

NOVA KLÚBBURINN HF.

RULES OF PROCEDURE OF THE AUDIT COMMITTEE

1 Role and objective

- 1.1 Nova Klúbburinn hf. (the "**Company**") as the parent Company of Nova hf. has appointed an auditing committee (the "**Committee**") in accordance with IX A Chapter of Act no. 3/2006 on annual accounts. This policy and the Committee shall reflect the aims and values set forth in the aforementioned Act as well as the guidelines of the Iceland Chamber of Commerce, SA Confederation of Icelandic Enterprise and Nasdaq Iceland on corporate governance.
- 1.2 The Committee shall serve as an independent body within the Company, serving at the behest of the Board of Directors, providing oversight over accounting procedures, annual accounts, risk management and more, in accordance with these rules.
- 1.3 These rules shall apply mutatis mutandis to the Company's subsidiary, Nova hf.

2 Committee composition

- 2.1 The Committee shall be appointed by the Board of Directors.
- 2.2 The Committee shall be comprised of three members.
- 2.3 A Director shall always be one of three members of the Committee. The other two Committee members shall be independent of the Company, its day-to-day management and the Company's auditors. Further, one of the members shall be independent of all large shareholders in the Company. The Company's managing director or other members of the Company's day-to-day management may not be members of the Committee.
- 2.4 The Committee member shall possess knowledge and experience consistent with the work of the Committee and at least one member shall possess sound knowledge and experience in the field of accounting or auditing. When evaluating the knowledge and experience of Committee members, the following factors shall be considered:
 - (a) The member's knowledge of applicable rules on accounting.
 - (b) The member's knowledge on the making and analysis of accounts and auditing.
 - (c) The member's knowledge on internal controls and oversight with regard to accounting.
- 2.5 The Board of Directors shall appoint Committee members annually at the first regular Directors' Meeting subsequent to the Annual General Meeting, but no later than a month after the Annual General Meeting.

3 Responsibilities

- 3.1 The Committee shall recommend an auditing firm to the Board of Directors for proposal to the Shareholder Meeting.
- 3.2 The responsibilities of the Committee shall consist of, *inter alia*, the following:
 - (a) The Committee shall supervise the work processes in the preparation of accounts and as well as the arrangements and efficiency of internal control of the Company and risk management.

- (b) The Committee shall supervise the auditing of annual financial statements and consolidated financial statements of the Company.
- (c) The Committee shall assess the impartiality of the Company's auditor and supervise other tasks of the auditor. When evaluating the auditor's impartiality, the Committee shall take into account Art. 19 of Act No. 79/2008 on auditors, stating that auditors and auditing firms shall be impartial to their clients, both in actuality and in appearance.
- (d) The Committee shall review the financial information submitted to the Board of Directors by the Company's day-to-day management and auditors and confirm that this information represents an accurate reflection of the Company's operations, financial standing and future prospects.
- (e) At the Committee's initiative, an annual meeting shall be held between the Committee, the Board of Directors and the Company's external auditor.
- (f) The Committee shall annually request a written report from the Company's auditor, in which all material matters that have emerged in the course of their latest audit shall be detailed. The report shall specifically address any weaknesses in internal controls in the procedure of preparing accounts. The Committee's request for report shall reflect the necessity for the inclusion of the aforementioned information.

4 Powers and resources

- 4.1 The Committee shall have access to sufficient resources in order to carry out its duties, including access to information from the Company/Group and relevant third parties, subject to the Company/Group being able to provide such information.
- 4.2 The Committee shall have no management responsibilities with regard to its supervisory role, findings and recommendations; it shall be the responsibility of executive management as directed or authorized by the Board to take appropriate actions.
- 4.3 The Committee is not responsible for certifying the accuracy or completeness of the Company's financial statements or their preparation in accordance with generally accepted accounting principles, or for guaranteeing the accuracy of the external auditor's report. The fundamental responsibility for the Company's financial statements and disclosures rests with management team and the external auditor pursuant to their professional responsibilities.

5 Authority

- 5.1 The Committee shall have the authority to seek any information or documentation from the Company's Board of Directors as well as its external and internal auditors necessary within its remit in order to perform its duties.
- 5.2 The Committee shall have access to the Company's day-to-day management if required for the purposes of gathering the necessary information to carry out its functions.
- 5.3 The Committee may request a memorandum or a report from the Company's Board of Directors or auditors to the extent necessary to gather information and evaluate the Company's financial state.

6 Committee meetings and procedures

- 6.1 The Chairman of the Committee summons Committee meetings with no less than seven days' notice and directs the meetings. The Chairman may summon Committee meetings of his own

initiative or at the request of other Committee members, the Chairman of the Board of Directors, the Company's external auditor or the Company's General Manager. The meeting shall appoint a secretary for each meeting, whose responsibility it shall be to record minutes of the meeting.

- 6.2 At the beginning of each calendar year, the Committee shall create a plan for the year, Committee meetings, as well as plans for meetings with the Company's Board of Directors, external auditors and the Company's staff members if necessary. The annual plan shall further contain information on the intended subject of each meeting.
- 6.3 The Committee may invite to its meetings, as needed, the Company's external auditors, members of the Board of Directors or the Company's employees.
- 6.4 Committee meetings shall be no fewer than four per year, one for each quarter.
- 6.5 A Committee meeting must have a minimum of two members in attendance for the meeting to be competent for resolution. The Committee shall reach decisions unanimously.

7 Confidentiality

- 7.1 Committee members bear a duty of confidentiality towards the Company with regard to all matters concerning the Company or its customers, of which they may become privy when executing their duties. Committee members shall not be permitted to disclose information about the Company or its customers to third parties without the express written consent of the Company's board of Directors or unless so provided for by law.
- 7.2 Duty of confidentiality shall hold in perpetuity, even after membership to the Committee ceases. Committee members shall keep and preserve all documentation securely which they may have in their possession due to their work as committee members.

8 Miscellaneous

- 8.1 These rules shall be reviewed at least annually. Only the Company's Board of Directors may amend these rules. The Committee may propose amendments to these rules for the approval of the Board of Directors.
- 8.2 The responsibilities, powers, and functions of the Committee, in other respects than those specified in these rules, are governed by the Companies Act and the Company's articles of Association.

Thus, approved by Nova Klúbburinn hf.'s Audit Committee on 17 November 2022