- 3) Who attends the meeting and who chairs it.
- 4) An entry on when external parties enter a meeting, and when they leave it.
- 5) Agenda of the meeting.
- 6) Meeting documents that were delivered or shown before or during the meeting.
- 7) A short report on the matters discussed at the meetings and what decisions were made.
- 8) If decisions have been made between meetings, the minutes must state how decisions made between board meetings were made.
- 9) Board members' questions at meetings and between meetings along with answers to them. When and where will the next board meeting be held?
- 10) Who wrote the minutes of the meeting?

4. Legitimacy of decisions

- 4.1. The Company's Board of Directors is the highest authority in all matters of the Company between shareholders' meetings, cf. the Company's Articles of Association and protects its interests in all respects.
- 4.2. The Board must respect the provisions of the Act on Financial Undertakings, in particular the rules on bank secrecy. Furthermore, all board members must familiarise themselves with and respect the Company's work procedures and code of practice.
- 4.3. Board meetings are considered legitimate if three board members are in attendance.
- 4.4. The signature of two board members is binding for the Company.
- 4.5. Voting at board meetings shall be determined by a simple majority on all issues. If there is a parity of votes, the Chairperson has the casting vote.

5. Recruitment and duties of the CEO

- 5.1. The Board of Directors shall appoint a CEO and determine his/her terms of employment. It grants powers of procuration for the Company.
- 5.2. The CEO is in charge of the day-to-day operations of the Company and represents it in all matters concerning its day-to-day operations. The CEO shall in that respect follow the policies and instructions which have been laid down by the Company's Board of Directors. Daily operations do not extend to unusual or major arrangements. The CEO may only make arrangements of this kind with a special authorisation from the Board of Directors, unless the decision cannot wait without considerable inconvenience for the Company. In such instances the Company's board shall be notified of the arrangement without delay.

5.3 The CEO shall ensure that the Company's books are kept in accordance with laws and customs and that the Company's assets are handled in a secure manner.

5.4 The CEO hires the Company's employees but must consult with the Board about hiring employees for executive positions. The CEO dismisses the employees he/she has hired and deals with their salary issues.

5.5. The CEO shall grant board members, auditors and inspection staff any necessary information on the operations of the Company which they might request and are entitled to receive by law. This includes the following:

- 1) The CEO shall regularly submit and present a report on the Company's operations.
- 2) The CEO shall present the quarterly accounts to the Board no later than two months after the end of each accounting period.
- 3) The CEO together with the Company's auditor shall present the Company's audited financial statements to the Board.

5.6 The CEO is not permitted to work anywhere else but at the Company without the Board of Directors' permission to do so. However, the CEO may undertake work for social activities, such as sports clubs, lectures or teaching without the Board's permission. The CEO shall nevertheless always notify the Board of Directors of any such work that he/she undertakes. The CEO may approve similar projects that the Company's employees undertake and shall notify the Board of Directors of them.

6. Auditors

6.1. The Board is obliged to give auditors or inspectors access to all assets, books, supporting documents and other Company data cf. the Company's Articles of Association. The Board must also supply all the information that it can provide and is requested by auditors or inspectors.

6.2. Elected auditors must keep a record of how they perform their audit work and other relevant matters.

6.3. The auditors must pay particular attention to whether the Company's annual accounts and accompanying documents are in accordance with laws, rules, regulations and good accounting practice and point out to the Board whether this is the case.

7. Interest links

7.1. Individual board members must inform the Board about the parties with whom they have interest ties, regardless of whether the link is personal or financial. The Company must always have up-to-date written information about the parties linked to the board members. Information according to this article shall be available at board meetings.

- 7.2. Board members may not participate in any matters regarding: a) their transactions, b) the transactions of companies in which they own a direct or indirect share, in which they are board members, spokespersons for, or in which they have substantial interests, c) parties deemed related to them through family or otherwise, d) board members' competitors or parties related to them.
- 7.3. If a board member is deemed to have shared interests under this article or is otherwise disqualified because of other events, he/she shall not be given access to documents regarding the processing of the relevant matter. Furthermore, the board member shall withdraw from the meeting while the discussion and processing of the matter takes place.
- 7.4. The chairperson or CEO can demand that a board member recuse his/herself before the presentation of a matter and delivery of documents if they deem the board member to be disqualified from dealing with the matter.
- 7.5. The board decides on the eligibility of board members, pursuant to Act no. 2/1995 on Public Limited Companies.
- 7.6. The minutes of a meeting shall note a board member's recusal from the meeting, and that he/she was not given access to documents.

8. Decisions on particular transactions

- 8.1. The Board of Directors of the Company may not involve itself in decisions on individual dealings, unless their scope is substantial in relation to the Company's size.
- 8.2. Individual board members shall not involve themselves in decisions on particular transactions.

9. Disclosures to the Board of Directors

- 9.1. Disclosures to board members about customers and particular transactions shall occur only through the Company's Board of Directors. Answers to enquiries shall always be presented at meetings of the Board of Directors and not just to the enquiring board member. Questions and answers must be recorded in the minutes of the meeting.
- 9.2. Board members are not allowed to contact employees directly to obtain information.

10. Facilities granted to related parties

- 10.1. The Board of Directors shall charge the Company's auditors or inspection staff with systematically reviewing facilities granted to related parties, including conditions and terms, renegotiations, and status, and compare them to corresponding transactions with other customers and submit a reasoned opinion.

- 10.2. Facilities refers to loans and guarantees given to related parties, as well as other obligations of related parties towards the relevant financial company, such as underwriting and forward contracts. This does not only refer to the facilities provided during the period, but also the treatment of obligations that have already been established, regarding, for example, defaults, changes to terms and securities, debt restructuring, etc.
- 10.3. Related parties are deemed to be parties that have connections to the Company that may make providing facilities to them or companies to which they are connected suspicious due to conflicts of interest.
- 10.4. Related parties can include, for example, a) members or reserve members on the Company's Board of Directors, the boards of the Company's subsidiaries and associated companies, management, key employees and the spouses, children and parents of these parties, b) shareholders directly or indirectly holding an ownership interest of 5% or more in the Company or deemed to be one of its 10 biggest shareholders, c) companies in which parties under subparagraphs (a) and (b) own at least a 10% share, work for or serve in managerial positions for.

11. Handling of board members' business dealings

- 11.1. All business proposals from board members or parties connected to them shall be presented to the Company's Board of Directors or its chairperson for approval or rejection.

12. Membership on the boards of subsidiaries and associated companies

- 12.1. If the Board of Directors deems it appropriate for a board member to take a seat on the board of directors of a subsidiary or associated company, such a decision shall be discussed in detail regarding the effect of the board membership on the relevant board member's supervisory role and the need for him/her to take a seat on that board of directors.
- 12.2 Each year, the Board of Directors, after obtaining the CEO's proposal, shall decide which companies shall fall under this article.

13. Confidentiality, liability for damages and criminal liability

- 13.1 Board members, the CEO, auditor, personnel and any persons undertaking tasks on behalf of the Company shall be bound by an obligation of confidentiality concerning any information of which they may become aware in the course of their duties concerning business dealings or private concerns of the Company's customers, unless obliged by law to provide information. The obligation of confidentiality shall remain after employment ceases.

13.2 When a member of the Board ceases to be a member, he/she shall ensure that any documents received in the course of his/her duties as a board member are not divulged to unauthorised parties.

14. Performance evaluations of the Board of Directors and the CEO

14.1 The Board shall, no less frequently than annually, carry out a performance evaluation of the Board, i.e. evaluate their jobs, size, composition, procedures and practices, as well as the performance of the CEO. The Board shall review and evaluate the Company's development and whether it is in line with its goals. In these evaluations, the Board assesses, among other things, the strengths and weaknesses in the Company's work and procedures and considers what it thinks could improve in its performance. The Board can evaluate its own work but is also permitted to seek expert assistance as appropriate.

14.2 The Board shall respond to the results of the evaluation by establishing an action plan if appropriate.

14.3 Board members must meet without the CEO and other employees at least annually to, among other things, evaluate the CEO's performance.

15. Reception and instruction of new board members

15.1 New board members must receive detailed information about the Company and its activities following their election. A new board member shall normally receive information about;

- 1) The activities of the Company.
- 2) Products and services.
- 3) Policy-making and business plan.
- 4) Risk management and position on risk.
- 5) Duties and powers of the CEO

15.2. New board members must be provided with the main documents concerning the Company so that they can familiarise themselves with its operations and the laws and regulations that apply to financial undertakings. The following information is useful for new board members:

- 1) The Company's Articles of Association.
- 2) Rules of procedure for the Board of Directors
- 3) Board's work plan.
- 4) Guidelines for accessing the Company's rules.

- 5) Previous year's minutes of the Board of Directors' meetings.
- 6) Financial information.
- 7) Organisation chart
- 8) A summary of applicable laws and regulations concerning the Company's activities.
- 9) The last Annual Financial Statement and Interim Financial Statement.
- 10) Reports and letters from internal and external auditors.

15.3. New board members have the right to a briefing from parties very familiar with the Company who can answer their questions, e.g. the CEO, a board member or an internal auditor.

Approved by the Board of Directors of ACRO Securities hf. on 30 November 2023

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