

RULES OF THE DISCIPLINARY COMMITTEE

NASDAQ ICELAND HF.

EFFECTIVE AS OF DECEMBER 15, 2021

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1. Duties of the Disciplinary Committee, Applicable Rules and Participation

- 1.1.** The Disciplinary Committee of Nasdaq Iceland hf. (“the Exchange”) handles and decides on certain disciplinary matters as defined in the Nordic Main Market Rulebook for Issuers of Shares, Rules for Issuers of Financial Instruments (excluding shares), the First North Growth Market Rulebook, the First North Iceland Fixed Income Rulebook and the Nasdaq Nordic Member Rules.
- 1.2.** Party to proceedings in the Disciplinary Committee (“Party”) can be an Issuer of financial instruments in accordance with the Nordic Main Market Rulebook for Issuers of Shares, Rules for Issuers of Financial Instruments (excluding shares), ., the First North Growth Market Rulebook and the First North Iceland Fixed Income Rulebook, a Certified Adviser in accordance with the First North Growth Market Rulebook and the First North Iceland Fixed Income Rulebook or a Member or an Exchange Trader in accordance with the Nasdaq Nordic Member Rules, all of which have established a contractual relationship with the Exchange obliging them to fulfill the respective requirements.

2. Composition of the Disciplinary Committee and Appointment of its Members

- 2.1.** The Exchange’s Board of Directors shall appoint no less than three and no more than five individuals to be members of the Disciplinary Committee, at least two of whom must have a good command of the securities markets. The Chairman and the Vice-Chairman of the Disciplinary Committee shall be appointed by the Exchange’s Board of Directors and both shall preferably have a Master degree in Law.
- 2.2.** Members of the Disciplinary Committee are appointed for terms of four calendar years. The Exchange’s Board of Directors cannot remove any member of the Disciplinary Committee without particularly grave cause.
- 2.3.** No person employed by an organization that directly or indirectly owns 10% or more of the share capital or voting rights of the Exchange, or by a company that belongs to the same consolidated group of companies as such an organization, may be appointed a member of the Disciplinary Committee. Neither can any person who is the managing director or a member of the board of directors of such organization, or who is carrying out an assignment for such organization on a non-temporary basis, be appointed a member of the Disciplinary Committee.

3. Institute Proceedings in the Disciplinary Committee

- 3.1.** The Exchange shall institute proceedings in the Disciplinary Committee. The Head of Surveillance or a person authorized by him shall prepare and present matters to be handled by the Committee as well as institute the proceedings in the Committee.

- 3.2.** If there is a suspicion that a Party has breached requirements set forth in the rules referred to in section 1.1. and the Exchange has not instituted proceedings in the Disciplinary Committee, the Chairman of the Disciplinary Committee may request that the Exchange proceeds with investigating the matter. Upon conclusion of the investigation the Exchange will make a decision on whether to institute proceedings in the Disciplinary Committee.
- 3.3.** If a matter to be handled in the Disciplinary Committee concerns an organization that directly or indirectly owns at least 10 per cent of the share capital or voting rights of the Exchange or a company which belongs to the same group of companies as such an organization or if it concerns a broker of such an organization, the Exchange shall immediately notify the Committee of such an issue. The Committee may in that case appoint another person outside the Exchange for preparing and handling of the matter if it deems it necessary.

4. Disqualification of a Member of the Disciplinary Committee

- 4.1.** A member of the Disciplinary Committee participating in a disciplinary procedure shall be impartial and independent. Unless the member declines the duty, he shall immediately notify the Committee of all factors that may be deemed to endanger his impartiality or independence and such factors shall be recorded in the Committee's minutes.
- 4.2.** The Disciplinary Committee may, on the initiative of itself or of a Party, declare a member disqualified if he were disqualified to handle the matter as a judge as well as due to other factors that, for a justifiable reason, may be deemed to endanger his impartiality and independence. Disqualification of a member shall be recorded in the Committee's minutes.

5. Proceedings Before the Disciplinary Committee and Publication During Term of Proceedings

- 5.1.** The Disciplinary Committee shall commence the proceedings of a disciplinary matter without delay after the Exchange has initiated it. The Chairman or, in case he is prevented from doing so, the Vice-Chairman shall convene the Committee. The Head of Surveillance of Nasdaq Iceland shall assist the Committee in its duties.
- 5.2.** If the matter in question does not fall within the competence of the Disciplinary Committee or if the proposed matter is evidently unfounded, the Chairman of the Committee may dismiss the proposal immediately.
- 5.3.** The meetings and the documents and other records handled or prepared thereat shall not be public.
- 5.4.** The handling of a disciplinary matter shall be carried out in writing. The Disciplinary Committee may, however, authorize a Party to express its views orally.
- 5.5.** The right of the Disciplinary Committee to obtain the necessary information shall be governed by the Rules referred to in section 1.1.
- 5.6.** A Party shall be provided with the possibility to express its views regarding all material issues which come up in connection with the handling of the matter which the Party is related to.

6. Decision-making of the Disciplinary Committee

The Disciplinary Committee shall have a quorum when a majority of the members are present. One of those present must either be the Chairman or the Vice Chairman. Each member shall have one vote at the meetings of the Committee. The opinion supported by the majority of votes shall be the decision of the Committee. In the case of a tie, the Chairman shall have the casting vote.

7. Decisions and Publication of the Decisions of the Exchange and Disciplinary Committee

The Disciplinary Committee can issue sanctions towards a Party in accordance with the requirements established under the Rules referred to in section 1.1. Decisions issued by the Disciplinary Committee shall be public to the extent determined by the Committee and in accordance with the Rules referred to in section 1.1. The Committee's decisions on cash penalty sanctions shall be public.

8. Information to the Financial Supervisory Authority of the Central Bank of Iceland

The Exchange and the Disciplinary Committee are required to inform the Icelandic Financial Supervisory Authority of any disciplinary procedure and the decision issued therein.

9. Confidentiality

Members of the Disciplinary Committee are bound by confidentiality regarding all matters relating to the interest of customers and to the affairs of the Exchange, as well as any other matters which may come to their knowledge in the course of their work and which are confidential by law or by nature, except in the event of a court decision to the effect that information shall be made available before the courts or to the police, or in the event of an obligation to provide such information by law. The confidentiality shall remain in place even after a Member resigns from the Committee.

10. Remuneration for Meetings

The members of the Committee shall be entitled to a remuneration decided by the Board of Directors of the Exchange.

11. Entry into Force of the Rules

These Rules shall enter into force on December 15, 2021.