

RULES ON THE QUALIFICATIONS OF KEY EMPLOYEES

1. Goals and purpose

- 1.1. These rules are set in accordance with Guidelines 3/2010 of the Financial Supervisory Authority of the Central Bank of Iceland on the qualifications of key employees, as amended, cf. Act no. 161/2002 on Financial Undertakings, and regarding the qualifications of key employees of ACRO Securities hf. (hereinafter “the Company”).
- 1.2. The Company places a great deal of emphasis on ensuring its employees possess thorough knowledge, skills and expertise to carry out their duties for the Company and its customers.
- 1.3. The purpose of these rules is to strengthen the Company's trust and credibility, maintain customers' trust and limit risks to the Company's operations and reputation.

2. Key personnel

- 2.1. A key employee is defined as a natural person in a position of management, other than the CEO, who is empowered to make decisions which are capable of impacting the future development and performance of an undertaking, cf. par. 1 (7) of Article 1 of Act no. 161/2002 on Financial Undertakings.
- 2.2. The Company's Board of Directors evaluates which individuals are deemed to be the Company's key employees.
- 2.3. The Company's CEO shall maintain a list of those deemed to be the Company's key employees, the position they hold, and why they are deemed to be key employees.

3. Qualification criteria

- 3.1. Key employees of the Company shall fulfil the following criteria:
 - 3.1.1. Be of legal age, have an unblemished reputation and be financially independent.
 - 3.1.2. Not declared bankrupt in the last five years.
 - 3.1.3. In the last 10 years, they may not have had any connection with business operations convicted of a punishable act under the General Penal Code or the Act on Public Limited Companies, Act on Private Limited Companies, Accounting Act, Act on Annual Accounts, Act on Bankruptcy, etc., as well as special acts applying to parties subject to official supervision of financial activities.
 - 3.1.4. Possesses sufficient knowledge, expertise and skills to fulfil their position in a satisfactory manner.
 - 3.1.5. Have not acted in any way to raise doubts about their qualifications to represent sound and healthy operations, or that they will conceivably misuse their position or damage the Company.

4. Execution of qualification assessment

- 4.1. In assessing whether a person will fulfil the qualification criteria under Article 3, the Company shall conduct both a subjective and objective assessment of the individual involved. The CEO is responsible for this assessment, which shall be conducted before hiring a key employee.
- 4.2. In assessing a key employee's qualifications, the Company reserves the full right to request all of the documents and information deemed necessary, such as criminal records, mortgage certificates and copies of income tax returns.
- 4.3. In addition to this, the qualification assessment of the individual involved shall include the following:
 - 4.3.1. The person's necessary knowledge of the statutes, regulations and rules applying to the Company's operations and special acts applying to the individual's area of work.
 - 4.3.2. The person's necessary knowledge of the basic aspects of the Company's operations regarding his/her working duties.
 - 4.3.3. The career of individuals, including whether governmental regulators have investigated them, whether they have been indicted or sued, whether parties have filed legitimate complaints against them regarding operations subject to supervision, whether they have managed a company that went bankrupt, and whether they have been dismissed because of their actions or failure to act.
- 4.4. Assessment of a key employee's qualifications when these rules enter into force shall occur as soon as possible although not later than within three months from the entry into force of the rules. If an employee is transferred to another job and the new job is also considered to be a key employee post, a new qualification assessment shall be conducted within three months of taking over the post.
- 4.5. Someone deemed not to fulfil the condition of possessing the required knowledge in a qualification assessment shall be given an opportunity to prove increased and satisfactory knowledge within two weeks of the conclusion of their qualification assessment.
- 4.6. If there is doubt concerning whether a person ought to serve in a key position, the Board of Directors of the Company, after obtaining the CEO's opinion, shall evaluate whether the individual involved ought to serve in a key position on behalf of the Company.
- 4.7. If a person fails a qualification assessment or some other element emerges in the opinion of the Board of Directors, cf. Article 4.6, the individual involved shall not serve as a key employee of the Company

5. Obligation to inform and notify

- 5.1. An employee must always give correct information on points that may require a qualification assessment. A key employee shall immediately inform the CEO of any changes occurring in his personal circumstances that may result in reconsideration of his/her qualification assessment.

6. Participation in business operations and board membership

- 6.1. Board membership or participation in business operations requires evaluation of whether they are compatible with the work of a key employee of the Company. In this context, consideration shall be given to the key employee's position in the Company, and whether such participation in the job market jeopardises his/her integrity and work contribution. Key employees may not sit on boards of directors and participate in business operations if doing so could risk conflicts of interest or undermine the Company's reputation. In other respects, key employees' board membership and participation in business operations shall be governed by the Rules of Procedure of the Board of Directors and rules on investor protection and business conduct

7. Incompetence to deal with individual matters

- 7.1. Key employees shall not participate in the handling of issues regarding their own transactions or those of undertakings which they own a qualifying holding in, are board members of, hold leading positions in or otherwise have a substantial interest in, unless it is a subsidiary of the Company. The same applies to the participation of key employees in the handling of issues of entities which they are personally or financially connected to. When a key employee commences employment, he/she shall divulge the parties related to him in the ways mentioned above. The key employee shall also divulge any changes that occur to the parties he/she is connected to.

8. Key employee with legal status of suspect

- 8.1. If a key employee becomes a legal suspect, he/she shall notify the CEO.
- 8.2. The CEO or, depending on circumstances, the Company's Board of Directors shall evaluate a key employee's position in the Company with a view to ascertaining whether the concerned employee should be relieved of his (her) duties, sent on a leave of absence or no action should be taken. Assessments of this kind shall always take note of the position of the key employee in question and the seriousness of the alleged violation. If the alleged violation is considered serious and the key employee's position within the Company could damage the Company's reputation, the key employee shall be suspended.
- 8.3. Each alleged violation shall always be evaluated individually. If the Company's evaluation is that a particular key employee has committed a violation, he/she shall immediately be dismissed. The notice period shall be paid except in the case of a violation committed during the course of the person's work at the Company.
- 8.4. If in the assessment of the CEO or, depending on circumstances, Board of Directors, the key employee has not committed a violation, the key employee shall not be dismissed from his/her job, unless the Company's reputation calls for a measure of this kind.
- 8.5. Generally speaking, key employees shall receive their salaries when on leave, but for no longer than their notice periods. If an official investigation takes longer, a decision shall be made on whether the key employee shall be dismissed without salary until the investigation concludes or whether he/she should receive a salary for a longer period.

9. Penalties

9.1. If an employee provides misleading or wrong information regarding a qualification assessment conducted on the basis of these rules, it can involve a reprimand or the employee's dismissal.

10. Miscellaneous

10.1. These rules enter into force when signed by the Company's Board of Directors and shall be published on the Company's website.

Approved by the Board of Directors of ACRO Securities hf. on 10 August 2021.

Revised and approved by the Board of Directors of Acro Securities on 6 July 2023

Revised and approved by the Board of Directors of Acro Securities on 26 September 2024