

RULES ON WORKING PROCEDURES of Veritas Capital's Board of Directors

Article 1 - Composition of the Board of Directors

The Board of Directors of **Veritas Capital**, hereinafter named the Company, comprises 3 Directors who shall be elected at the Annual General Meeting for a period of one year at a time. The majority of the Board shall be independent of the Company and at least one member of the Board shall be independent of the Company's major shareholders, according to a definition thereof in the guidelines of Iceland Chamber of Commerce, SA-Confederation of Icelandic Employers and NasdaqOMX Iceland on corporate governance.

The members of the Board shall provide the Company's Board of Directors with the information stated here below in order to facilitate the Board's assessment of their independence, as well as notify of changes to their circumstances which could affect this assessment:

- Name, date of birth and address.
- Education, chief occupation and professional experience.
- Date of election to the Board of the Company.
- Other commissions of trust, e.g. membership on the boards of other companies.
- Ownership of shares in the Company, as well as in other related companies.
- Other connections of interests to the Company, such as call agreements or participation in remuneration systems.
- Affiliations with, or vested interest in the Company's main business partners and competitors, as well as large shareholders of the Company.

When changes occur in the circumstances of a Board member, in a way that he no longer can be considered independent or there is danger of conflicts between his interests and those of the Company, he shall immediately notify the Board of those circumstances. At the Annual General Meeting each year it shall be checked if this information is right.

Directors of the Board may resign from the Board at any time, after having notified the Board thereof in writing.

Article 2 - Allocation of Tasks within the Board of Directors

Immediately after the Annual General Meeting, where the Board has been elected, the Board shall meet and allocate tasks among them. The Chairman shall be elected from the Board members. At the first meeting it shall as well be decided who is to write the minutes of Board meetings. Should the Chairman not be able to fulfil his duties because of him being prevented to do so, the Board shall nominate another one in his place.

The Chairman shall be elected by a simple majority. Should the votes fall even, a tossup decides.

The Chairman of the Board shall encourage activity in all its work and, among other things:

- Ensure that new Directors of the Board receive information and guidance on the procedures of the Board, the Company's affairs and the principal factors concerning the running of a business.
- Ensure that the Board receives in its work, detailed and explicit information and data in order to be able to perform its work.

Bear the responsibility of the Board's communication with the Company shareholders. Encourage open communication within the Board, as well as between the Board and the Company's management.

Organize the agenda for the meetings of the Board, in partnership with the Company's CEO, supervise their convening and chairing.

Follow the progress of the execution of Board decisions within the Company and confirm their implementation to the Board.

Ensure that the Board makes an annual assessment of the Board's and the CEO's work.

Take the initiative of revising these rules of procedure.

The Chairman of the Board must not assume any work for the Company other than what is considered a natural part of his duties as Chairman of the Board, with the exception of individual projects that the Board has entrusted upon him to perform.

Article 3 - Purview of the Board

Directors of the Board must familiarize themselves with the laws and regulations that apply to the running of a business and the activities of the Company and understand their own role and responsibilities as well as the Board's. Otherwise, Directors of the Board must:

Make independent decisions in each individual matter.

Have an understanding of the objectives and projects of the Company and how to organize their work in order to contribute to the achievement of these objectives.

Call for and study all documents and data they feel they need in order to have full understanding of the Company's operations and enables them to make informed decisions.

Ensure that internal controls are in place and that the decisions of the Board are complied with, as well as ensure that the laws, rules and regulations are adhered to at all times in the running of the Company.

Encourage a good atmosphere within the Board.

Prevent their affairs, whether personal or business related, from leading to a direct or indirect conflict of interest between themselves and the Company.

The Board bears principal responsibility for the operation of the Company in which it carries out the supreme authority between shareholder's meetings. The Board shall ensure that the organization and operations of the Company are always in a good state and that the interests of all shareholders are guarded at all times.

The Board shall **formulate policies and set goals for the Company** in accordance with its purpose, stated in the Articles of Association. The Board monitors that the CEO sets a policy and follows it in accordance with the Company's purpose and objective.

The Board shall see to it that there is **sufficient control** in accounting and the handling of the Company's assets and shall at least yearly confirm operating and financial plans. The Board must monitor that the operating and financial plans are followed, take a stand on reports on the Company's liquidity, major arrangements, insurance that matters, financing, cash flow and specific risk factors.

Internal controls shall be supervised by the Company auditor. Internal controls must safeguard that the Board is fulfilling its role, in accordance with article 3 of these procedures, and an evaluation be made yearly. *The auditor returns a report on the findings of the evaluation to the Board.*

A majority of the Board members is required to sign confirmations on behalf of the Company and solely the Board can grant a power of procuration.

The Board administers the recruitment and dismissal of the Company's CEO and formulates his job description. The Board supervises the CEO's work and manages the Company along with him. A written employment contract shall be made with the CEO including, among other things, his salary and other conditions. The Board can entrust the Chairman with taking care of contract making with the CEO on his salary and other conditions, which then has to be validated by the Board.

The Board makes decisions in all issues that must be considered unusual or important. The Board can, though, grant the CEO a permission to handle such issues. The CEO can, as well, handle such issues if it is not possible to wait for the decision of the Board without significant disadvantage to the operation of the company. In such cases the CEO must notify the Chairman of the Board immediately of the handling of the matter.

In special incidents, the Board can entrust one or more individual Board members with examining and preparing specific matters to be handled at a Board meeting. Such decisions shall be made at a board meeting and confirmed in the minutes of the meeting.

The Board must regularly assess its work, working methods, procedures, the progress of the Company. Such performance assessment entails e.g. the Board's evaluation of the strengths and weaknesses of its practices and working methods and consideration of the things it believes can be improved. Furthermore, the Board must regularly and formally assess the performance of the CEO.

Article 4 - The Chief Executive Officer

The CEO shall **take care of the day-to-day operation** of the Company and must, in that respect, **follow the policies and instructions laid down by the Board.** The CEO can represent the Company in matters that are within his purview, according to his job description. The CEO cannot make unusual or major arrangements, such as buy, sell or mortgage the properties of the Company, rent properties or dismiss a rental agreement, except with special permission from the Board.

The CEO must ensure that the Company's bookkeeping is in accordance with law and tradition and that Company properties are treated safely. The CEO shall further information and data relevant to the auditing to the Company auditor and provide him with information, data, facilities and assistance that the auditor considers necessary for his work.

The CEO shall, **at all times, act with integrity, having the best interests of the Company as a guiding light.** He must submit any other projects undertaken by him, which are unrelated to the Company, to the Board for discussion. The CEO must, as well, provide the Board with information on himself, as mentioned in Article 1.2.

The CEO must not take a seat in the Boards of other companies, unless special permission has been granted by the Board. Making that decision, the reasons for the CEO taking such a seat and the impact of the Board membership on the Company shall be discussed.

The CEO shall make sure not to exceed the frame that is defined in the Company's operating and financial plan for every fiscal year, unless with special permission of the Board.

Article 5 - Chairing of the Board

The Chairman of the Board represents the Board with regard to issues of the Company, unless otherwise decided by the Board. The CEO represents the Company publicly. Should matters be unusual or important, the CEO must consult the Board.

The Chairman of the Board represents the Board towards the CEO.

Article 6 - Convening of Meetings and other things

Board meetings shall normally be held every three months or when the Chairman or CEO decide. Directors of the Board, the CEO or accountant can at any point request a Board meeting to be held and the Chairman shall then convene a meeting. Directors of the Board are permitted to participate in Board work by phone.

At regular Board meetings, the following issues shall usually be addressed:

- Minutes of the last meeting.

- The CEO's report on the Company's operation, in accordance with Article 12.1.

- Overview of the Company status and accounts compared to operational and financial plans.

- Examination and follow-up on the execution of decisions that have been made at Board meetings.

- Prospects and opportunities of the Company in the future.

At the end of each meeting it is normally decided when the next meeting is to be held.

The CEO has a seat in meetings of the Board and has the right to participate in discussions and make an input, unless the Board decides otherwise in individual cases.

A meeting shall be convened with at least 7 days notice. The Chairman can, though, decide on a shorter notice if he considers it inevitable because of special circumstances.

The convening of a meeting shall normally be in writing or by email and shall contain the agenda of the meeting. Papers on individual issues on the agenda shall be dispatched to members of the Board at least 2 days prior to the meeting, unless the Chairman decides otherwise. The Chairman can decide that data in writing shall not be handed over until at the meeting and returned at the end of the meeting.

Should the Chairman consider that it is not justifiable to wait for a Board meeting to be held because of special circumstances, he can decide that a teleconference is held or that the Board members are briefed on the issue in writing or by phone and that they vote in writing or by phone. Decisions that are taken in such a manner are to be put forward at the next meeting for confirmation.

Sum-up meetings shall be held annually. At sum-up meetings the Financial Statements shall be presented for approval. In addition, issues concerning the internal controls and accounts of the Company shall be discussed. The Company auditors shall be convened to such meetings.

The Board shall endeavor to engage in regular discussions on its operating methods, what to put its emphasis on, communication and working methods to be honored and the main goals of the Board.

Article 7 - Decision Making Power, Balloting and other things

The Board is capable of making decisions when the meeting is attended by a majority of the Board members, if the meeting has been convened in accordance with Article 6. It is, though, not permitted to make an important decision unless all members of the Board have had the possibility to discuss the issue, if possible.

The Chairman of the Board chairs meetings. A simple majority of votes rules in every matter at Board meetings.

Directors of the Board are only bound by their conviction, not the instructions of those that elected them.

Generally, issues shall not be put forward for a decision at Board meetings, unless the members of the Board have been presented with data concerning the issue or have received sufficient information on it prior to the meeting and have had the time to familiarize themselves with the contents.

Matters that have to be voted upon shall generally be presented to the Board in writing. If the matters are put forward for presentation at a Board meeting, the presentation can be verbal.

Article 8 - Minutes of Meetings and Minute Book

The Chairman of the Board shall ensure that minutes are made on what takes place in Board meetings and on the decisions of the Board.

The following information must be entered in the minute book:

Meeting place, date and time.

Attendance at the meeting and name of the meeting chairman.

Meeting agenda.

A short report on discussions at the meeting and decisions that were taken.

Date, place and time of the next Board meeting.

Name of the secretary of the meeting.

Documents handed to Directors of the Board shall be listed.

A Director of the Board or the CEO, who do not agree on a decision of the Board, have the right to have their special opinion entered in the minutes.

If the minutes are not finished at the end of the meeting, they shall be put forward for approval at the beginning of next meeting.

The minutes of the meeting must be signed by the attendants of the meeting. The minutes of the meeting are considered a full proof of what happens at Board meetings. Directors of the Board that were not present at the particular Board meeting covered by the minutes, shall confirm having read the minutes by signature.

The minutes of a meeting shall be sent to Directors of the Board within a week from the Board meeting.

Article 9 - Professional Secrecy and Confidentiality

Directors of the Board are bound by professional secrecy on the Company's issues, employee conditions and other things that come to their knowledge in their work as Directors of the Board and are to be kept secret according to the Company's Articles of Association, the law or the nature of the matter, unless it is question of issues that the Board decides to make public or as a consequence of it being entailed in the provisions of the laws on limited liability companies or the Company's Articles of Association. Professional secrecy remains even after retiring from work.

If a Director of the Board violates professional secrecy or, in another way, breaks the trust that has been put in him, the Chairman shall summon a shareholders meeting that will decide whether to vote for a new Director.

A Director of the Board shall keep all data, handed to him for his work as a Director, in a safe way. If a Director of the Board leaves his Board work, he is obliged to hand over all data that he has received on the Company's issues in connection with his membership of the Board, immediately when ceasing work.

Directors of the Board, besides the Chairman, shall generally not speak with the media or the public regarding issues of the Company, unless with the consent of the Board.

Article 10 - Incompetence

A Director of the Board and/or the CEO are not allowed to participate in discussions on negotiations between them and the Company, on prosecution against them or negotiations between the Company and a third party, if they have substantial interests therein that may be contrary to the interests of the Company. The Director of the Board and the CEO are obliged to immediately disclose such issues and other ones that could make them incompetent. The Board decides whether one or more Board members are considered incompetent to deal with an issue.

All agreements that a Director of the Board and/or CEO might make with the Company, as well as agreements between the Company and a third party, shall be submitted to the Board for approval (or rejection), if the Director and/or CEO have substantial interest in such agreements and that interest could be contrary to the interests of the Company.

If decisions of the Board concern issues of individual Directors of the Board, it is appropriate that the Director in question leaves while discussions and decisions are made by Board members. In addition, it is preferable that the Director in question leaves the meeting while the Board takes a stand on such issues. Should Directors of the Board be incompetent to handle an issue they should, as well, be prevented from having access to information concerning the issue that they are incompetent in dealing with.

Article 11 - Granting of Information

At each Board meeting, the CEO must inform the Board largely of the Company's operations since the last Board meeting. Six months' Financial Statements must be presented to the Board no later than the end of September every year. The revision of the annual Financial Statements shall be finished no later than the end of March every year. The CEO must present monthly Financial Statements to the Board. *The Company accountants shall be present at the presentation of the annual Financial Statements.*

At meetings, the Board can demand information and data, necessary to be able to do their job, from the CEO and other main employees of the Company.

The CEO's information to the Board must be in the form and quality decided by the Board. The Board shall regularly define what information they request. Information and data shall be accessible to Directors of the Board at least two days before Board meetings, and between them, and all Board members shall receive the same information. The information shall be as up-to-date and accurate as possible, each time.

Directors of the Board are not authorized to take data that contains highly sensitive confidential information, with them from a Board meeting. Such data must generally not be sent when convening the meeting.

The Chairman must yearly present a list to the Board, containing information on the CEO's, the CEO's of subsidiaries and Board members' membership, on behalf of the Company, in the Boards of subsidiaries and affiliates, as well as in other companies.

A report from the Board shall accompany the annual Financial Statements every year. The report shall contain information that is important for assessing the Company's financial situation and operating results in the fiscal year, and does not appear in the balance sheet, income statement or the notes enclosed with the Financial Statements. The report shall contain an explanation of the Board's proposition of the allocation of profits or equalization of loss in last fiscal year. The number of shareholders at the beginning and end of the fiscal year shall be stated, as well as the percentage shares of shareholders that own at least 10% of the stock.

The Chairman shall make sure that the Company's website contains information on its corporate governance, in accordance with Article 6.2. of the above mentioned guidelines on corporate governance.

The Chairman shall make sure that constitutional announcements and statements are sent to the register of enterprises, the register of annual accounts, the tax authorities and other authorities.

Article 12 - Signing of Financial Statements and other things

The Company's Financial Statements shall be handed to the Board for execution and signing. The CEO also has to sign the Financial Statements. If a Director of the Board or the CEO consider that the Financial Statements should not be approved or they have objections they consider should come to the shareholders' knowledge, they must explain that in their signature.

The Board shall ensure that the Company's Financial Statements include the Company's Statement on Corporate Governance according to the above-mentioned guidelines on Corporate Governance.

Article 13 - Further Rules on the Work of the Board

Directors of the Board must familiarize themselves with, and be bound by, provisions of the law, general regulations on limited liability companies and the Company's special rules on the handling of privileged information. The Board's responsibility, authority and work, otherwise than stated in these rules on working procedures, follows the laws on limited liability companies, laws on Financial Statements, other general laws and the Company's Articles of Association.

Article 14 - Changes to the Board's Rules on Working Procedures

Only the Board can make changes to these rules on working procedures. To change the rules, an approval of a simple majority of the Board is needed. The procedures should preferably be revised every three years, at least.

Article 15 - How to Guard and Treat the Rules on Working Procedures

The original of these rules on working procedures with changes, if applicable, shall be stored with the minutes of the Company. The Directors of the Board at the time of validation of these rules, must sign the original copy. If the Board agrees on changes to the rules, the Directors of the Board have to sign the original copy of the changed rules. The rules on working procedures shall be presented to new Directors of the Board who have to sign the original for confirmation.

The Directors of the Board, the CEO and accountants of the Company shall be rendered a copy of the Company's rules on working procedures and Articles of Association, valid at each time. New Directors must confirm in writing that they have familiarized themselves with the rules.

The above-mentioned rules on working procedures of the Board of **Veritas Capital** are adopted according to Paragraph 5, Article 46 of Act no. 138/1994 on private limited companies.

Approved at **Veritas Capital's** meeting of the Board on June 6, 2019.