

## **RULES OF PROCEDURE OF THE BOARD OF DIRECTORS**

### OF STEMFORM A/S

Adopted by the board of directors of Stemform A/S (CVR. No. 35852808) (“Stemform” or the “**Company**”) at a meeting held on 11<sup>th</sup> of December 2020.

In addition to what is prescribed in the Danish Companies Act and the Company’s articles of association, these rules of procedure shall apply to the work carried out by the board of directors.

## **RULES OF PROCEDURE FOR THE BOARD OF DIRECTORS**

### **1 Introduction**

- 1.1 When obviously required for practical reasons, deviations from these procedural rules may be made under exceptional circumstances, subject to prior approval by the chairman or a prior decision by the board.
- 1.2 The procedural rules shall be reviewed and adopted by the board each year at the inaugural board meeting after the annual shareholders' meeting.

### **2 Tasks of the board**

- 2.1 The board's overall task is to, in the best possible way, manage the Company's affairs in the interests of the Company and all shareholders. The board shall ensure that the organisation of the Company is structured so that the accounting, management of funds and the Company's overall financial situation, as well as the general course of business of the Company to be operated in compliance to applicable rules and laws, is controlled in a satisfactory way. The board shall carry out its work in accordance with applicable EU rules, current legislation, the articles of association, the rules of procedure for the board of directors and other policies.
- 2.2 The board shall continuously supervise the performance and review the financial situation of the Company and of the group where the Company is the parent company (as applicable). The board shall also supervise that the Company's CEO fulfills the obligations laid on him/her. The distribution of responsibilities between the board and the CEO is set out in the instructions for the CEO.
- 2.3 The board shall ensure that it is familiar with the Company's business, financial position, and course of business and other circumstances of importance for the Company's business.
- 2.4 The board shall pay particular attention to:
  1. Establish overall goals for the Company, decide on the Company's strategy to achieve the goals and approve policies, instructions and plans for the business of the Company.
  2. Appoint, continuously evaluate and, if necessary, dismiss the CEO.
  3. Advise and support the CEO in taking necessary measures and ensure that the Company's executive management functions efficiently and is suitably remunerated.
  4. Ensure that there are appropriate systems in place for follow-up and control of the Company's operations and the risks for the Company that its operations are associated with, the board is responsible for ensuring that the internal control is satisfactory and to continuously evaluate the internal control.
  5. Ensure that there is a satisfactory process in place for monitoring the Company's compliance with laws and other regulations applicable to the Company's operations, as well as the Company's compliance with internal guidelines.

6. Decide on investments and other financial matters and undertakings that shall be referred by the CEO to the board (see the instructions for the CEO and other members of executive management).
  7. Ensure that the Company's external communications are characterised by openness, and that they are accurate, relevant, and reliable.
  8. Evaluate the board of directors' work annually, with the aim of developing the board's working methods and efficiency.
  9. In the case of establishment of sub committees: Evaluate the work of the committees of the board annually; and
  10. Evaluate the matters to be dealt with at the shareholders' meetings in the Company.
- 2.5 Should the board in its entirety perform the duties of a remuneration committee or an audit committee, such performance of the board shall include the fulfilment of duties of such committee pursuant to applicable rules.
  - 2.6 The board may assign other specific tasks to one or more board members. Such decisions shall be recorded in board minutes.
  - 2.8 The board monitors how these principles are implemented, and the chairman of the board shall ensure that the work of the board of directors is evaluated annually by a systematic and structured process.

### **3 The chairman of the board**

- 3.1 The chairman of the board is to ensure that the work of the board is conducted efficiently and that the board fulfils its obligations. In particular, the chairman is to:
  - organise and lead the work of the board to create the best possible conditions for the board's activities.
  - ensure that new board members receive the necessary introductory training, as well as any other training that the chair and members agree is appropriate.
  - ensure that the board regularly updates and develops its knowledge of the Company.
  - be responsible for contacts with the shareholders regarding ownership issues and communicate shareholders' views to the board.
  - ensure that the board receives sufficient information and documentation to enable it to conduct its work.
  - in consultation with the CEO, draw up proposed agendas for the board's meetings.
  - verify that the board's decisions are implemented; and
  - ensure that the work of the board is evaluated annually.
- 3.2 In the absence of the chairman, the duties of the chairman shall be exercised by the deputy chairman who has been elected by the Board at the inaugural yearly meeting.

### **4 Quorum**

- 4.1 The board's right to pass resolutions pertaining to the affairs of the Company is exercised at board meetings. The board is only quorate where more than half of all board members are present. In conjunction with the assessment of whether the board is quorate, any board member who has a conflict of interest pursuant to Section 14 shall be deemed as absent. However, resolutions may not be adopted unless, where possible, all board members have

been afforded the opportunity to participate in the matter under consideration and have received satisfactory supporting documentation to determine the matter.

4.2 Board resolutions shall be adopted by a simple majority vote of the board members or, in the event of a tied vote, by the chairman exercising a casting vote. Where all board members are not present at a meeting, those members who vote in favour of a resolution must be more than one-third of the total number of board members.

4.3 The board may pass resolutions pursuant to a procedure other than by holding an actual meeting, e.g., per capsulam or otherwise, provided however that all board members (and, where applicable, deputy employee representatives) provide their consent thereto.

## **5 Deputy members**

5.1 No deputy members have been elected by the shareholders' meeting.

5.2 In the event that a deputy board member be appointed, such deputy board member shall be summoned to, and participate in, a board meeting only where the office of an ordinary member has been prematurely terminated or where an ordinary member has given notice that he is prevented from attending the meeting. A deputy member shall not participate in the work of the board in any other way unless the office of an ordinary member has been prematurely terminated or the ordinary member is prevented from attending the meeting, including where an ordinary member is prevented from attending the meeting due to a conflict of interest.

## **6 The secretary of the board**

6.1 The board shall appoint a duly qualified person as secretary of the board to assist the chairman in convening board meetings, preparing an agenda for board meetings, keeping the minutes at board meetings and maintaining the records of board related documents and to otherwise assist the board and the chairman in matters of a formal nature related to the work of the board.

## **7 The presence of other persons at board meetings**

7.1 The CEO and other members of executive management shall be present at the board meetings. The CEO and other members of executive management shall prepare and present to the board the items listed in the agenda, unless the board decides otherwise, or a conflict of interest is at hand.

7.2 The Company's auditor may be invited to participate in the board meeting at which the annual report and, where applicable, the consolidated accounts are to be discussed in order, *inter alia*, to comment on the financial statements and on the audit work. At least once a year, the board shall meet the Company's auditor without the CEO or any other member of the executive management being present.

7.3 Where the board so determines, other persons may attend and speak at board meetings to present particular issues (e.g. the Company's auditor, lawyer).

## **8 Meetings**

8.1 The board shall hold an inaugural meeting immediately after each annual shareholders' meeting or, if so required, immediately after an extraordinary shareholders' meeting.

- 8.2 In addition to the inaugural meeting, the board shall hold no fewer than four (4) ordinary board meetings during each financial year. The board convenes in connection with financial reporting occasions and in connection with other important occasions for the business.
- 8.3 The chairman shall ensure that meetings are held in accordance with the above and that extraordinary board meetings are held when necessary or as soon as possible where requested by a board member or the CEO. An extraordinary board meeting shall be held no later than 10 working days after the receipt of such a request by the chairman.
- 8.4 The board meetings shall be held at the Company's address in Copenhagen, provided that no other location is specified in the notice convening the meeting.
- 8.5 The proceedings at board meetings shall be conducted in English unless the circumstances dictate otherwise.
- 8.6 Meetings shall be scheduled to accommodate all board members. Where a circumstance occurs after the time and date of a meeting has been set which thereupon entails that a member is unable to attend the meeting, this shall not alter the scheduled meeting, unless otherwise decided by the chairman. If a time and date which accommodates all board members cannot be found, a meeting may be held at another time and date provided that the members prevented from attending provide their consent. Where extraordinary, unforeseen events occur, the chairman may set time and date for a meeting.

## **9 Notice**

- 9.1 The CEO shall after discussions with the chairman ensure that each board member and, where applicable, deputy employee representatives receives a notice convening each meeting, not later than one week prior to the meeting. If warranted by special reasons, it shall be sufficient that a member receives such notice at a later time, however not later than 48 hours before the meeting. A notice period shorter than 48 hours may only occur if all members and, where applicable, deputy employee representatives, as well as the CEO provide their consent thereto.
- 9.2 The notice shall specify the time and venue of the meeting and contain a proposed agenda indicating items for decision and items for information and, if possible, relevant material relating to individual items on the agenda.
- 9.3 The notice should be sent by e-mail or in other form of writing.

## **10 Agenda**

- 10.1 The following business shall be addressed at the inaugural board meeting:
- (a) election of chairman of the board if such office has not been appointed by the shareholders' meeting.
  - (c) election of secretary of the board and person to approve the minutes.
  - (d) resolution on how to sign on behalf of the Company.
  - (e) appointment of any authorised signatories.
  - (f) appointment of members to the committees of the board, as applicable.
  - (g) adoption of rules of procedure for the board of directors, rules of procedure and instructions for the committees of the board (as applicable), instruction for the CEO and instructions for the financial reporting for the period until the next inaugural board meeting.

- (h) setting of dates for board meetings to be held until the next annual general meeting; and
  - (i) resolution on directors' insurance.
- 10.2 The agenda of an ordinary board meeting shall normally contain at least the following items, where applicable:
- (a) election of secretary and person to approve the minutes, to the extent such persons have not been elected at the board's inaugural board meeting or persons elected are not present.
  - (b) review of the minutes from the preceding board meeting including approval of the minutes.
  - (c) information from CEO and executive directors regarding the execution of resolutions previously passed by the board, more important decisions made by the CEO, development of the Company, the state of business, employment issues, material matters within and around the business (including any material disputes and/or risk of losses) as well as follow up on the financial result and a liquidity forecast for the following twelve months.
  - (d) report on whether taxes or other charges under applicable laws, ordinances or regulations have been paid when due.
  - (e) other items that should be referred to the board in accordance with the instructions for the CEO, or otherwise.
  - (f) reports on decisions taken by the chairman of the board and the committees; and
  - (g) report on extraordinary measures taken between the board meetings.
- 10.3 The following items shall be included on the agenda of one or more meetings during each financial year:
- (a) adoption of business plan with goals and strategies.
  - (b) matters of a strategic nature, principal character or otherwise of great importance to the Company.
  - (c) adoption of the budget for the following financial year.
  - (d) adoption of annual accounts
  - (e) questions in relation to shareholders' meetings.
  - (f) evaluation of the Company's risk situation and internal control.
  - (g) evaluation of the work of the Board.
  - (h) evaluation of the work of the committees of the board (as applicable)
  - (i) evaluation of executive management and their work and establishment of the conditions of employment.
  - (j) reporting by any committees of the board.
  - (k) evaluation and adoption of a finance policy and other policies which are within the board's responsibility to adopt.
  - (l) evaluation of the yearly meeting calendar (Board wheel).
- 10.4 In addition to the items listed in the sections above, the chairman shall, following consultation with the CEO, determine what other items shall be included in the agenda. An item which a board member wishes to be discussed at a board meeting shall be included in the agenda, if the member so requests with the chairman in such time that the item may be included on the agenda contained in the notice.
- 10.5 The agenda shall be prepared by the chairman and the CEO in consultation with each other and shall be as precise and complete as possible in relation to the items to be discussed. It

should be evident from the agenda which of the items are items for resolution and which items are for the information of the board members.

- 10.6 The agenda, together with draft material needed for the consideration of each matter, shall be forwarded to each board member in due time. In respect of ordinary board meetings, the material shall be forwarded to all board members at least one week prior to the meeting together with the notice convening the meeting, see section 9.1. It shall be evident from the agenda which of the items are items for resolution and which are for the information to the board members.

## **11 Minutes**

- 11.1 Minutes shall be kept at board meetings. The minutes should provide a clear representation of the items discussed, the discussions of the board, the material supporting each item and the substance of the resolutions passed. Particular attention shall be paid to the considerations on which any resolution has been based. Relevant extracts of any presentation memoranda and other board materials which are not appended to the minutes shall be included in the minutes.
- 11.2 Any board member or the CEO has the right to have their dissenting opinion entered in the minutes.
- 11.3 The chairman shall ensure that minutes are kept at board meetings. The minutes shall be dated and kept by the secretary of the board and shall be stored in a secure manner.
- 11.5 The minutes shall be written in English.
- 11.6 A draft of the minutes from any board meeting shall, where possible, be sent to the board members, and, where applicable, the deputy members and the CEO within two weeks after the meeting. Any board member who has not been present at the meeting is required to read the minutes from the relevant meeting.
- 11.7 The minutes shall be approved at the following board meeting by the keeper of the minutes, the chairman and all other board members, unless the board otherwise determines in an individual instance.

## **12 Corporate records**

- 12.1 The chairman shall ensure that records of all documents, which have been prepared by the board or the shareholders' meeting, as well as all other written material which have been made available to the board or the shareholders' meeting, are kept and stored in a secure and structured manner at the Company's office. Where a secretary of the board has been appointed, the secretary shall maintain such corporate records. The corporate records shall also include the articles of association and registration documents.

## **13 Duty of loyalty**

- 13.1 Each board member is obliged to loyally comply with all resolutions adopted by the shareholders and the board of directors and to loyally observe the interests of all shareholders of the Company. The board members are hereby reminded of this duty of loyalty.
- 13.2 A board member shall continually keep the chairman informed of any assignments or mandates which the member has in other enterprises as well as any securities issued by a competing enterprise held by such board member.

13.3 A board member shall immediately inform the chairman if any circumstance arises which might impair shareholder or public confidence in the board member. Following consultation with the board member in question, the chairman shall decide on the appropriate course of action.

#### **14 Conflict of interest**

14.1 A board member may not participate in any matter regarding:

- (a) any agreement between the board member and the Company.
- (b) any agreement between the Company and a third party, where the board member has a material interest in the matter which may conflict with the interests of the Company; and/or
- (c) any agreement between the Company and a legal entity which the board member may represent, either individually or together with any other person, unless the party contracting with the Company is an affiliated company.

14.2 For the purposes of this section, "agreement" shall be deemed to include litigation or other legal proceedings.

14.3 A board member is obliged to notify the board as soon as possible if there is a risk that a circumstance giving rise to a conflict of interest may exist.

#### **15 Confidentiality**

15.1 No board member may reveal information or knowledge received during the performance of his or her duties as a board member unless the board resolves otherwise in an individual case. This duty of confidentiality relates to oral as well as written information and shall continue to apply following the expiry of the term of office of the board member in question.

15.2 A board member shall keep all confidential information which he or she receives because of his board membership in such a manner as to ensure that the information does not become available to unauthorised persons or is lost or destroyed. Information received may however be returned to the Company for destruction at the earliest 18 months after receipt unless it is deemed to be relevant for the future work of the board.

15.3 Following the expiration of his or her term of office as a board member, the member shall return to the chairman all confidential information that he or she has received in their capacity as a board member and which is still in his/her possession including, where applicable, any copies of such information.

15.4 No board member may communicate with the press or otherwise make public statements regarding the Company and/or the group, without the prior consent of the chairman.

#### **16 Division of work within the board**

16.1 All board members are equally responsible for the work of the board, unless otherwise resolved at a board meeting or as otherwise specified in these rules of procedure. The chairman shall preside over the work of the board and monitor the fulfilment of the board's duties.

#### **17 The CEO**

17.1 The CEO of the Company shall be responsible for the day-to-day management of the Company's affairs in accordance with the guidelines and directives issued by the board. The



board has, *inter alia*, adopted the appended instructions for the CEO, instructions governing reporting of the Company's financial position as well as an authorisation manual.

- 17.2 The board of directors appoints and dismisses the CEO of the company. The CEO's terms of employment are determined by the board of directors.
- 17.3 The CEO shall report to the board on the company's financial position. In addition to the material that the board receives in connection with the meetings, the board shall, when necessary, receive information on issues material to the company's business.

## **18 Board committees**

- 18.1 The board may appoint committees to prepare issues to be discussed by the board at board meetings and to discuss issues delegated to the committees by the board following a board resolution. The committees' members shall provide an account of the issues which have been considered to the board so that the board receives complete information thereon at the next board meeting. The board shall continuously and at least once a year monitor whether a delegation can be maintained. If employee representatives were to be appointed, one of them shall have the right to participate in and to be summoned to the meetings of the committees.
- 18.2 The board may establish an audit committee which shall prepare matters in relation to financial reporting and auditing etc. The duties, decision-making powers, work methods and reporting obligations of the audit committee are set forth in detail in the rules of procedure for the audit committee.
- 18.3 The board may establish a remuneration committee which shall prepare matters in relation to remuneration and other terms of employment for the executive management. The duties, decision-making powers, work methods and reporting obligations of the remuneration committee are set forth in detail in the rules of procedure for the remuneration committee.

## **21 Expenses of the board members in connection with the performance of their duties**

- 21.1 The travel expenses of the board members and similar expenses in connection with the performance of their duties shall be reimbursed by the Company following a request submitted to the CEO/CFO. In such event, the board member shall provide evidence of the expense by presenting receipts to the CEO/CFO.