

TM hf. – Results of Annual General Meeting 12 March 2020.

I. Proposals approved at the Annual General Meeting

At the Annual General Meeting of TM hf. on March 12, 2020, proposals were approved as detailed below.

1. Allocation of the company's profits

No dividends will be paid in the year 2020.

2. Authority to purchase own shares.

The Annual General Meeting of TM hf. on 12 March 2020 authorises the Board, with the approval of the Financial Supervisory Authority, to purchase shares in the company up to a limit of 10% ownership of its share capital, for the purpose of reducing the share capital of the company. This authorisation shall only be used for the purpose of establishing a formal repurchase plan or for making shareholders a general offer on the purchase by the company of its own shares, such as by tender, provided that the equality of shareholders be safeguarded in the offer to participate in such transactions.

In order to attain this objective in the implementation of the repurchase plan, the Board is authorised to purchase shares in the stated proportion, although never more than 77,100,000 shares and for a repurchase amount not exceeding ISK 2,650,000,000. The highest permissible purchase price for each share shall be based on the latest independent transaction or the highest outstanding and independent purchase offer, whichever is higher. The company's transactions in its own shares according to the repurchase plan shall be notified in accordance with law and government instructions. The repurchase plan will be implemented by an independent outside party, a securities company or financial undertaking, which thereby makes all decisions regarding the purchase of shares and the timing of purchases independent of the company. This authorisation shall remain in effect up to the Annual General Meeting of 2021, although no longer than until 31 March 2021. The authorisation of the Board of the company to purchase shares in the company that were approved at the Annual General Meeting of 14 March 2019 and are still not used are hereby cancelled.

3. The company's emolument policy for 2020.

The emolument policy was also approved by the company's Board of Directors on 13 February 2020.

1) Objective

The objective of TM hf.'s emolument policy of TM hf. is to make TM, along with subsidiaries, into a competitive company that can hire outstanding staff to ensure the continued growth and prosperity of the company. For that purpose, the emoluments of the staff and directors of the company shall be such that the company can make best use of their talents. The emolument policy covers the main principles regarding the remuneration terms of directors, senior management and other staff of the company. The emolument policies of subsidiaries shall be based on that of the parent company. In deciding emoluments, account shall be taken of responsibilities and performance as well as gender pay issues. The policy is a part of efforts to safeguard the long-term interests of the company's owners, staff, clients and other parties of interest in an organised, simple and transparent manner. In the implementation of emoluments, account shall be taken of the applicable laws and regulations applying to the activities in which TM and its subsidiaries engage. The internal rules applying to TM shall also be observed, as their aim is to support implementation that increases transparency and the quality of decisions on emoluments.

2) Emoluments of directors

Fees for directors and alternates for the coming year of operation for Board activity as well as work in sub-committees of the Board (the emolument committee and audit committee) as applicable, shall be decided at the Annual General Meeting each year, and the fee shall take account of the time devoted to the activity by directors, the responsibility resting upon them and the fee for directors in comparable companies. Board members shall not be paid by the delivery of shares nor shall they enjoy purchase, sale or pre-emptive purchase rights or other share-related payments in the company or the development of the price of shares in the company.

3) Emoluments of the nomination committee

The fee for members of the nomination committee for the coming year of operation shall be decided at the Annual General Meeting each year and the fee shall take account of the time devoted by committee members to their work, the responsibility resting upon them as well as the fee to committee members in comparable companies.

4) Emoluments of the managing director

The emoluments of the managing director shall, in respect of basic salary, be competitive with the managing directors of comparable companies in the Icelandic market and take account of the emoluments of other staff of the company to ensure the comparability and fairness of the emolument policy within the company. Emoluments shall also take account of the performance of the managing director in the operations of the company and its position at any given time. This part shall in particular be reflected in the variable remuneration in accordance with the remuneration incentive policy of the company. Emoluments shall be defined in detail in a written recruitment contract, such as basic salary, performance-related payments (bonuses), pension benefits, vacations, other perquisites and period of notice, and, as applicable, pension rights and end-of-service pay. A part of the emoluments of the managing director is linked to the performance and overall success of the company in accordance with the framework laid down by laws and regulations on the activities of the company on variable emoluments. A bonus consists of subjective as well as objective parts that are reviewed annually and evaluated by means of a performance assessment interview. The emolument committee shall each year make a proposal to the Board on the implementation of the performance-related part of the emoluments of the managing director.

5) Emoluments of other senior managers

The emoluments of other senior managers of the company, as further defined in written recruitment contracts, shall also take account of the views expressed in clause 4, as applicable.

6) Emoluments of staff

The emoluments of TM staff shall be competitive with comparable companies and be based on the market group to which each group of staff belongs. Account shall be taken of a performance assessment in deciding staff appointments, changes in remuneration and other incentives for staff.

7) Termination payments

At the end of service, no further payments shall normally be made other than those agreed upon in the recruitment contract. Such payments shall be no more than a salary for twelve months from the end of service, provided that other stipulations of law are satisfied.

8) Bonus system

TM has a bonus system that links remuneration incentives to profits, the return on equity and the overall performance of the company, as well as its individual units. This is only an authorisation, not an obligation of the company to pay bonuses. The sum of bonuses to a staff member may not, on an annual basis, amount to higher than 25% of the annual pay of the person concerned before the bonus. The bonus system of TM is presented as a guideline:

- to coordinate the objectives of the staff and shareholders of the company;
- to increase the company's chances of attaining its objectives in the longer term;
- to encourage incentives for performance that take account of the interests of the principal parties of interest, such as clients, claimants and shareholders;
- to contribute to stability in markets of the company in concert with good business customs and practice;
- to discourage unreasonable risk.

The bonus system covers the managing director and those staff members designated by the managing director of the company at any given time and with whom an agreement is reached, within the limits set by laws and the internal rules of the company. Bonuses must always be based on a performance assessment as appropriate in each instance. There is strong internal supervision of bonuses, in which risk assessment, internal auditing, compliance supervision, the audit committee and emolument committee all play a role. The bonus system is further described in a separate document that is viewed as an attached document to the emolument policy.

9) Review of the emolument policy, provision of information etc

The company's emolument policy shall be reviewed each year and brought before the Annual General Meeting of the company for approval, with or without amendments.

At the Annual General Meeting, the Board shall report on the remuneration of the principal officers and Board members of the company, in addition to reporting on implementation of the emolument policy. The annual report shall contain information on the remuneration and other emoluments of the Board and principal officers. The emolument policy is binding for the Board as regards provisions on purchase option agreements and any other agreements regarding payments that are in concert with the price of shares in the company in accordance with Article 79 of the Public Limited Company Act no 2/1995. In other respects, the emolument policy serves as guidance for the company and its Board. Deviations from the emolument policy shall be especially substantiated in each instance in the book of minutes of the Board.

4. Fees for the Board, the sub-committees of the Board and the nomination committee.

The fee for each Board member shall be ISK 455,000 per month and the fee for the chairman of the Board shall be ISK 895,000. Each alternate shall be paid a one-time payment of ISK 455,000 at the beginning of the year of operation and in addition ISK 130,000 for each meeting he/she attends. The fee for being on the sub-committees of the Board shall be ISK 97,000 for each meeting attended by a committee member and the fee for the chairman shall be the double that of a committee member. The fee for each committee member for being on the nomination committee of the company shall be ISK 21,000 per hour worked.

II. The Board of Directors was self-elected and is composed as follows

The Board of Directors was self-elected and is composed as follows:

The Executive Board:

Andri Þór Guðmundsson CEO,
Einar Örn Ólafsson investor
Helga Kristín Auðunsdóttir LLM Lawyer,
Kristín Friðgeirsdóttir Engineering Ph.D. and
Örvar Kærnedsted investor.

The Alternate Board:

Bjarki Már Baxter Attorney and
Bryndís Hrafnkelsdóttir.

III. The Company's Nomination Committee

In the Company's Nomination Committee the next operation year were self-elected:

Ingibjörg Ösp Stefánsdóttir, Project Manager, and
Jakobína H. Árnadóttir, Director.