

Board of Directors of Embla Medical hf. Rules of Procedure

1. The Board's Role and Responsibilities
 - 1.1 The Board is the supreme authority in the affairs of the Company between Shareholders' Meetings.
 - 1.2 The Board is responsible for safeguarding the Company's and its shareholders interests with care and ensuring that the Company's activities are in proper order. The Board shall promote value creation in the Company, both short term and long term, in line with the Company's purpose, culture and values.
 - 1.3 The Board is responsible for the Company's strategy and for following up on the strategy implementation and the Company's overall strategic targets on a regular basis.
 - 1.4 The Board shall appoint a CEO to manage the Company's daily operations. The Board determines the division of duties between the Board and the CEO as well as the terms of the CEO's employment.
 - 1.5 The Board supervises the CEO and shall ensure that clear guidelines on responsibility, planning, follow-up, and risk management are in place.
 - 1.6 The Board shall ensure adequate surveillance of the accounting and financial management of the Company.
 - 1.7 The Board shall annually evaluate the Company's capital structure.
 - 1.8 The Board shall annually discuss the Company's activities to ensure relevant diversity at management levels.
 - 1.9 The Board signs for the Company and its resolutions and agreements are binding for the Company. The signatures of the majority of the Board Members are required to bind the Company.
 - 1.10 The Board may grant Board Members, the CEO, and others an authorization to sign on behalf of the Company. The Board may also grant powers of procuration and/or any other specific authorization.
 - 1.11 Board Members shall not perform special activities, including brief participation in the Company's daily operations, without the Board's prior written consent.
 - 1.12 Board Members shall familiarize themselves with all relevant information needed to have full understanding of the Company's operations and be able to take informed decisions.
 - 1.13 Board Members shall only act according to their own conviction, not the instructions of those who have elected them.
 - 1.14 Board Members shall familiarize themselves with and be bound by the provisions of statutory law, the Nordic Main Market Rulebook for Issuers of Shares, the Company's Code of Conduct and other applicable internal policies and rules, including the Company's insider rules.

1.15 The responsibility, authority and tasks of the Board shall, in all respects other than provided in these Rules, be governed by the Icelandic Act on Limited Liability Companies, the Icelandic Act on Annual Accounts, and other applicable law, rules and regulations, as well as the Company's Articles of Association.

2. The Board's Composition

2.1 The Board is composed of 4-7 Members elected at the Annual General Meeting for a term of one year.

2.2 If a Board Member leaves the Board before the end of the term, the Board may decide either to hold an election of a new Board Member for the remaining time of the term or postpone the election until the next Annual General Meeting, provided that the Board continues to be quorum.

3. Allocation of Responsibilities within the Board

3.1 The Board shall, immediately following the Annual General Meeting each year, have a Board Meeting to allocate responsibilities between the Board Members.

3.2 The Board shall elect a Chair and a Vice Chair. The Chair and the Vice Chair shall be elected by majority vote. In case of even votes, lots shall be cast to determine the results.

3.3 The most senior Board Member shall preside at Board Meetings pursuant to Clause 3.1 until the Board has elected a Chair, who shall subsequently preside for the remainder of the Board Meeting.

4. The Chair's Role and Responsibilities

4.1 The Chair is responsible for the Board performing its duties orderly and efficiently.

4.2 The Chair shall ensure that Board Members update their knowledge of the Company and its operations on a regular basis to be able to participate in all decision-making.

4.3 The Chair shall ensure that the Board generally receives exact and clear information to be able to perform its duties.

4.4 The Chair shall represent the Board in all matters of the Company, unless otherwise decided by the Board.

4.5 The Chair shall generally communicate with the CEO on behalf of the Board outside Board Meetings.

4.6 Other specific responsibilities that the Chair has are further outlined in other clauses of these Rules.

4.7 In the absence of the Chair, the Vice Chair shall perform his/her duties.

5. Board Meetings

5.1 The Chair calls for Board Meetings, in consultation with the CEO, and shall ensure that other Board Members receive notices of the Board Meetings.

5.2 Board Meetings shall be called:

5.2.1 immediately after each Annual General Meeting,

5.2.2 prior to the disclosure of the Company's financial statements each quarter,

- 5.2.3 in August/September each year to discuss the Company's strategy for the next year,
 - 5.2.4 in December each year to discuss and approve the Company's strategy and financials for the next year,
 - 5.2.5 on other occasions as deemed necessary for the Board to be able to carry out its tasks in an efficient manner.
- 5.3 The Board shall have in place a schedule of regular Board Meetings at least one year in advance.
- 5.4 The Chair must call a Board Meeting if any Board Member, the CEO, or the Company's Auditor so requests.
- 5.5 Extraordinary Board Meetings shall be convened with at least 7 days' notice. However, the Chair may call Board Meetings on shorter notice if unavoidable due to special circumstances in the Chair's opinion.
- 5.6 Notices of Board Meetings shall generally be in writing and shall specify the agenda of the Board Meeting. Documents concerning individual items of business on the agenda of a Board Meeting shall be uploaded to a secure Board portal no later than two working days before the Board Meeting, unless otherwise decided by the Chair. Documents for the strategic Board Meetings in August/September and December shall ideally be uploaded one week in advance. In special circumstances the Chair may decide to distribute documents only on the Board Meeting itself and request Board Members to return them at the end of the Board Meeting.
- 5.7 Board Meetings shall generally be held in the Company's offices. However, the Chair may decide to convene Board Meetings elsewhere.
- 5.8 Board Meetings may be convened by using video conferencing systems or other appropriate communications systems. However, a Board Member or the CEO may request that a Board Meeting is held in a conventional manner.
- 5.9 The Chair shall preside at Board Meetings. If the Chair is unable to attend a Board Meeting, the Vice Chair shall preside at the Board Meeting.
- 5.10 The CEO shall attend all Board Meetings and shall have the right to speak and to submit proposals, unless otherwise decided by the Board in specific instances.
- 5.11 In special circumstances the Chair may, instead of calling a Board Meeting, inform Board Members of an issue in writing or by telephone, and take a vote by correspondence or by telephone. Decisions made in this manner shall be submitted to the next Board Meeting for confirmation.
6. Board Decisions
- 6.1 The presence of the majority of the Board constitutes a quorum. Important decisions may, however, not be taken unless all Board Members have had the opportunity to discuss the matter, if possible.
- 6.2 A simple majority will decide issues at Board Meetings. In case of even votes, the Chair has the deciding vote.

7. Minutes of Board Meetings

- 7.1 The Chair shall ensure that the Secretary to the Board keeps Minutes of all proceedings at Board Meetings and all decisions made by the Board.
- 7.2 The following shall be recorded in the Minutes:
 - 7.2.1 The time and place of the Board Meeting.
 - 7.2.2 Who is present at the Board Meeting and who is presiding.
 - 7.2.3 The agenda of the Board Meeting.
 - 7.2.4 A short account of deliberations at the Board Meeting and which decisions and resolutions were made, including voting results.
 - 7.2.5 The time and place of the next regular Board Meeting.
- 7.3 If a Board Member or the CEO is not in agreement with a decision or resolution made by the Board, they are entitled to have their dissenting opinion entered into the Minutes.
- 7.4 The Board Minutes shall be sent to Board Members for their approval prior to the next Board Meeting.
- 7.5 The Minutes shall be signed electronically by Board Members, the CEO, and the Secretary to the Board, unless otherwise decided by the Chair. Board Members who were not present at a Board Meeting shall attest by their electronic signature that they have acquainted themselves with the Minutes of that Board Meeting.
- 7.6 The recorded Minutes shall constitute conclusive proof of the proceedings of a Board Meeting.

8. The CEO's Role and Responsibilities

- 8.1 The Board shall appoint a CEO to manage the Company's daily operations. The Board shall make an employment agreement in writing with the CEO, containing provisions on his/her salary and other terms of employment. The Board may entrust the Chair to handle the negotiations.
- 8.2 The CEO is responsible for daily operations and is obliged to follow the Board's policy and directions, within the limits provided for by the Articles of Association and law. The daily operations do not include measures which are unusual or extraordinary. The CEO may only take such measures if specially authorized by the Board, unless it is impossible to wait for the Board's decision without substantial disadvantage to the Company's operations. In such an event the CEO shall inform the Board of his/her measures, without delay. For the avoidance of doubt, if the Board has granted the CEO with an authority to sign on behalf of the Company and/or granted him/her with powers of procuration and/or granted him/her any other specific authorization, such authorizations are not limited by the foregoing.
- 8.3 The CEO shall decide on the composition of the Executive Management. The CEO is responsible for the performance of the Executive Management towards the Board, and he/she shall at least once a year evaluate the performance of the Executive Management according to previously established criteria. The CEO shall discuss the results of the

evaluation with each member of the Executive Management and decide which actions to be taken, if any.

- 8.4 The CEO shall decide on directorship in the Company's subsidiaries and associates on behalf of the Company.
- 8.5 The CEO shall ensure that the Company's consolidated financial statements are prepared in accordance with law and accepted practices and the Company's assets are handled in a secure manner.
- 8.6 The CEO shall ensure that the Board regularly receives precise information related to finance, structure, and operations of the Company for the Board to be able to perform its duties.
- 8.7 Prior to Board Meetings where the Company's financial statements each quarter will be discussed, the CEO shall submit a presentation to the Board outlining in broad terms the Company's most significant activities in that quarter.
- 8.8 The Board may require the CEO to provide the Board with additional documents and information related to specific tasks of the Board.
- 8.9 At least once a year the Chair and the CEO shall have a meeting to discuss the results of the Board's evaluation of the CEO's performance and the actions to be taken, if any, cf. Clause 14.5. The CEO shall inform the Chair of the results of his/her evaluation of the Executive Management and which actions to be taken, if any. The Chair shall inform the Board of the discussions with the CEO as he/she deems necessary and appropriate.
- 8.10 The CEO shall inform the Board on his/her business activities which are not related to the Company.
- 8.11 Other specific responsibilities that the CEO has are further outlined in other clauses of these Rules, his/her employment agreement and applicable law, rules, and regulations.

9. Internal Controls and Enterprise Risk Management

- 9.1 In connection with the Board's decision on the Company's strategy and overall strategic targets, the CEO shall be responsible for identifying the most significant strategic and business-related risks involved in achieving them.
- 9.2 The CEO shall be responsible for enterprise risk management by establishing process of identifying, assessing, managing, and reporting risks that may affect the achievement of the Company's strategic objectives.
- 9.3 The CEO ensures that appropriate risk management strategies are defined and implemented to address identified risks effectively. Risk management strategies should be reviewed by the Board.
- 9.4 The CEO is responsible for establishing and maintaining effective internal control systems to safeguard the company's assets, ensure the accuracy of financial reporting, and comply with relevant laws and regulations. This includes monitoring the effectiveness of internal controls and addressing any control deficiencies.
- 9.5 The CEO reviews and approves key internal control and risk management policies, initiatives, and decisions, ensuring alignment with organizational goals and objectives.

- 9.6 The CEO shall regularly, and at least once a year, report to the Board on updates to the Company's internal control and enterprise risk management systems, including significant developments, emerging risks, control deficiencies, and other relevant matters that may impact the Company's performance or reputation.
- 9.7 The Board shall monitor and assess the Company's internal control and enterprise risk management systems.
- 9.8 The Board may decide that the Audit Committee shall perform the Board's tasks and duties according to this Chapter 9. The Audit Committee shall report to the Board on its work.
- 9.9 The CEO may decide that the CFO shall perform the CEO's tasks and duties according to this Chapter 9. The CFO shall report to the CEO on his/her work.

10. Signing of the Consolidated Financial Statements

- 10.1 The quarterly and annual consolidated financial statements of the Company shall be submitted for signature by the Board and the CEO. If a Board Member or the CEO believes the consolidated financial statements should not be approved, or if he/she has other objections which in his/her opinion should be brought to the attention of shareholders, he/she is entitled to include a note to this effect with their signature of the statements.

11. Disqualification

- 11.1 The Board Members and the CEO shall not take part in any process of negotiation between the Company and themselves, lawsuits brought against them, negotiations between the Company and any third party or lawsuits against any third party, in which they have a substantial interest which may conflict with to the Company's interests. Board Members are under an obligation to report such incidents.
- 11.2 Any agreements which a Board Member or the CEO may enter into with the Company, and any agreements between the Company and a third party, must be submitted to the Board for approval (or rejection) if a Board Member or the CEO have a substantial interest in such agreements which may conflict with the Company's interests.

12. Board Committees

- 12.1 The Board has established an Audit Committee in accordance with the Icelandic Act on Annual Accounts. The Audit Committee's composition and responsibilities etc. are set out in the Audit Committee's Terms of Reference.
- 12.2 The Board has also established a Nomination Committee and a Remuneration Committee in line with the Danish Recommendations on Corporate Governance. The Committees' composition and responsibilities etc. are set out in the respective committee's Terms of Reference.
- 12.3 The Board may establish other committees if considered appropriate and feasible to deal with specific tasks, considering the size and composition of the Board and the Company's activities. The composition and responsibilities etc. of each committee shall be dealt with in separate terms of reference approved by the Board. Furthermore, the Board may in exceptional circumstances assign certain tasks to one or more Board Members for study or preparation for discussion at a Board Meeting.

13. Policies and Rules

- 13.1 The Board shall approve a remuneration policy for the Board and the Executive Management. The Remuneration Committee shall review the remuneration policy annually and submit proposed amendments, if any, to the Board. The Board shall review the proposed amendments and approve the remuneration policy, with or without amendments. The Board shall then submit the remuneration policy to the Annual General Meeting for final approval, with or without amendments. Any departure from the remuneration policy shall be recorded and reasoned in Board Minutes.
- 13.2 The Board shall adopt a corporate social responsibility and sustainability policy.
- 13.3 The Board shall adopt insider rules.
- 13.4 The Board shall adopt a diversity policy.
- 13.5 The Board shall adopt an investor relations policy.
- 13.6 The Board shall adopt a whistleblower policy.
- 13.7 The Board shall adopt a tax policy.
- 13.8 The Board may adopt further policies and as deemed necessary and appropriate.

14. Performance Evaluation

- 14.1 The Board shall at least once a year evaluate the performance of the Board and the individual Board Members. The performance evaluation shall include:
- 14.1.1 the composition of the Board with focus on competencies and diversity,
 - 14.1.2 the Board and the individual member's contribution and results,
 - 14.1.3 the cooperation within the Board and between the Board and the CEO,
 - 14.1.4 the Chair's leadership of the Board,
 - 14.1.5 the committee structure and the work in the committees,
 - 14.1.6 the organization of the work of the Board and the quality of the material provided to the Board,
 - 14.1.7 the Board Members' preparation for and active participation in Board Meetings,
 - 14.1.8 how much time is required to perform the Board duties.
- 14.2 The Chair shall decide how the evaluation process is carried out each time but he/she shall seek external assistance at least every three years.
- 14.3 The Board shall discuss the results of the Board performance evaluation and the actions to be taken, if any.
- 14.4 Furthermore, the Board shall at least once a year evaluate the CEO's performance according to pre-defined criteria. The Board shall also discuss the development, risks, and succession planning of the CEO.
- 14.5 The Chair and the CEO shall have a meeting once a year to discuss the results of the Board's evaluation of the CEO's performance and the actions to be taken, if any.

14.6 Information on all significant changes deriving from the evaluations shall be published in accordance with the Company's investor relations policy.

15. Shareholders' Meetings

15.1 Board Members and the CEO shall attend all Shareholders' Meetings. If a Board Member or the CEO is unable to attend in person, he/she shall participate with the assistance of electronic media if possible.

15.2 All Shareholders' Meetings shall be called at sufficient notice to enable the shareholders to prepare for the Shareholders' Meeting.

15.3 All Shareholders' Meetings notices, including the agenda, shall give the shareholders satisfactory information on the items to be discussed at the Shareholders' Meeting.

15.4 All communication with the Company's shareholders shall be clear, honest, and unitary. The Board shall be informed of shareholders' proposals and questions and the Board shall supervise the Company's reactions thereto.

15.5 The Board shall ensure that the interests of all shareholders are always protected and that shareholders receive equal treatment.

16. Board Candidates and New Board Members

16.1 The Board shall propose candidates to the Board to be elected at the Company's Annual General Meeting. The Nomination Committee shall have a succession plan in place and submit a list of proposed candidates to the Board. When nominating candidates, the Nomination Committee and the Board shall take into consideration relevant legal requirements, the composition of the Board and what kind of qualifications, competencies, experience, knowledge and other qualities the candidate should possess, as well as the need for integration of new talent and diversity. No member of the Executive Management shall be nominated by the Board as a candidate to the Board.

16.2 The Board shall furthermore assess the independence of all Board Members and candidates to the Board. The Board's results shall be made available to the Company's shareholders prior to the Company's Annual General Meeting.

16.3 New Board Members shall be introduced to the Company affairs, including its policies, goals, risks, and operations as well as the Board's work and procedures. New Board Members shall be offered relevant supplementary training as deemed appropriate for them to be able to perform their duties as Board Members.

17. Board Obligations in Connection with a Takeover Bid

17.1 The Board must consider the interests of the Company in all its actions and must not deny the shareholders an opportunity to take a decision on a takeover bid that may be made. The Board shall follow the applicable law provisions in these circumstances.

18. Confidentiality

18.1 Board Members are bound by confidentiality regarding the affairs of the Company, the Company's customers, and other matters which may come to their knowledge during their work as Board Members.

- 18.2 Board Members shall not disclose confidential information unless required to do so by law, regulations, or rules of stock exchanges or by any court or authority. Board Members shall treat inside information in accordance with the Company's insider rules.
- 18.3 Board Members shall store all documents and information they receive in relation to their duties in a secure manner.
- 18.4 Board Members, other than the Chair, shall normally not express their opinions to the media or address the public in any other manner regarding the Company's affairs, except with the consent of the Chair.
- 18.5 The duty of confidentiality shall remain valid after a Board Member leaves or resigns from the Board.

19. Miscellaneous

- 19.1 These Rules of Procedure enter into force on the date of the adoption by the Board.
- 19.2 Only the Board may amend these Rules.
- 19.3 These Rules shall be signed electronically by the Board Members.
- 19.4 These Rules have been adopted in accordance with Article 70, Paragraph 5, of the Icelandic Companies Act No. 2/1995 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