

# Eimskipafélag Íslands hf.

## Annual General Meeting 9 March 2023

To be held at Eimskip's headquarters at Sundabakki 2, Reykjavík at 16:00 (GMT)

### Meeting Agenda

1. The report of the Board of Directors on the activities of the Company for the financial year 2022
2. Confirmation of the Company's consolidated financial statements for the financial year 2022
3. Decision on the handling of the net earnings for 2022
4. Proposal to grant the Board of Directors an authorization to purchase own shares cf. Art. 11.2 of the Company's Articles of Association
5. Proposal to reduce share capital in relation to the share buy-back program and alteration of the Company's Articles of Association
6. Proposal to reduce the share capital by ISK 3,500,000 nominal value with payment to shareholders and alteration of the Company's Articles of Association
7. Proposal to alter Art. 2.6 and 2.7 of the Company's Articles of Association
8. Proposal on the Company's Remuneration Policy
9. Election to the Board of Directors
10. Decision on remuneration to the members of the Board of Directors, the alternate Board members and subcommittees
11. Election of auditors
12. Other issues, lawfully presented

## Proposed resolutions for the Annual General Meeting 2023

Shareholders can access all meeting documents at the Company's website: [www.eimskip.com/investors](http://www.eimskip.com/investors)

### 2. Confirmation of the Company's consolidated financial statements for the financial year 2022

The Board of Directors of Eimskipafélag Íslands hf. proposes that the Consolidated Financial Statements for 2022 are approved.

### 3. Decision on the handling of the net earnings for 2022

The Board of Directors proposes that the Company pays a dividend of ISK 20.08 per share to shareholders for the year 2022. The proposed total amount is ISK 3.40 billion, corresponding to approximately 26.0% of the Company's net earnings. Ex-Date is 10 March 2023<sup>1</sup>, the Record Date is 13 March 2023<sup>2</sup> and the Payment Date is 19 April 2023<sup>3</sup>.

#### Notes relating to the proposal:

The Company delivered best results ever in 2022 and cash-flow during the year as well as cash position at year-end are very strong. The dividend policy allows for a proposed dividend of between 10% and 65% of net earnings of the previous year to be distributed to shareholders. This proposal is well within the maximum allowed dividend under the policy however the Board of Directors aims for consistency in dividend payments between years and the proposal reflects that.

### 4. Proposal to grant the Board of Directors an authorization to purchase own shares cf. Art. 11.2 of the Company's Articles of Association

The Board of Directors proposes that Article 11.2 of the Company's Articles of Association relating to the authorization to purchase own shares will be amended and that the following provision will replace the current article in its entirety:

*"The Annual General Meeting of Eimskipafélag Íslands hf. held on 9 March 2023 grant the Board of Directors the authorization to acquire up to 10% of the Company's share capital in one or more transactions. This authorization may be used for setting up formal share repurchase programs or for the purpose of offering shareholders generally to sell their shares to the Company, through auction, provided equal treatment of shareholders is safeguarded when such offer is made. This authorization has a fixed term of 18 months and is limited so that the ownership of the Company, and subsidiaries, do not exceed 10% of the Company's share capital. The purchase price shall be in accordance with Article 55, paragraph 3 of Act No. 2/1995. Other older authorizations to purchase own shares are cancelled by accepting this authorization."*

#### Notes relating to the proposal:

At the 2022 Annual General Meeting the authorization was granted to purchase own shares for 18 months from 127 March 2022 to 17 September 2023. By this proposal the authorization will be valid until 9 September 2024. The proposal is set forth on the basis that the authorization to the Board of Directors is general and allows the Board to introduce a formal share purchase program and/or to make an offer to shareholders generally to sell their shares to the company through an offering, provided equal treatment of shareholders is safeguarded. This would of course only be carried out to the extent permitted by law. If the proposal is accepted this would apply to any future purchase by the company of own shares. The purpose of the share repurchase is capital share reduction and/or to fulfil the Company's obligations that the Company may undertake in accordance with the Company's stock option plan.

<sup>1</sup> **Ex-Date** is the day when trading commences without dividends, i.e. the next business day after the AGM.

<sup>2</sup> **Record Date** is the day shareholders have to be registered in the share registry to be entitled to receive dividends, i.e. the second business day after the AGM. Shareholders that purchase shares on the day of the AGM will receive dividends.

<sup>3</sup> **Payment date** is the day when dividends are paid out to shareholders.

Formal share repurchase programs follow detailed provisions on the submission of information and course of action apply if the Board of Directors resolves to offer shareholders to sell their shares, safeguarding equal treatment and transparency of such transactions relating to own shares.

#### **5. Proposal to reduce share capital in relation to the share buy-back program and alteration of the Company's Articles of Association**

The Board of Directors submits the following proposal:

„Annual General Meeting of Eimskipafélag Íslands hf., held on 9 March 2023, resolves to reduce the Company's share capital of ISK 1,700,000 from ISK 173,050,000 to ISK 171,350,000 nominal value. The reduction will be executed by reducing the Company's own shares amounting to the above mentioned amount, in accordance with the provisions of the Act No 2/1995.”

Therefore the Board of Directors proposes that Article 2.1 of the Company's Articles of Association relating to the share capital will be amended and that the following provision will replace the current article in its entirety:

“The Company's share capital is ISK 171,350,000.”

#### **Notes relating to the proposal:**

On 30 May and 18 August 2022 the Board of Directors of the Company decided to initiate a share buy-back program cf. an authorization in Article 11.2 of its Articles of Association. The purpose of the first program was to reduce the share capital of the Company and/or to fulfil the Company's obligations that it may undertake in accordance with the Company's stock option plan. The purpose of the second program was to reduce the share capital of the Company. It is being proposed that the Company's own shares purchased in the second program will be cancelled. If this proposal is accepted the share capital of the Company will be reduced from ISK 173,050,000 to ISK 171,350,000 nominal value. The share capital will be reduced when all legitimate conditions have been met.

#### **6. Proposal to reduce the share capital by ISK 3,500,000 nominal value with payment to shareholders and alteration of the Company's Articles of Association**

The Board of Directors of the Company submits the following proposal:

*“The Annual General Meeting of Eimskipafélag Íslands hf., held on 9 March 2023, resolves to reduce the Company's share capital of ISK 3,500,000 nominal value by payment in the amount of ISK 1,925,000,000. The amount will be paid to shareholders proportionally in accordance with their shareholding at the end of 26 April 2023, if all legitimate preconditions have then been met, or at the first available time thereafter when all legitimate preconditions for the payment have been met.”*

Therefore the Board of Directors proposes that Article 2.1 of the Company's Articles of Association relating to the share capital will be amended and taking into account proposal no. 6 that the following provision will replace the current article in its entirety:

*“The Company's share capital is ISK 167,850,000.”*

#### **Notes relating to the proposal:**

The Company introduced in Q3 2019 a target long-term capital structure. The Company aims to maintain an equity ratio near 40% and to have modest leverage ratio of 2-3x net interest-bearing debt against EBITDA. The aim was to increase transparency and predictability and thereby increasing service to investors and capital markets analysts.

The fact that the Company's equity ratio is considerably above the long-term goal, the leverage ratio is considerably below the long-term goal, together with a strong liquidity position, allows for adjusting the capital structure to be more closer to long term targets.

The share capital will be reduced when all legitimate conditions have been met.

## **7. Proposal to alter Articles 2.6 and 2.7 of the Company's Articles of Association**

The Board of Directors of the Company proposes the following alterations to Articles 2.6 and 2.7 of the Company's Articles of Association:

Therefore the Board of Directors proposes that the following provision will replace current Article 2.6 in its entirety:

*„The Company's shares are electronically registered in a securities depository, which operates by Act No. 7/2020, on Securities Depositories, Settlement and Electronic Registration of Title to Financial Instruments, as amended. A statement from the securities depository concerning title to shares in the Company constitutes a valid share register and a valid proof of title to shares in the Company.“*

Therefore the Board of Directors proposes that the following provision will replace current Article 2.7 in its entirety:

*"When a shareholder has paid for its share in full, he shall be registered as the owner in a securities depository, which operates by Act No. 7/2020, on Securities Depositories, Settlement and Electronic Registration of Title to Financial Instruments, as amended and which grants him rights in the Company in accordance with law and these Articles of Association. Any notices to the shareholders and allocation of rights, such as dividends, shall be addressed or allotted to the party recorded in the Company's register of shares as the owner of the respective shares. Towards the Company the electronic registry constitutes a valid proof of title to shares in the Company. Dividend payments and any notices to the shareholders, shall be addressed or allotted to the party recorded in the Company's register of shares as the owner of the respective shares."*

### **Notes relating to the proposal:**

Current Articles 2.6 and 2.7 of the Company's Articles of Association refer to laws no. 131/1997 on electronic registration of securities. These laws were repealed with laws no. 7/2020 on Securities Depositories, Settlement and Electronic Registration of Title to Financial Instruments, and therefore these articles of the Articles of Association are now updated accordingly.

## **8. Proposal on the Company's Remuneration Policy**

The Board of Directors does not suggest alterations to the current policy and proposes that the current Remuneration Policy remains unaltered. The Remuneration Policy is attached in a separate document.

## **9. Election of the Board of Directors**

The Report of Eimskip's Nomination Committee and its proposals regarding nomination of candidates to the Board is published along with these Board's final proposals to the Annual General Meeting. Individuals that the committee does not recommend in its report are not automatic candidates to the meeting. According to the Company's Articles of Association written notices on candidature to the Board of Directors can be announced until ten days before the Annual General Meeting, or before 16:00 (GMT) on 27 February 2023. Final information on the candidates to the Board of Directors will be published no later than two days prior to the Annual General Meeting, cf. Art. 63 a. of act no. 2/1995 on Public Limited Companies.

## **10. Decision on remuneration to the members of the Board of Directors, the alternate Board members and subcommittees**

The Board of Directors proposes that the remuneration of the Board of Directors for the year 2023 will be the same as last year and as follows:

Chairman	ISK 700,000 per month
Vice-Chairman	ISK 550,000 per month
Directors	ISK 350,000 per month
Alternates	ISK 140,000 per attended meeting, but shall never exceed ISK 350,000 per month
Members of the Audit Committee, the Remuneration Committee, and the Nomination Committee	ISK 140,000 per month

The remuneration of the Board of Directors and committee members is fixed and shall apply to the next term.

## **11. Election of auditors**

The Board of Directors proposes to the Annual General Meeting that PricewaterhouseCoopers ehf., Skógahlíð 12, 105 Reykjavík, will be elected as the Company's auditing firm for the year 2023.