

# Rules of Procedure for the Risk Committee of Teya Iceland hf

## 1. Appointment

The Board of Directors of Teya Iceland hf. (herein after "Teya") appoints three members to the Risk Committee, all members of the Board. The Committee may not include employees of Teya, but outside experts may be recruited to serve on the Committee.

The Committee's first meeting in each operating year must be held no later than on the date that the Company's Board of Directors holds its second meeting after its Annual General Meeting. The Committee appoints a Chairman at its first regular meeting. The Chairman may act on behalf of the Committee between meetings.

## 2. Chief Risk Officer and Secretary

The Chief Risk Officer participates in all meetings of the Committee, unless otherwise decided.

The Committee selects a secretary from amongst Committee members or Teya employees. The Secretary records minutes of the discussions and decisions taken at the meetings. Minutes shall be signed by the Committee members, Chief Risk Officer and Secretary. Committee members who were absent must sign the minutes to confirm their familiarity with their contents.

## 3. Role

The statutory role of Teya's Risk Committee, according to Article 78 of Act No. 161/2002 on Financial Undertakings, is as follows:

- To monitor the organisation and effectiveness of Teya's risk management
- To act in an advisory and supervisory role for the Board in formulating the Company's risk policy and risk appetite
- To evaluate periodically risk related to the remuneration policy
- To review whether incentives, including bonuses, that may be provided for in the remuneration policy are in accordance with Teya's risk policy and submit proposals for improvement to the Board if that is not the case
- To review whether terms on assets and liabilities, including loans, offered to the Company's customers are fully compatible with the Company's business model and risk policy.



- To monitor whether there are any abnormal restrictions or impediments on the scope of risk management and support the work of the Chief Risk Officer.
- To follow up on necessary improvements identified in audits or risk assessments
- Other matters entrusted to the Committee by the Board

#### **4. Plan of Operation**

The Chairman of the Committee is responsible for preparing a plan of operation for the upcoming operating year, listing scheduled meetings and agendas.

#### **5. Meetings of the Committee**

The Chairman of the Committee presides over the meetings. The presence of the majority of the Committee members constitutes a quorum. Important decisions, however, may not be taken unless all Committee members have had the opportunity, if possible, to discuss the matter. All matters brought before a meeting shall be decided by a simple majority. Proposals are rejected if votes are even. Matters that are thus rejected may be taken up for discussion by the Company's Board of Directors.

#### **6. Information Acquisition**

The Committee may seek information that it deems necessary to perform its duties from the CEO and other employees of the Company. Information requests shall be sent by formal means. The Committee shall have unrestricted access to information that it deems necessary to perform its duties.

#### **7. Information Supply**

The Board of Teya shall be informed regularly about the Committee's activities. The Committee shall submit a report on its activities to the Board at the end of the operating year and more frequently if necessary. Written documentation submitted at Committee meetings must be accessible to all members of the Board.

#### **8. Rules of Procedure**

In other respects, the Board's Rules of Procedure apply to the work of the Committee as appropriate, e.g., regarding specific eligibility and obligation of confidentiality.

Thus, adopted at a meeting of the Risk Committee on 21 March 2024.