



Decision of Annual General Meeting, which was held Thursday, March 4, 2021

Skeljungur hf. held its Annual General Meeting today, Thursday March 4, 2021 at Icelandair Hotel Reykjavík Natura, in meetings room no. 2. and 3., Nauthólsvegur 52, 102 Reykjavík at 16:00. Chairman of the Board Jón Ásgeir Jóhannesson addressed the meeting on behalf of the Board, and CEO Árni Pétur Jónsson presented Skeljungur's financial results and went over the highlights of the operations in 2020.

All proposals that were put forward in the meeting can be found on the company's website:

<https://en.skeljungur.is/shareholder-meeting-2021>

The Company's annual report can be found on the company's website:

<https://en.skeljungur.is/financialstatements-2020>

1. Annual accounts for 2020

The meeting approved the Financial Statements for 2020.

2. Proposed amendment to the Company's policy on dividend payments

The meeting approved the Company's amended policy on dividend payments, and it reads as follows:

"The Board of Skeljungur has adopted a dividend policy according to which it will propose on a yearly basis dividend up to 50% of the annual net profit.

The board's proposal shall notwithstanding be in accordance with law and take into account and to consider the risk policy in place, financial covenants, market conditions, the company's liquidity need and other possible factors that might limit payout to shareholders at any given time.

The dividend policy shall be the base for a dividend proposal put forth at Annual General Meetings."

3. Allocation of profits 2020

The meeting approved a dividend payment in the amount of ISK 0.180781 per outstanding share, or ISK 350 million, which corresponds to 44% of the earnings of 2020. The entitlement of shareholders to dividend payments will be based on the Company's share register on 8 March 2021 (record date). The ex-date, i.e., the date on which trading begins with shares in the Company without entitlement to dividends for the financial year of 2020, will be set as 5 March 2021, the next trading day following the annual general meeting. It is proposed that dividends should be paid on 8 April 2021 (payment date).



4. Proposal on repurchase of shares in the Company

Shareholder's meeting approved to grant authorization to purchase shares in the Company, with the condition that the Company and its subsidiaries shall only hold a maximum of 10% of the Company's shares. The following annex will be added to the Articles of Association:

"Authorisation of the Company to acquire own shares, approved at the annual general meeting held on 4 March 2021

The shareholders' meeting of Skeljungur hf. held on 4 March 2021 authorises the Board of Directors of the Company, subject to compliance with other conditions of law, to purchase, once or on more occasions, shares in the Company, on the condition that the Company, together with its subsidiaries, shall only hold a maximum of 10% of the Company's shares. This authorisation shall be exercised for the purpose of setting up a formal repurchase programme in accordance with Chapter VIII of Act No. 2/1995 on limited liability companies, cf. the annex to Regulation No. 630/2005 on inside information and market abuse entitled Trading in own shares in repurchase programmes and stabilisation of financial instruments."

5. Proposal on a reduction in share capital

The shareholder's meeting approved to reduce the Company's share capital from ISK 1,985,675,666, in nominal value, to ISK 1,936,033,774, by cancellation of all the company's own shares in the nominal value of ISK 49,641,892. The reduction will be executed by cancelling shares held by the Company in the above amount, subject to the conditions of the act on limited liability companies. The company's Articles of Association will be changed in accordance with the reduction in share capital.

6. Proposal on an amendment of the Company's Articles of Association

Shareholder's meeting approved the following changes to paragraph 3. and 4. of Art. 4 of the Articles of Association:

To extend to 2022, and at the same time reduce, the current authorization of the Board of Directors under paragraph 3 of Article 4, so that the Board of Directors is authorized to increase by subscription to new shares the share capital of the Company by up to 811,078 ISK (eight hundred and eleven thousand and seventy eight Icelandic krónur) in nominal value, up to a maximum of 3% of the nominal value of the share capital, in order to meet obligations to employees of Skeljungur and its subsidiaries leading from stock options, purchase and/or subscription agreements in accordance with Skeljungur's remuneration policy.

To extend to 2022 the current authorization of the Board of Directors under paragraph 4 of Article 4 to increase the share capital of the Company by means of the issue of new shares up to the amount of ISK 198,567,566 (one hundred ninety-eight million five hundred and sixty-seven thousand and five hundred sixty-six Icelandic krónur), up to a maximum of 10% of the nominal value of the total share capital of the Company, when the Board sees need to do so; the new shares shall be used as consideration in trading when the Company acquires shares, assets and/or rights from other persons.

7. Proposal on an unchanged Remuneration Policy

Shareholder's meeting approved the Company's unchanged Remuneration Policy.

The current remuneration policy of the Company can be accessed on Skeljungur's website: <https://www.skeljungur.is/hluthafafundur-2021>



8. Remuneration of Board Members, Sub-Committees and the Accountant

Shareholder's meeting approved of the proposed amendments to the employment terms of Board and committee members:

- a. Chairman of the Board of Directors: 700,000 ISK pr. month
- b. Vice-Chairman of the Board of Directors: 500,000 ISK pr. month
- c. Board Members: 350,000 ISK pr. month
- d. Chairman of the Audit Committee: 110,000 ISK pr. month
- e. Audit Committee members 65,000 ISK pr. month
- f. Chairman of the Remuneration Committee: 65,000 ISK pr. month
- g. Remuneration Committee members: 35,000 ISK pr. month
- h. Chairman of the Nomination Committee: 25,000 ISK pr. hour as a contractor
- i. Nomination Committee Members: 25,000 ISK pr. hour as a contractor
- j. Board member of the Nomination Committee: 65,000 ISK
- k. Auditors: according to invoices

9. Election to the Board of Directors

Following individuals were elected at the meeting to serve on the Board of Directors of the Company until next Annual General Meeting:

- Birna Ósk Einarsdóttir
- Jón Ásgeir Jóhannesson
- Nanna Björk Ásgrímsdóttir
- Sigurður Kristinn Egilsson
- Þórarinn Arnar Sævarsson

10. Election of the Nomination Committee

Following individuals were elected at the meeting to serve on the Nomination Committee:

- Katrín S. Óladóttir
- Sigurður Kári Árnason

11. Election of auditors

The meeting approved to re-elect KPMG ehf. as the Company's auditing firm for the year 2021.

12. Other matters

No other matters were lawfully brought up at the meeting. Meeting dismissed at 17:24.

Other relevant documents from the Annual General Meeting are available on <https://en.skeljungur.is/shareholder-meeting-2021>

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Following the Annual General Meeting the Board of Directors met and decided on allocation of responsibilities.

Jón Ásgeir Jóhannesson was elected as Chairman of the Board and Birna Ósk Einarsdóttir was elected as Vice Chairman. Sigrún Guðmundsdóttir, Birna Ósk Einarsdóttir and Þórarinn Arnar Sævarsson took place in the Audit Committee.

In the Remuneration Committee Jón Ásgeir Jóhannesson and Sigurður Kristinn Egilsson were appointed. Then Þórarinn Arnar Sævarsson was nominated as a member of the Board of Directors to take place in the Nomination Committee.

Gróa Björg Baldvinsdóttir, Chief of Governance and Quality, was elected the secretary of the board of directors.