

## Audit Committee of Embla Medical hf. Terms of Reference

1. Objective and Responsibilities
  - 1.1 The Audit Committee is a committee under the Board of Directors.
  - 1.2 The Committee's main objective is to ensure a competent and independent audit of the Company and supervise the Company's internal control system and risk management. The Board has decided that the Committee shall perform the Board's tasks and duties according to Chapter 9 in the Board's Rules of Procedure (Internal Controls and Enterprise Risk Management).
  - 1.3 The Committee has the following responsibilities:
    - 1.3.1 Submit proposal to the Board each year on the nomination of an auditor candidate at the Annual General Meeting after assessing the auditor candidate's independence and competence.
    - 1.3.2 Submit proposal to the Board each year on an agreement with the Auditor, containing e.g. provisions on the audit fees as well as the general scope of the Auditor's non-audit services for the Company.
    - 1.3.3 Monitor and evaluate the Auditor's work for the Company, including statutory audit of the financial statements and annual report, taking into consideration the results of the most recent quality control performed by the Auditor.
    - 1.3.4 Report the result of the statutory audit, including the financial reporting process, to the Board.
    - 1.3.5 Monitor the financial and sustainability reporting process and make recommendations or proposals for securing integrity. This includes reporting to the Board on significant accounting policies, significant accounting estimates, related party transactions and uncertainties and risks, including in relation to the outlook, prior to the Board's approval of financial statements.
    - 1.3.6 Monitor the progress made on sustainability targets and report the result to the Board.
    - 1.3.7 Monitor and assess the Company's internal control systems and enterprise risk management systems and perform the Board's tasks and duties according to Clause 9 in the Board's Rules of Procedure.
    - 1.3.8 At least once a year assess the need for an internal audit function by taking into consideration the scale and complexity of Company's activities, risk factors and cost / benefit considerations.
    - 1.3.9 Monitor the Company's Speak-Up Line.
    - 1.3.10 Monitor the Company's tax policy.
2. Composition
  - 2.1 The Committee is composed of three Board Members to be elected by the Board no later than one month after each Annual General Meeting.

- 2.2 The Committee Members shall be independent of the Auditor and the majority of the Committee shall also be independent of the Company.
- 2.3 The Members of the Committee as a whole shall have competence relevant to the sector in which the Company is operating. At least one Member of the Committee shall have competence in accounting and/or auditing.
- 2.4 The Committee elects a Chair, who shall not be the same as the Chair of the Board. The Chair shall be elected by majority vote. In case of even votes, lots shall be cast to determine the results.

### 3. Meetings

- 3.1 The Chair calls for Committee Meetings, in consultation with the CFO. Committee Meetings shall be called as often as deemed necessary for the Committee to be able to perform its responsibilities in an efficient manner. Committee Meetings shall generally be called in connection with Board Meetings as deemed appropriate.
- 3.2 The CFO shall attend all Committee Meetings and shall have the right to speak and to submit proposals, unless otherwise decided by the Committee in specific instances.
- 3.3 The Committee Minutes shall be signed electronically by Committee Members, the CFO and the Secretary of the Committee.
- 3.2 At least once a year the Committee and the Board shall meet with the Auditor without the Company's management being present.

### 4. Resources

- 4.1 The CFO and the Auditor shall provide the Committee with the necessary and relevant information and documents to carry out its responsibilities.
- 4.2 The Committee may require reasonable assistance from external advisors and obtain input from relevant stakeholders when carrying out its responsibilities.

### 5. Reporting

- 5.1 As and when appropriate, the Committee shall report to the Board on its most significant activities and proposals.
- 5.2 The Auditor shall submit an Audit Report to the Committee before the full year consolidated financial statements are approved.

### 6. Miscellaneous

- 6.1 The Board's Rules of Procedures shall apply for the Committee, as appropriate, including on Committee Members' confidentiality, Committee Meetings and Minutes of Committee Meetings.
- 6.2 These Terms of Reference enter into force on the date of the adoption by the Board.
- 6.3 Only the Board may amend these Terms of Reference.
- 6.4 These Terms of Reference shall be signed electronically by the Board Members.
- 6.5 These Terms of Reference have been adopted in accordance with Chapter IX.A of the Icelandic Act No. 3/2006 on Annual Accounts, as amended, and the Danish Recommendations on Corporate Governance.

Adopted by the Board of Directors on 13 March 2024.

Niels Jacobsen, Chair of the Board  
Svafa Grönfeldt, Vice Chair of the Board  
Arne Boye Nielsen, Director  
Alberto Esquenazi, Director  
Caroline Vagner Rosenstand, Director  
Tina Abild Olesen, Director