

# **BOARD OF DIRECTORS**

## **Rules of Procedure**

Approved by the Board of Directors

13.5.2025

# Rules of Procedure for the Board of Directors

## **OBJECTIVE**

These Rules of Procedure (the “Rules”) for the Board of Directors of Eimskipafélag Íslands hf. (the “Company”) are formulated according to Article 70.5 of the Act on Public Limited Companies no. 2/1995, Article 8.6 of the Company’s Articles of Association, and Article 2.5 of the Corporate Governance Guidelines published by the Iceland Chamber of Commerce, Nasdaq Iceland and SA Confederation of Icelandic Enterprise.

The purpose of these rules is to outline the role and execution of the Board’s work. These Rules are intended to supplement the Act on Public Limited Companies and the Company’s Articles of Association. Board members undertake to comply with these Rules, and other Rules issued in accordance with these Rules, when serving on the Board of Directors of the Company.

## **Article 1**

### **DIVISION OF BOARD’S TASKS AND RESPONSIBILITIES**

The Board of Directors holds supreme authority regarding the Company’s affairs between shareholders’ meetings in accordance with law and the Company’s Articles of Association. The Board of Directors shall discuss all major decisions regarding Company policy. It is the role of the Chief Executive Officer (“CEO”) of the Company to administer Company operations in accordance with the law and the policy and decisions of the Board.

The Board of Directors consists of five Directors and two Alternate Directors, elected at each annual general meeting of the Company, and its term of office shall be until the next annual general meeting, or such an earlier time as the shareholders may determine in accordance with the Company’s Articles of Association or applicable law.

Following an election of the Board of Directors the elected Board shall convene and elect a Chairman and Vice-Chairman of the Company. They shall be elected by a simple majority, but in the event of a tie, the result will be decided by lot. The most senior member of the Board of Directors Chairs the first meeting until the Chairman has been elected, who then takes over as meeting’s Chair.

At the next Board meeting the Board of Directors must approve the Rules of Procedure of the Board of Directors and the Rules of Procedure of the Committees of the Board of Directors.

Should the Chairman of the Board be unable to perform their duties due to absence, the Vice-Chairman takes their place. The Chairman of the Board of Directors represents the Board externally unless otherwise decided by the Board. The authorization and obligation of the CEO to act on behalf of the Company is defined in the law on Public Limited Companies and the Company's Articles of Association.

The Chairman can decide to call in one Alternate Director to a Board meeting even though all five Directors will attend. In such instances, the Alternate Director has the right to debate and submit proposals to the meeting, but has no voting right. The Alternate Directors shall take a seat on the Board of Directors in accordance with Article 2.3 below.

The Company's Board members are independent in their work and do not take instructions from Company shareholders or other parties of interest.

The Board shall approve its annual plan for the coming year at the April Board meeting.

## **Article 2**

### **CONVENING OF BOARD MEETINGS, QUORUM AND VOTING**

Board meetings are deemed lawful if they have been called in a lawful manner.

The Chairman of the Board presides over the meeting of the Board of Directors. The Chairman convenes Board meetings and ensures that all members of the Board of Directors are notified and invited. The Board of Directors shall in general have monthly scheduled meetings, apart from July, and Directors shall be available to meet more frequently as required. Board meetings shall be held if one or more Board members request it or if the Chief Executive Officer of the Company considers it necessary.

If a Director is not able to join a Board Meeting an Alternate Director shall be called to the meeting if possible. An Alternate Director shall also join a Board Meeting when called to the meeting. If a Director becomes ineligible to sit on the Board of Directors the Director shall unconditionally relinquish the position and be replaced by an Alternate Director.

The CEO is present at meetings of the Board of Directors, even if that person is not a member of the Board, and has the right to participate and make proposals, unless the Board of Directors decides otherwise in individual instances. The General Counsel shall act as the Board's secretary. The Board of Directors can authorize other employees to attend Board meetings and the Chairman and the CEO shall manage such meeting invites.

Board meetings must be announced with at least 7 days' notice. However, a meeting may be called with shorter notice, provided the meeting is necessary due to special circumstances. In case of matters that require the Board of Directors immediate attention, a Board meeting can be conducted if all Directors approve.

In general, Board meetings shall be held on the premises of the Company, with participation of remote Board members via Company approved medium. Otherwise, they shall be held at a location determined by the Chairman.

A Board meeting is competent to make decisions when at least four of Board members participate in meetings. If possible, an important decision may not be taken without all members of the Board of Directors having had a chance to discuss the matter.

Each Board member shall wield one vote at meetings of the Board of Directors. A simple majority of votes of the Board of Directors decides matters in Board meetings.

### **Article 3**

#### **BOARD'S SUPERVISORY DUTIES, SUB-COMMITTEES & RISK MANAGEMENT**

The Board of Directors shall ensure sufficient supervision of accounting and handling of the Company's funds and shall monitor any plans, including budgets, and take a position on reports on the liquidity of the Company, purchases, sales, financing, investments, cash flow and special risk factors. The Company has three committees, which report directly to the Board of Directors and deal with any issues referred to them by the Board of Directors as well as other matters that by law fall under their scope of operation.

The Board of Directors ensures that the Company has sufficient damage and liability insurance in accordance with its operations at all times. At each regular Board meeting, the CEO shall present to the Board of Directors a report on the Company's activities since the last meeting, including regular preliminary financial statements. The Board of Directors is obligated to check the Company's preliminary financial statements and evaluate them with regard to plans and possible deviations from said plans, among other things. The Board of Directors must acquire information and data that are necessary for the Board of Directors to carry out its work and supervisory duties.

The Board of Directors shall supervise the Company's activities based on information that its employees submit to the Board of Directors on a regular basis. The Board of Directors must have access to Company's documents necessary to fulfill its supervisory duties. All Board members have equal rights to receive information about the Company.

Board members' inquiries must be presented to the Board of Directors at a Board meeting and Board members can send queries to the CEO between Board meetings. Such queries must be sent by email and a copy sent to all Board members. Replies must be presented to all Board members simultaneously.

The Board of Directors elects within one month from the Annual General Meeting sub-committees that operate on behalf of the Board. Three members shall be elected to an Audit Committee, three members to a Remuneration Committee and three members to a Nomination Committee. The sub-committees shall operate in accordance with rules set by the Board of Directors. The sub-committees operate under the instructions of the Board of Directors, which is responsible for the appointment and activities of the sub-committees.

The sub-committees shall ensure that accurate information on main projects and execution of works of each committee is available to the Board of Directors in Board meetings or upon request by the Board of Directors. All Board members shall receive the same information and shall at any time have access to the minutes of each sub-committee. Sub-committees shall give the Board a report on their projects at least annually.

The Audit Committee and Company's Executive Management have established a formal, documented and regularly reviewed Enterprise Risk Management system that is designed to ensure operational effectiveness, financial reliability and compliance with applicable laws and regulations.

The Risk Management team shall semi-annually present to the Audit Committee the top 10 risks, changes between years in top 10 risks, the risk landscape for the coming year and the risk management annual wheel for each quarter of the year.

#### **Article 4**

##### **MEETING MINUTES**

Minutes are to be kept of all Board meetings to record the Boards decisions.

The following shall be recorded in the minutes of a meeting:

- Time and location of the meeting
- Names of attendees
- Meeting agenda and meeting documents
- A short description of matters on the agenda
- Resolutions of the Board
- Adjournment of the meeting
- The name of the person recording the minutes

Board members and the Chief Executive Officer are permitted to have short comments recorded in the minutes of a meeting. If a given Board member was not in attendance or did not participate in a given decision, it should be recorded into the minutes.

Minutes of the meeting shall be presented for approval and signed by those Board members attending the meeting and the meeting secretary, latest at the next meeting of the Board of Directors. Board members that are not present at a particular board meeting shall read those meeting minutes to familiarize themselves with them and confirm that they have read the minutes.

Draft minutes must be submitted to the Board of Directors for reading no later than two days after the meeting. If the Board does not submit comments on the draft within a week of receiving it, it is considered approved and must then be signed through an electronic signature system. The record of minutes shall be kept in an electronic manner in the Boards portal provided by the Company.

#### **Article 5**

##### **APPOINTMENT OF THE CEO & CEO'S ACTIVITIES**

The Company's Board of Directors appoints a CEO to the Company, grants procurement, determines remuneration and scope of work, prepares their employment contract and supervises their work.

The CEO shall be responsible for the daily operations of the Company but shall not have the authority to make decisions concerning any matter that is assigned to others by law, that is reserved to the Board of Directors under these Rules of Procedure or that should normally fall within the sphere of activity of the Board of Directors.

The CEO of the Company is required to ensure that Company's operations are carried out in all respects in accordance with law, regulations, the Company's Articles of Association, these Rules of Procedure, and the decision of the Board of Directors, as applicable.

The CEO of the Company shall acquaint the Board with all major issues involving the operations of the Company or its subsidiaries. The CEO shall at every Board Meeting submit a report outlining in broad terms the Company's operations since the last Board Meeting. At Board Meetings, the Board of Directors may require the CEO and other key employees of the Company to provide Directors with any information and documents necessary for them to perform their tasks.

The CEO shall serve as a chair in the Company's subsidiaries unless otherwise decided by the Board. Company's subsidiaries must present major decisions to the Company's Board of Directors prior to implementation.

## **Article 6**

### **DISQUALIFICATION**

Board Members and the Chief Executive Officer of the Company shall not take part in any votes of the Board of Directors relating to (i) transactions between the Company and themselves, (ii) lawsuits brought against such persons with respect to which the Company may provide indemnification, or (iii) transaction between the Company and any third party or lawsuit against any third party, in either case in which they have a substantial financial interest which may be contrary to the Company's interests.

Board Members and the Chief Executive Officer of the Company shall report to the Board any matter that falls within any of the foregoing categories prior to the taking of any Board action with respect to such matter.

Board members and the CEO must meet the eligibility criteria under Article 66 of the Act on Public Limited Companies and any director losing eligibility must resign immediately.

## **Article 7**

### **SHAREHOLDING IN THE COMPANY AND PDMR'S**

Upon election to the Board of Directors, Board members shall disclose any shareholdings in the company or its group entities and report any subsequent transactions. The same applies to the CEO and all members of the Executive Management of the Company.

Members of the Board of Directors shall familiarize themselves with and be bound by the provisions of statutory law and general rules of the Icelandic stock market, the rules of the Financial Supervisory Authority and the rules of the NASDAQ Iceland. The members of the Board of Directors shall pay special attention to the obligation placed on them as Persons Discharging Managerial Responsibilities ("PDMR's"). The Board of Directors shall set rules on the treatment of insider information, insiders trading and how information shall be publicly disclosed. The compliance officer is responsible for ensuring compliance with the above rules by the Company and shall submit a report to the Board of Directors on compliance matters as often as needed and at least annually.

The Board, CEO and Executive Management shall be registered as PDMR's and are as such obligated to adhere to requirements regarding the treatment and disclosure of insider information, reporting obligations, closed trading windows and pre-clearance procedures prior to trading in the Company's shares.

#### **Article 8**

##### **BOARD'S AND CEO'S PERFORMANCE EVALUATION**

It is the role of the Board of Directors to annually evaluate its work, composition, procedures and practices, as well as the performance of subcommittees, the Chairman and the CEO. The Board of Directors has the duty to review and assess the Company's development with regard to the Company's objectives, the strength and weaknesses of its work and procedures and consider issues that might be improved in future work.

Board members must meet without the CEO and other employees at least once a year to evaluate the CEO's performance, discuss the results of the evaluation etc.

#### **Article 9**

##### **COMMUNICATION WITH COMPANY'S SHAREHOLDERS AND OTHERS**

The Chairman of the Board of Directors is responsible for the communication between the Board and the Company's shareholders.

The CEO, the Chairman of the Board, the CFO and the Executive Vice President of Human Resources and Communication are the official spokespersons of the Company. When considered appropriate or necessary, other employees within the Company may be designated by an authorized spokesperson to respond to specific inquiries.

The Board of Directors shall issue an IR Policy for Eimskip Group.

#### **Article 10**

##### **CONFIDENTIALITY AND HANDLING OF INFORMATION**

Board members are bound by an obligation of confidentiality regarding the Company's affairs, the interests of its customers and other matters they become aware of during their work as directors and which must be kept confidential according to the Company's Articles of Association, the law or the nature of the case, unless the Board of Directors decides to make the matter public or if it is made public as per provisions of the Act on Public Limited Companies or the Company's Articles of Association. The obligation of confidentiality shall remain in place even after leaving the job. Violation of the above obligation of confidentiality may result in penalty according to the provisions of Icelandic law and liability for damages according to general tort rules.

Board members must securely store all data they receive in their capacity as Board members. Upon resignation Board members must hand over all data they have in their possession to the Company according to the above.

Board members and CEO may not make any arrangements that obviously favor certain shareholders or other inappropriate interests at the cost of other shareholders or the Company.

Board members and the CEO may not enforce the decisions of a shareholders' meeting or of the Company's other executives if the decisions are invalid due to violation of law or the Company's Articles of Association.

#### **Article 11**

##### **OTHER MATTERS**

Amendments to these Rules of Procedure must be approved at a Board meeting with a simple majority of votes. These rules shall be reviewed annually or as needed. The Board shall notify the CEO of these rules and its content.

The original text of these Rules of Procedure shall be kept in the Company's Record of Minutes and on its Investor website. These Rules shall be introduced to new members of the Board of Directors who shall undertake to comply with these Rules, and other Rules issued in accordance with these Rules, when serving on the Board of Directors of the Company.

Reykjavík on 13 May 2025

Board of Directors of Eimskipafélag Íslands hf.

Óskar Magnússon

Margrét Guðmundsdóttir

Guðrún Blöndal

Lárus Blöndal

Ólöf Hildur Pálsdóttir