

# REPORT OF THE NOMINATION COMMITTEE

## 2021

### **Role**

The objective of the appointment of the Nomination Committee is to establish a transparent and clear procedure for the nomination of board members at the Company's shareholders' meeting; the procedure is intended to enable the shareholders to take informed decisions in elections to the board of directors.

The Committee's objective is also to ensure that the Company's board is sufficiently diverse as regards capabilities, experience and knowledge. Also that board members' capabilities are of the nature of being useful to the Company and its subsidiaries.

The Nomination Committee has an advisory role regarding the election of board members and submits proposals to such effect at the Company's shareholders' meeting. In the conduct of its duties, the Nomination Committee shall take into account the overall interests of the Company's shareholders. Further information regarding the Committee's role may be found in its rules of procedure, which are accessible on Skeljungur's website, and in the Guidelines of the Iceland Chamber of Commerce, Business Iceland (SA) and Nasdaq Iceland on Corporate Governance (the "Corporate Governance Guidelines").

The Committee also has the role of assessing the independence of prospective members of the board in conformity with the Corporate Governance Guidelines and observe statutory gender representation on the board.

### **Composition**

The members of the Nomination Committee in 2020-2021 are Katrín S. Óladóttir, CEO of Hagvangur recruitment, Sigurður Kári Árnason, Head of Legal at the Ministry of Health, and Þórarinn Arnar Sævarsson, member of the board of Skeljungur. At the Committee's first meeting, Sigurður Kári was elected chairman Gróa Björg Baldvinsdóttir, Head of legal and Compliance at Skeljungur, was elected secretary of the Committee.

All Committee members are independent of the Company and its management. Katrín and Sigurður Kári are also independent of the Company's major shareholders. It is noted that in the Committee's opinion, Þórarinn is not independent of major shareholders in the understanding of Corporate Governance Guidelines as recounted below.

### **Work of the Committee**

At the time of signature of this report the Committee has met eight times. At the meetings, the Committee conducted the following business.

| Date of meeting  | Principal tasks:   |
|--|--|
| 14 December 2020<br>(In the absence of the board member)       | <ul style="list-style-type: none"> <li>• Preparatory meeting for the work of the Committee.</li> </ul>   |
| 18 December 2020   | <ul style="list-style-type: none"> <li>• Election of a Chairman and appointment of secretary.</li> <li>• Programme of work of the Committee prepared and approved.</li> <li>• Version of letter to major shareholders in the company discussed.</li> <li>• Discussion of announcement of the work of the Committee and advertisement. Decision made to publish an advertisement on 5 January.</li> <li>• Form for nominations and candidatures for seats on the board updated. Form published on Skeljungur's website on 5 January.</li> <li>• Results of performance evaluation of the board presented to the Nomination Committee by external advisor. (In the absence of the board member)</li> </ul> |
| 12 January 2021<br>(In the absence of the board member)        | <ul style="list-style-type: none"> <li>• Meetings with each board member to gather information on the work of the board and members' assessment of current composition of capability and knowledge. Information obtained on which board members will stand for re-election.</li> <li>• CEO's presentation of the company, its strategy and principal features. CEO's assessment of the board's work obtained.</li> </ul>   |
| <i>Letter to major shareholders sent 13 January 2021</i>       |  |
| 18 and 19 January 2021<br>(In the absence of the board member) | <ul style="list-style-type: none"> <li>• Meetings with shareholders who had requested a meeting to discuss their experience of the work of the board and necessary qualifications.</li> </ul>  |
| 29 January 2021<br>(In the absence of the board member)        | <ul style="list-style-type: none"> <li>• Interviews with candidates</li> </ul>   |

|   |  |
|---|--|
| 01 February 2021<br>(In the absence of the board member)  | <ul style="list-style-type: none"> <li>• Interview with candidate</li> <li>• Candidacy for seat on the Nomination Committee considered.</li> </ul>   |
| <i>Assessment of independence of current board in connection with the preparation of a Corporate Governance Statement completed on 1 February 2021.</i> |  |
| 09 February 2021<br>(In the absence of the board member)  | <ul style="list-style-type: none"> <li>• Discussion of need for amendment of the Committees rules of procedure.</li> <li>• Assessment of composition of qualifications and knowledge of candidates.</li> <li>• Draft of report and proposal to the annual general meeting prepared.</li> <li>• Self-evaluation of the committee</li> </ul> |
| <i>Final proposal to the annual general meeting on the board and final edition of the Committee's report approved on 11 February 2021 by e-mail.</i>    |  |
| 18 February 2021<br>(In the absence of the chairman)  | <ul style="list-style-type: none"> <li>• <i>New candidatures to be reviewed, if any.</i></li> <li>• <i>An amendment will be made to the Committee's proposal to the board of directors on a new board if needed.</i></li> <li>• <i>Presentation for the annual general meeting to be prepared.</i></li> </ul>                              |

## Principal conclusions of the Committee

### *I. The Committee's definition of key capabilities and knowledge of value to the board of Skeljungur*

Based on meetings with Skeljungur's largest shareholders, current board members and CEO regarding the board's main tasks in the coming years the Nomination Committee of 2020-2021 has defined the following key capabilities and knowledge to be of value for the board of Skeljungur to be presented to the annual general meeting scheduled for 4 March 2021:

- a) *Management experience*
- b) *Policymaking and strategic planning*
- c) *Change management*
- d) *Marketing*
- e) *Legal skills and/or good knowledge of rules that apply to listed companies*
- f) *Financial management and investment knowledge*
- g) *Experience in business, e.g. in the retail market*
- h) *Risk Management*
- i) *Knowledge of energy sector matters*
- j) *Knowledge of innovation and technology*
- k) *Other matters*

In evaluating nominations for board membership, the Committee seeks to ensure that the board as a whole forms a strong and professional unit that can work as best as possible together for the benefit of the Company and its shareholders. Preferably, board members should possess skills, knowledge in any of the above areas with as many key capabilities as possible reflected in the

board of directors. Other aspects, such as knowledge of the Company's operations, management continuity, position of members to address the challenging tasks of board membership, gender representation etc. are also assessed in the preparation of the Committee's final proposal.

## *II. board of directors of Skeljungur hf. from the annual general meeting of March 2020*

- Jón Ásgeir Jóhannesson, chairman of the board of directors

Jón Ásgeir is an independent investor and advisor. He is also an alternate member of the board of directors of 365 miðlar hf. and an agent of Apogee ehf. The chairman of the board of directors of Strengur hf. and Strengur Holding hf. Jón is the founder of Bónus, former CEO and chairman of the board of Hagar and subsequently Baugur Group. He possesses extensive management experience, e.g. for Iceland foods and Magazin du Nord, and a number of other Icelandic companies. He graduated from Verzlunarskóli Íslands in business sciences.

He is married to Ingibjörg Pálmadóttir, a majority shareholder of the company 365 hf., which, together with related companies, owns a 38% share in Strengur Holding hf. Strengur Holding ehf. holds a 100% share in Strengur hf. Strengur hf. owns 969,152,089 shares in Skeljungur, which corresponds to a 48.81% share in Skeljungur, or 50.06% of the vote when shares held by the Company itself have been deducted. According to the Guidelines of the Iceland Chamber of Commerce, Business Iceland (SA) and Nasdaq Iceland on Corporate Governance a "major shareholder" is a person controlling a minimum of 10% of the total shares or voting rights in the Company, alone or in concert with related parties. Section 2.3.4 notes that in the assessment of the independence of a board member from major shareholders a general assessment shall be made of all direct and indirect relations with the relevant shareholder. The criteria cited in Section 2.3.2 could, for instance, be taken into account in assessing whether a director can be regarded as independent of major shareholders of the Company. The cited section includes a discussion of relationships arising from close family ties, including marriage. Also, section 2.3.4(2) notes that a director is not independent of major shareholders in circumstances where he/she is a board member of a person owning a large share in the company, which is the case with Jón Ásgeir.

In the opinion of the Nomination Committee Jón Ásgeir Jóhannesson is independent of the Company and its day-to-day management, but not of large shareholders in the Company, according to the definition of independence in the ICC Corporate Governance Guidelines.

- Birna Ósk Einarsdóttir, vice-chairman

Birna Ósk Einarsdóttir is the Director of sales and services at Icelandair Group. Previously she was the Director of customer experience and Director of Business Development and Strategy. Before that, she was the Director of marketing and business development at Landsvirkjun, from 2017-2018. Prior to that Birna Ósk had various roles within Síminn hf. since 2001. Among them director of sales and service, head of marketing, head of project management, human resources and public relations. Birna Ósk has extensive experience of board membership, managerial and operational experience, with emphasis on strategy, innovation, product development and retail, in various markets. She also has significant experience of the energy sector. She is very familiar with the operations of Skeljungur and Magn, Skeljungur's subsidiary in the Faroe Islands.

Birna holds a B.Sc. degree in business administration from the University of Iceland an M.Sc. degree in Strategic Management from Reykjavik University and an AMP degree from IESE Business School.

Birna does not own shares in Skeljungur

In the opinion of the Nomination Committee, based on the Corporate Governance Guidelines, that Birna is independent of the Company, its day-to-day management and large shareholders in the Company.

- Dagný Halldórsdóttir, member

Dagný Halldórsdóttir is self-employed. She was Founder and Managing Director of Skíma hf., 1994-2000. Assistant Director of Íslandssími hf. (now Vodafone), 2000-2002. Assistant Director of Neyðarlínan ehf. (emergency call service), 2005-2011. Founder and managing director of DH Samskipti ehf. (FinTech), 2011-2017. Has served on a number of corporate committees, councils and boards of directors, including the board of Advania MobilePay ehf. (FinTech) 2017-2018, chairman of the board of ISB Holding ehf., 2013-2016 and vice-chairman 2011-2013, vice-chairman of the board of Kaffitár ehf. 2004-2014.

Dagný holds a B.Sc. degree in electrical engineering from Washington State University, 1982, an M.Sc. degree in electrical engineering, and a supplementary degree in computer sciences from the University of Minnesota. Has attended numerous specialist courses in the course of the years in fields such as telecommunications, information technology, business operation and management, and passed the fit and proper assessment of the Financial Supervisory Authority for membership of the board of directors of ISB Holding.

Dagný does not own shares in Skeljungur

In the opinion of the Nomination Committee Dagný Halldórsdóttir is independent of the Company, its day-to-day management and large shareholders in the Company, according to the definition of independence in the ICC Corporate Governance Guidelines.

- Elín H Jónsdóttir, member

Elín is Dean of the Bifröst University School of Law. and vice-chairman of the board of directors of Borgun hf. and chairman of the board of Arnrún, the building company of the Women's Shelter. She formerly worked as head of the VÍB Asset Management division at Íslandsbanki in 2014-2017. Prior to that she had worked as Director of the Icelandic State Financial Investments (ISFI), managing director of Arev, a securities company, and a lawyer at the Financial Supervisory Authority. Elín has served on a number of company boards, more often than not as chairman, including as chairman of the board of Tryggingamiðstöðin [insurance company] and Reginn [real estate company] in 2012-2014.

Elín has an M.A. and cand. jur. degree in law, an Executive MBA degree and has passed the state examination in securities trading.

Elín does not own shares in Skeljungur hf.

In the opinion of the Nomination Committee Elín H. Jónsdóttir is independent of the Company, its day-to-day management and large shareholders in the Company, according to the definition of independence in the ICC Corporate Governance Guidelines.

Pórarinn Arnar Sævarsson, member

Pórarinn is a certified realtor, regional manager at RE/MAX Iceland and chairman of the board of Kaldalón hf., an investment and real estate development company. Chairman of the board of Fjölbendir ehf. On the board of directors of Remax Iceland, Loran ehf., RPF ehf., IREF ehf., Einbýli ehf., Strengur Holding ehf., Strengur hf., Steinsteypan ehf., Iceland Rent ehf. and Smárahvammur ehf.

Þórarinn has fourteen years of experience in the fisheries sector, almost twenty years of experience of buying, selling and developing properties in the real estate market. He is also involved in investment projects in consulting firms, innovation companies and technology companies. Þórarinn is the founder of real estate chains, both in Iceland and abroad. Þórarinn and partners is a franchisee of RE/MAX Iceland, and a board member of that company. Owner of the company Loran ehf. In addition to earning certification as a real estate agent, he graduated from the Icelandic School of engineers (Vélskóli Íslands) and the Icelandic Ship Management School (Skipstjórnarskólinn), and has completed flight training.

Þórarinn holds 100% of the shares in the company Loran ehf. Loran ehf. holds 50% of the shares in RPF ehf. RPF ehf. holds a 24% share in Strengur Holding ehf. which holds 100% of the shares in Strengur hf. Strengur hf. owns 969,152,089 shares in Skeljungur, which corresponds to a 48.81% share in Skeljungur, or 50.06% of the vote when shares held by the Company itself have been deducted. The Corporate Governance Guidelines provide for assessment of the relationships of candidates with major shareholders, which refers to persons holding a 10% share or more. Also, section 2.3.4(2) of the Corporate Governance Guidelines notes that a director is not independent of major shareholders in circumstances where he/she is a board member of a person owning a large share in the company. It is clear from the above that Þórarinn Arnar owns a large share in a shareholder controlling 50% of the votes in Skeljungur hf., excluding the own shares of the Company, in addition to serving on the board of directors of the same shareholder.

In the opinion of the Skeljungur Nomination Committee Þórarinn Arnar Sævarsson is independent of the Company, and its day-to-day management, but not independent of large shareholders in the Company, according to the definition of independence in the ICC Corporate Governance Guidelines.

The gender representation of the board of directors is even, with three women and two men currently serving on the board.

### *III. Candidacies received by the Nomination Committee*

Candidacies were received from four current board members, i.e. Jón Ásgeir, Birna Ósk, Dagný and Þórarinn Arnar. One member did not seek re-election.

- Reference is made to the current board members in item II above.

At the time of writing of this report, there are following additional candidacies for seats on the board of directors.

- Nanna Björk Ásgrímsdóttir

Nanna Björk Ásgrímsdóttir has been involved in her own investments from 2006 to the present. Previously, Nanna Björk was involved in the operation of a number of retail operations in Iceland and abroad, variously as owner and investor or in a management capacity. These include retail operations such as All Saint, Whistles, Karen Millen, Shoe Studio and Warehouse. She worked previously with Corporate Finance at Kaupthing Bank, engaging in standard legal affairs from 2001 to 2003 and at Lex Law Firm, also in standard legal work.

Nanna Björk completed an LLM Masters degree in European law at the University of Stockholm in 2001. She earned a degree in law at the University of Iceland in 2000 and completed various courses in the University of Iceland School of Business, in addition to courses in the Faculty of Arts of the University of Iceland.

She is a shareholder in Skeljungur, Kvika, VÍS and Kaldalón. The candidate and her husband, Sigurður Bollason, are majority shareholders of the company RES 9 ehf., which owns a 38% share in Strengur Holding ehf., which owns 100% of Strengur hf. Strengur hf. owns 969,152,089 shares in Skeljungur, which corresponds to a 48.81% share in Skeljungur, or 50.06% of the vote when shares held by the Company itself have been deducted. The Corporate Governance Guidelines provide for assessment of the relationships of candidates with major shareholders, which refers to persons holding a 10% share or more. Section 2.3.4 notes that in the assessment of the independence of a board member from major shareholders a general assessment shall be made of all direct and indirect relations with the relevant shareholder. The criteria cited in Section 2.3.2 could, for instance, be taken into account in assessing whether a director can be regarded as independent of major shareholders of the Company. The cited section includes a discussion of relationships arising from close family ties, including marriage. Together with her husband, Nanna Björk owns a large interest in a shareholder controlling 50% of the votes in Skeljungur hf., excluding the own shares held by the Company.

It is the assessment of the Nomination Committee, based on the Corporate Governance Guidelines, that Nanna Björk Ásgrímsdóttir is independent of the Company and its day-to-day management, but not independent of the Company's major shareholders as defined in the Corporate Governance Guidelines.

- Sigurður Kristinn Egilsson

Sigurður Kristinn is the founder of Arcur Finance, which specialises, among other things, in corporate financing and various specialised projects. These include diverse projects in the area of financial management and planning, real estate projects, capital venture investments and various financing projects. Property related tasks include consultancy on changes in site planning and relations with government authorities, financing for new buildings and general financing of property-related projects. He is the chairman of the board of NeckCare Holding, representing investors, a company specialising in analyses of neck mobility.

From 1998 to 2007 Sigurður Kristinn worked in the Asset Management division of Kaupthing bank, and over the last five years he was head of asset management for professional investors, which specialises in asset management for pension funds, corporations and organisations. From 2007 to 2010 he was an employee of the bank's overseas asset management division for professional investors. From 2010 to 2016, Sigurður was head of asset management and specialised funds for ALM Securities, which was financed by pension funds. He has also served on the board of directors of Meniga, representing investors.

Sigurður Kristinn graduated as a mechanical and industrial engineer from the University of Iceland in 1998, and is a certified securities dealer.

Sigurður Kristinn does not own shares in Skeljungur hf.

It is the assessment of the Nomination Committee, based on the Corporate Governance Guidelines, that Sigurður Kristinn is independent of the Company, its day-to-day management and large shareholders in the Company.

#### *IV. Evaluation of candidacies*

In shaping its recommendation the Nomination Committee looks to the projects ahead for Skeljungur and the need for the board in its entirety to command a broad range of qualifications, experience and knowledge. The Committee is guided by the factors defined in Section I above. However, it is not the aim of the recommendation submitted by the Nomination Committee for each and every one of the identified key factors to be reflected in the board. The aim of the

recommendation is for the qualifications, experience and knowledge of the board to be likely to support the successful work and development of Skeljungur hf., for the benefit of the Company and its shareholders.

It should be noted that the power of deciding membership of the board lies with shareholders. The role of the Committee is to gather information on the candidates, evaluate them and, based on that evaluation, to submit a recommendation to the shareholders on the most favourable composition of the board. The assessment of the Committee is based on an objective evaluation of the work, education and experience of the candidates. Also, the Committee may to some extent rely on assessment of more subjective factors, such as performance in work, communication skills and other personal characteristics, e.g. based on the comments made in recommendations of the candidates.

In light of the significant turnover of board members in recent years, the Nomination Committee regards it as proper at this time to place special emphasis on maintaining a degree of continuity on the board of directors, that is to say that the change in the composition of the board should not be so extensive as to render knowledge of the Company inadequate. In addition, the Committee was given a special presentation of the self-evaluation of the board of directors, which, in the opinion of the Committee returned favourable results. Taking all this into account, and taking also account of the qualifications and knowledge of the candidates, it is the opinion of the Nomination Committee that the long-standing board member, Birna Ósk Einarsdóttir, should retain her seat on the board in the time of change that lies ahead. Birna Ósk has extensive experience in a broad field, including management experience, change management, strategic planning and, as well as having greater experience in the Company's operations than other candidates. Also, Birna Ósk has an excellent spirit of co-operation and inspires others to do good work

This knowledge and experience is, in the opinion of the Committee, of the nature that she will be useful to the Company and its shareholders in the upcoming term of office of the board.

That being said, the Committee is also of the opinion that the other three serving members who are candidates, that is to say Jón Ásgeir Jóhannesson, Dagný Halldórsdóttir and Þórarinn Arnar Sævarsson, possess knowledge of the Company's operations that is important for the Company to retain. In addition to this experience, Jón Ásgeir has the advantage over other candidates in that he commands extensive experience of a variety of retail operations. Þórarinn Arnar possesses deep and sound knowledge of the real estate market and investment experience. In addition, the Committee considers it to be to the advantage of the latter two that they own, themselves or through related entities, shares in the Company so as to ensure inclusion on the board of both active owners and independent members. Also, Dagný has a somewhat different background from other directors and candidates. Dagný is a qualified electrical engineer and has a degree in computer sciences. She is an entrepreneur and in the course of a long career has founded and operated start-up companies with good results and attracted new and large shareholders. She has engaged in pioneering work in fields that include Internet and electronic mail services and payment solutions in Iceland. This knowledge and experience is unique among the candidates and could, in the opinion of the Committee, be useful to the Company in the coming years.

In the assessment of other candidates, the Committee takes into account whether their knowledge and experience will lead to a broader range of knowledge and experience in combination with the candidates referred to above, so that the board will form a unified, strong unit.

Sigurður Kristinn has gained extensive knowledge and experience of the financial market since 1998 and possesses significant management experience, as well as knowledge of the requirements made of enterprises and funds regulated by the Financial Supervisory Authority. His strength is without a doubt his extensive knowledge of risk management, strategic planning, policymaking, valuations, financial management and restructuring projects of all kinds. Furthermore, Sigurður Kristinn possesses extensive knowledge and experience of the real estate and investment environment in Iceland and overseas, which will be useful to the board of directors of Skeljungur. Sigurður Kristinn is also familiar with the innovation environment in Iceland and

possesses knowledge in the area of future energy sources. He has served on the boards of various companies, has completed the fit and proper assessment of the Financial Supervisory Authority and has good knowledge of rules that apply to listed companies.

Nanna Björk Ásgrímsdóttir has extensive experience of investments and the operation of retail businesses in Iceland and overseas, both as owner and investor. She has also worked at Kaupthing's Corporate Finance division for several years and in general legal work, and also has over year of legal work at the Lex Law Firm. Unlike the other candidates, Nanna Björk is a trained lawyer, and legal training or sound knowledge of the rules that apply to listed companies is among the key capabilities. However, she worked in law practice for a relatively short period, and quite some time ago. This knowledge therefore does not carry as much weight as it would otherwise do.

In the opinion of the Committee the experience and knowledge commanded by Nanna Björk is already available in the current board of directors to a greater degree than the experience and knowledge of Sigurður Kristinn. Even though both would strengthen the board of directors, the Committee is of the opinion, taking into account the overall assessment of all candidates that greater value would be added with the inclusion of Sigurður Kristinn on the board of directors in addition to the four board members that are offering their continued services.

It is therefore the conclusion of the Nomination Committee's that Jón Ásgeir, Birna Ósk, Þórarinn Arnar, and Sigurður Kristinn possess, as individuals the important key-elements of competence and knowledge defined by the Committee (see Chapter I) and that these five candidates together ensure the best diversity for the board, both in the terms of capabilities, active ownership and independence, background and vision of the role of board members. They are therefore likely to form a cohesive and strong board. It is therefore the Committee's proposal to the shareholders' meeting that these candidates should form the next board of directors of Skeljungur hf.

An evaluation has been carried out of the independence of the candidates meeting the requirements of the Corporate Governance Guideline; in addition, the proposal also fulfils the requirements of law regarding gender representation.

At the time of writing of this report the Committee's deadline for taking delivery of and evaluating candidacies has passed. According to the Committee's Rules of Procedures the Committee does not evaluate candidacies received when there are less than two weeks to the shareholders' meeting, but reserves the right, if warranted, to change its recommendations until ten days before the meeting. However, it should be noted that candidates can send in declarations of candidacy until five days before the shareholders' meeting and such candidacies are fully legitimate; however, they will not be reviewed by the Nomination Committee and cannot therefore form a part of the Committee's proposal. Forms for declarations of candidacy and instructions are accessible on Skeljungur's website

#### *V. Rules of Procedure of the Nomination Committee*

The Nomination Committee sees no need to propose any amendment to its rules of procedure.

### **Proposal of the Nomination Committee to the Annual General Meeting of Skeljungur hf.**

#### *I. Proposal for chairman of the meeting*

The Nomination Committee proposes Viðar Lúðvíksson, attorney at law, as chairman of the annual general meeting of Skeljungur hf. 4 March 2021.

#### *II. Proposal concerning candidates for the board of directors*

The Nomination Committee proposes the following candidates for election to the board of directors of Skeljungur:

- Birna Ósk Einarsdóttir
- Dagný Halldórsdóttir
- Sigurður Kristinn Egilsson
- Jón Ásgeir Jóhannesson
- Þórarinn Arnar Sævarsson

Reykjavík, 11 February 2021,

Sigurður Kári Árnason  
Katrín S. Óladóttir

Þórarinn Arnar Sævarsson, the board member on the Nomination Committee, was not involved in the evaluation of candidacies, nor in the preparation of the proposal to the board of directors of Skeljungur hf., and has therefore not signed this report.

*Appendixes:*

- I. Current Rules of Procedure for the Nomination Committee*
- II. External Nomination Committee Members*
- III. Current Board of Skeljungur*

## Appendix I

# STARFSREGLUR TILNEFNINGARNEFNDARAR SKELJUNGS HF.

## *RULES OF PROCEDURE FOR SKELJUNGUR HF.'S NOMINATION COMMITTEE*

### **1. Markmið Objectives**

Markmið með skipun tilnefningarnefndar er að koma á gagnsæju og skýru fyrirkomulagi tilnefninga stjórnarmanna á aðalfundi félagsins, sem m.a. skapar hluthöfum þess forsendur fyrir upplýstri ákvarðanatöku.

*The objective of the Nomination Committee is to establish a transparent and clear procedure for the nomination of Board Members at the Company's Annual General Meeting. The procedure is intended to enable the shareholders to make a more informed decision regarding Board Membership.*

Einnig er það markmið með skipun nefndarinnar að tryggja að stjórn félagsins hafi yfir að búa breidd í hæfni, reynslu og þekkingu. Jafnframt að færni stjórnarmanna sé af þeim toga að hún nýtist félaginu og dótturfélögum þess.

*The Committee's objective is also to ensure that the Company's Board is sufficiently diverse, when it comes to capabilities, experience and knowledge. Also that the Board Members' capabilities are usable for the Company and its daughter companies.*

### **2. Hlutverk og skyldur Role and obligations**

Tilnefningarnefnd hefur ráðgefandi hlutverk við val á stjórnarmönnum og leggur tillögur þess efnis fyrir aðalfund. Við framkvæmd starfa sinna skal tilnefningarnefnd taka mið af heildarhagsmunum hluthafa félagsins

*The Nomination Committee has an advisory role regarding the election of Board Members by putting forth a proposal at the Annual General Meeting. The Nomination Committee shall take into account the overall interests of the Company's shareholders.*

Hlutverk nefndarinnar felst m.a. í eftirfarandi:  
*The Committee's role is e.g.:*

- a) Mat á því hvort starfsreglur nefndarinnar séu fullnægjandi og framlagning tillögu um breytingu á starfsreglunum fyrir aðalfund, ef þörf krefur.  
*Evaluation of the Committee's Code of Conduct and putting forth an amendment proposal at the Annual General Meeting, if it sees fit.*
- b) Að óska eftir tillögum að stjórnarmönnum frá hluthöfum, tímanlega fyrir aðalfund félags.  
*Requesting proposals from the shareholders, regarding Board Members, in a timely manner before the Annual General Meeting.*
- c) Að taka á móti framboðum og tillögum hluthafa og annarra að stjórnarmönnum.

*Receiving declarations of candidacy and proposals from shareholders and others regarding Board Members.*

- d) Mati á hæfni, reynslu og þekkingu tilvonandi stjórnarmanna, m.a. út frá leiðbeiningum Viðskiptaráðs Íslands, Nasdaq Iceland og Samtaka atvinnulífsins um stjórnarhætti fyrirtækja<sup>1</sup>, hvað varðar stærð og samsetningu stjórnar, og út frá árangursmati stjórnar, hvað varðar samsetningu stjórnar og hæfni stjórnarmanna.

*Assessing prospective Directors based on capabilities, experience and knowledge of potential Board Members, e.g. with regards to the ICC and other's guidelines on corporate governance, regarding the size and combination of the Board, and with regards to the Board's performance analysis, regarding the combination of the Board and the competence of the Board Members.*

- e) Mati á óhæði sitjandi stjórnarmanna og frambjóðanda til stjórnar, í samræmi við leiðbeiningar VÍ o.fl.

*Evaluating the independence of current board members and candidates to the board, with regards to ICC and other's guidelines on corporate governance.*

- f) Að gæta að lögbundnum kynjahlutföllum í stjórn félagsins.

*Ensure that statutory demands regarding gender ratios are met.*

- g) Kynningu á öllum framboðum til stjórnarsetu á aðalfundi.

*Presenting all candidates for Board Membership at the Annual General Meeting.*

- h) Gerð skriflegrar skýrslu til aðalfundar um það hvernig nefndin hafi hagað störfum sínum, auk kynningar á þeirri skýrslu á aðalfundi. Stjórnarmaður í nefndinni kemur ekki að gerð skýrslunnar.

*Delivering a written report to the Annual General Meeting regarding the Committee's work and presenting the report at the meeting. The board member in the committee does not take part in writing the report.*

- i) Gerð rökstuddrar, skriflegrar tillögu til aðalfundar um kosningu stjórnarmanna, byggðri á ofangreindum atriðum, auk kynningar á þeirri tillögu á aðalfundi. Stjórnarmaður í nefndinni kemur ekki að gerð tillögu til aðalfundar.

*Delivering a reasoned, written proposal to the Annual General Meeting regarding Board Membership, based on the above mentioned criteria, and to present the proposal at the meeting. The board member in the committee does not take part in writing the proposal to the AGM.*

- j) Ef til þess kemur að stjórnarmaður láti af störfum á starfstímabilinu, að tilnefna nýjan stjórnarmann í samræmi við ofangreind viðmið og leggja fyrir sérstakan hluthafafund, verði stjórn við brotthvarfið ekki lengur ákvörðunarbær eða komi um það beiðni frá stjórn.

*If a Director leaves the Board during the year, to propose a new Director to a special shareholders' meeting, according to the criteria above.*

- k) Komi fram beiðni um hluthafafund og tillaga um stjórnarkjör, án þess að um aðalfund sé að ræða, skal tilnefningarnefnd taka til starfa eins og um aðalfund væri að ræða, að breyttu breytanda.

*If a request for a shareholders' meeting and a proposal for a board election is made, even though it's not an annual general meeting, the Nomination Committee shall act as if it were the annual general meeting, as amended.*

### 3. Skipan Appointment

---

<sup>1</sup> Hér eftir vísað til sem leiðbeininga VÍ o.fl.

Í auglýsingu til hluthafafundar, skemmst þremur vikum fyrir fund, þar sem kjör tilnefningarnefndar er á dagskrá skal stjórn óska eftir framboðum til tilnefningarnefndar sem berast skulu stjórninni eigi síðar en fimm dögum fyrir fund. Framboð og tillögur að nefndarmönnum skulu liggja fyrir á vefsíðu félagsins eigi síðar en tveimur dögum fyrir hluthafafund. Nefndarmenn skulu kosnir til eins árs í senn. Tvo nefndarmenn skal hluthafafundur kjósa en nýkjörin stjórn félagsins skal skipa einn úr stjórn í nefndina í kjölfar hluthafafundar. Fyrirkomulag samþykktu um kosningu stjórnarmanna, og um framkvæmd kosningar, skal gilda um kosningu nefndarmannanna tveggja í tilnefningarnefnd.

*In the advertisement regarding a shareholders' meeting, at latest three weeks before a meeting, where the election of a Nomination Committee shall take place, the Board shall call for declarations of candidacy for the Nomination Committee, which shall be delivered no later than five days before the meeting. Proposals regarding committee members shall be available on the Company's website no later than two days before the meeting. The Committee is established for one year at a time. Two committee members are elected by the shareholders' meeting and the new Board elects one of their own after the shareholders' meeting. The arrangement regarding the shareholders' voting of Committee Members shall be the same as for voting Board Members, according to the Articles of Association.*

Tilnefningarnefnd skal skipuð þremur mönnum. Meirihluti nefndarinnar skal vera óháður félaginu og daglegum stjórnendum þess. Í það minnsta einn nefndarmanna skal vera óháður stórum hluthöfum félagsins. Við mat á óhæði skal miðað við leiðbeiningar Viðskiptaráðs Íslands, Nasdaq Iceland og Samtaka atvinnulífsins um góða stjórnarhætti.

*The Nomination Committee shall consist of three members. The majority of the Committee shall be independent of the company and its day-to-day management. At least one member shall be independent of the Company's major shareholders. The evaluation of independence shall be based on the ICC and others' guidelines on corporate governance.*

Geti óháður nefndarmaður ekki sinnt starfsskyldum sínum vegna forfalla skal stjórn tilnefna varamann í hans stað. Stjórn ber að tryggja að sá aðili uppfylli þær óhæðis- og hæfniskröfur og annað sem reglur þessar kveða á um. Varamaður skal starfa líkt og aðrir nefndarmenn í umboði hluthafafundar og vera óháður stjórn.

*If independent committee member is unable to perform his duties because of impediment, the Board shall appoint another one in his place. The Board must ensure that such a person meets the independence and competence and other provisions of these rules. An alternate shall act like other members on the mandate of a shareholders' meeting and be independent of the board.*

Nefndarmenn skulu hafa þekkingu og reynslu í samræmi við störf nefndarinnar. Leitast skal við að í nefndinni sitji einn aðili er hefur reynslu af ráðningum eða hæfnisnefndum og einn lögfróður aðili. Þriðji nefndarmaðurinn skal vera stjórnarmaður. Hvorki stjórnendur félagsins né starfsmenn þess skulu eiga sæti í tilnefningarnefnd. Nýir nefndarmenn skulu fá leiðsögn og upplýsingar um störf og starfshætti nefndarinnar.

*The Committee Members shall have the knowledge and experience to carry out the committee's role. The Committee shall preferably consist of a person with experience with recruitment and a lawyer. The third Member shall be a Board Member. Neither the Company's management nor its employees shall be members of the Committee. New Committee Members shall receive information and guidance on the work and procedures of the committee.*

Tilnefningarnefnd skal, á fyrsta fundi sínum eftir aðalfund, kjósa sér formann úr hópi nefndarmanna. Stjórnarmaður félagsins skal ekki gegna formennsku í nefndinni. Jafnframt skal nefndin útnefna ritara nefndarinnar.

*The Nomination Committee shall, at its first meeting after the Annual General Meeting, elect a Chairman. The Board Member may not be the Chairman of the Committee. The Committee shall also elect a secretary.*

Starfskjör nefndarmanna skulu ákveðin á aðalfundi.

*The Committee's remuneration shall be decided at the Annual General Meeting.*

#### **4. Heimildir** **Authorizations**

Tilnefningarnefnd er veitt heimild til að:

*The Nomination Committee is authorized to:*

- a) afla faglegrar ráðgjafar sem hún telur nauðsynlega til að sinna hlutverki sínu. Ráðgjafar skulu vera óháðir félaginu, daglegum stjórnendum og þeim stjórnarmönnum sem ekki eru óháðir. Það er nefndarinnar að ganga úr skugga um óhæði ráðgjafa þessara. Við mat á óhæði ráðgjafa skal miða við sömu sjónarmið og þegar óhæði stjórnarmanna er metið. Öflun faglegrar ráðgjafar skal tilkynnast forstjóra félagsins með formlegum hætti

*hire a professional advice as it deems necessary to carry out its role. The Advisors shall be independent of the Company, its day-to-day management and those Board Members who are not independent. It is the Committee's role to ensure the independence of the advisors. The evaluation shall be based on the evaluation of Board Members. The hiring of advisors shall be formally reported to the CEO.*

- b) hafa samband við hluthafa í tengslum við framkvæmd starfa sinna  
*to contact the shareholders, in relations to the Committee's work*
- c) hafa óheftan aðgang að stjórn og stjórnendum  
*have free access to the Board and the management*
- d) fá ótakmarkaðan aðgang að upplýsingum sem hún telur nauðsynlegar til að sinna hlutverki sínu  
*get unlimited access to the information it deems necessary to fulfill its functions*

#### **5. Fundir** **Meetings**

Nefndin skal halda fundi eftir þörfum. Formaður nefndarinnar stýrir fundum hennar. Ritari nefndarinnar skal rita fundargerðir, sem skulu einungis aðgengilegar nefndarmönnum nema nefndin ákveði annað. Stjórnarmaður í nefndinni hefur ekki atkvæðisrétt. Falli atkvæði jöfn ræður atkvæði formanns úrslitum.

*The Committee shall hold meetings when it considers it necessary. The Chairman of the Committee manages its meetings. The Secretary shall take minutes, which shall only be accessible to the Committee Members, unless they decide otherwise. The board member in the Committee does not have voting rights. If the votes are even the vote of the chairman decides the outcome.*

Mat á aðkomu stjórnarmanns að fundum nefndarinnar er lagt í hendur hinna óháðu nefndarmanna en að jafnaði skal stjórnarmaður í nefndinni ekki sitja fundi nefndarinnar þegar nefndin fundar með stjórnarmönnum, forstjóra félagsins, hluthöfum né frambjóðendum eða öðrum fundum sem ekki er

talið æskilegt að stjórnarmaður í nefndinni sitji. Sömu sjónarmið gilda um aðgang stjórnarmanns í nefndinni að gögnum nefndarinnar.

*The independent committee members evaluate the board member's participation in the committee's meetings but as a general rule, the board member in the committee shall not attend the committee's meetings with other board members, CEO, shareholders or candidates or other meetings which are not deemed fit. At least one meeting shall be held without the presence of the Board Member.*

## **6. Þagnar- og trúnaðarskylda**

### **Confidentiality**

Á tilnefningarnefndarmönnum hvílir þagnar- og trúnaðarskylda um störf sín, málefni fyrirtækisins og önnur atriði sem þeir fá vitneskju um í starfi sínu og leynt skulu fara samkvæmt samþykktum Skeljungs, lögum eða eðli máls. Þagnar- og trúnaðarskylda helst þótt látið sé af starfi. Öll gögn skulu varðveitt með tryggilegum hætti.

*Committee Members are to uphold a confidentiality agreement on their work, the Company's matters and other items as they become aware of in their work and must be kept confident in accordance with the Company's articles, the law or the nature of the case. Professional secrecy and confidentiality remains even after the termination of employment. All data shall be kept in a secure manner.*

## **7. Birting upplýsinga**

### **Publication of information**

Tilkynna skal um skipun nefndarmanna á vefsíðu félagsins strax í kjölfar aðalfundar. Einnig skulu þar birtar upplýsingar um það hvernig hluthafar geta lagt fram tillögur fyrir tilnefningarnefndina eða komið að athugasemdum sínum varðandi stjórn félagsins og um það hvernig aðrir geta komið framboðum sínum á framfæri.

*The appointment of Committee Members shall be announced on the Company's website following the Annual General Meeting. Information on how shareholders can make proposals to the Committee or make comments regarding the Company's Board and on how prospective Directors can contact the Committee, shall also be published on the website.*

Tillaga tilnefningarnefndar skal send ásamt fundarboði til hluthafafundar, skemmst þremur vikum fyrir fund þar sem stjórnarkjör er á dagskrá. Þar skal jafnframt bent á að unnt sé að senda inn framboð til stjórnar þar til fimm dögum fyrir fundinn en að tilnefningarnefnd geti ekki, vegna eðlis og umfangs starfa nefndarinnar, lagt mat á framboði sem berast eftir að tvær vikur eru til fundarins. Eins að nefndin áskilji sér rétt til þess að breyta framkominni tillögu þar til tíu dagar eru til fundarins. Skal tillaga nefndarinnar um stjórn félagsins jafnframt birt á vefsíðu félagsins í kjölfar útsendingar fundarboðsins.

*In the advertisement regarding a shareholders' meeting, at latest three weeks before a meeting, where the election of a Board Member shall take place, the Committee shall publish its proposal. There it shall also state that candidates can nevertheless send in their declarations of candidacy until five days prior to the meeting. Because of the nature and scope of the Committee's work it however cannot evaluate candidates who are presented later than two weeks before the meeting. The Committee reserves the right to change its proposal until ten days before the meeting. The Committee's proposal to the shareholders regarding Board Members shall be available on the Company's website following its publishing to the stock market.*

Starfsreglur þessar skulu birtar á heimasíðu félagsins.  
*This Code of Conduct shall be published on the Company's website.*

\* \* \*

Þannig samþykkt á aðalfundi, þann 5. mars 2020.  
*So approved by the Annual General Meeting, March 5, 2020*

Undir ritar stjórn eða prókúruhafi:  
*Signatures of the Board of Directors or the Procurement Holder:*

## Appendix II

External members of the Nomination Committee:

### **Katrín S. Óladóttir**

Katrín S. Óladóttir has worked at Hagvangur recruitment since 1983, first as a hiring manager and then she became a partner in 1986. From 2003 she has been the CEO and taking care of its daily operations. She specializes in evaluation and hiring of key management both at private companies and public institutions. Katrín has also a long experience of nominations of board members.

Katrín does not own shares in Skeljungur.

Katrín is independent of the Company, its managers and significant shareholders in the Company, according to the definition in the Guidelines.

### **Sigurður Kári Árnason**

Sigurður Kári Árnason has been Head of Legal at the Ministry of Health since autumn 2019. Before that was a lawyer at the Althingi Umbodsmann from 2013. Prior to that he was an intern, lawyer and district court attorney at LEX law offices from 2010-2013. Sigurður has a BA and MA degree in law from the University of Iceland, since 2012 and an LLM degree in European law and constitutional law from London School of Economics and Political Science, since 2016.

Sigurður Kári does not own shares in Skeljungur.

Sigurður Kári is independent of the Company, its managers and significant shareholders in the Company, according to the definition in the Guidelines.

## Appendix III

### The current Board of Directors of Skeljungur poses of:

**Jón Ásgeir Jóhannesson, Chairman of the Board of Directors, first took a seat on the Board in 2019**

|                                  |   |
|----------------------------------|---|
| <b>Year of birth:</b>            | 1968  |
| <b>Education:</b>                | Graduated from the Commercial college of Iceland (Verzlunarskóli Íslands).  |
| <b>Principal occupation:</b>     | Investor.   |
| <b>Professional Career:</b>      | Founder of Bónus, CEO and Chairman of Hagar and later Baugur Group. Extensive management experience, e.g. for Iceland foods and Magazin du Nord, as well as many other Icelandic companies. Independent investor and advisor.   |
| <b>Other positions of trust:</b> | The chairman of the Board of Directors of Strengur hf. and Strengur Holding hf. Alternate member of the board of directors of 365 miðlar hf. and agent for Apogee ehf.  |
| <b>Holdings in Skeljungur:</b>   | 365 hf. and other related companies own a 38% share in Strengur Holding ehf. Strengur Holding ehf. holds a 100% share in Strengur ehf. Strengur ehf. owns 969,152,089 shares in Skeljungur, which corresponds to a 48.81% share in Skeljungur, or 50.06% of the vote when shares held by the Company itself have been deducted. 365 hf. is owned by Jón Ásgeir's wife, Ingibjörg Pálmadóttir. |
| <b>Posts for Skeljungur:</b>     | Chairman of the Board of Directors of Skeljungur and chairman of the board of directors of Basko retailers, a Skeljungur subsidiary. Chairman of Skeljungur's Remuneration Committee.   |
| <b>Relevant affiliations:</b>    | RES II ehf. holds 523,290 Shares in Skeljugur hf. RES II ehf. is related to Strengur hf. and Strengur Holding ehf. through board membership, as the same board member is a member of the board of Strengur hf., Strengur Holding ehf. and RES II ehf.   |

*In the opinion of the Skeljungur Nomination Committee Jón Ásgeir Jóhannesson is independent of the Company and its day-to-day management, but not of large shareholders in the Company, according to the definition of independence in the ICC corporate governance guidelines.*

**Birna Ósk Einarsdóttir, Vice-chairman of the Board of Directors, first took a seat on the Board in 2015**

|                              |   |
|------------------------------|---|
| <b>Year of birth:</b>        | 1976  |
| <b>Education:</b>            | B.Sc. Business Administration, Reykjavík University, 2001, M.Sc. Strategic Management, University of Iceland, 2008, AMP (Advanced Management Program), IESE Business School, 2015.  |
| <b>Principal occupation:</b> | Chief Commercial Officer at Icelandair.   |
| <b>Professional Career:</b>  | Various specialist and management roles at Síminn hf. since 2001, including the posts of public relations officer, EVP of recruitment, management consultant, EVP of project management and marketing, Head of consumer sales, EVP of |

|                                  |  |
|----------------------------------|--|
|                                  | product management and innovation, EVP of sales and services. EVP of Marketing and Business development at Landsvirkjun 2017-2018. EVP of Customer Experience, and prior to that strategic planning and business development for Icelandair 2018-2019. |
| <b>Other positions of trust:</b> | None.  |
| <b>Holdings in Skeljungur:</b>   | None.  |
| <b>Posts for Skeljungur:</b>     | Board functions and service on Skeljungur's Audit Committee.   |
| <b>Relevant affiliations:</b>    | None.  |

*In the opinion of the Skeljungur Nomination Committee Birna Ósk Einarsdóttir is independent of the Company, its day-to-day management and large shareholders in the Company, according to the definition of independence in the ICC corporate governance guidelines.*

#### **Elín H. Jónsdóttir, Board member, first took a seat on the Board in 2020**

|                                  |  |
|----------------------------------|--|
| <b>Year of birth:</b>            | 1966   |
| <b>Education:</b>                | Cand. Jur. in law from the University of Iceland, 1993, LL.M. from Duke University in the U.S.A., 1996, and certification in securities trading, 2006. MBA from the Commercial College of Stockholm, 2018.   |
| <b>Principal occupation:</b>     | Dean of the Bifröst University School of Law.  |
| <b>Professional Career:</b>      | Lawyer at the Financial Supervisory Authority, 2001-2005. Managing director of the Arev Securities company, 2005-2009. Head of Icelandic State Financial Investments, 2010- 2012. Consultancy and directorships, 2012-2014. Managing director of Íslandsbanki's Assets management division in 2014-2017. Has served on a number of company boards, including as Chairman of the Board of Borgun 2018-2020 and as Chairmain of the Board of Tryggingamiðstöðin hf. [insurance company] and Reginn hf. [real estate company] in 2012-2014. |
| <b>Other positions of trust:</b> | Vice Chairman of the Board of directors of Borgun hf. and Chairman of the Board of Directors of Arnrun íbúðarfélag hses., the building company of the Women's Shelter.   |
| <b>Holdings in Skeljungur:</b>   | None.  |
| <b>Posts for Skeljungur:</b>     | Board functions and service on Skeljungur's Remuneration Committee.  |
| <b>Relevant affiliations:</b>    | None.  |

*In the opinion of the Skeljungur Nomination Committee Elín H. Jónsdóttir is independent of the Company, its day-to-day management and large shareholders in the Company, according to the definition of independence in the ICC corporate governance guidelines.*

#### **Dagný Halldórsdóttir, Board member, first took a seat on the Board in 2020**

|                       |  |
|-----------------------|--|
| <b>Year of birth:</b> | 1958   |
| <b>Education:</b>     | B.Sc. in electrical engineering, Washington State University, 1982, M.Sc. in electrical engineering, supplementary degree in computer sciences, University of Minnesota, 1984. Has attended numerous specialist courses in the course of the |

|                                  |  |
|----------------------------------|--|
|                                  | years in fields such as telecommunications, information technology, business operation and management, and passed the fit and proper assessment of the Financial Supervisory Authority for membership of the board of directors of ISB Holding.  |
| <b>Principal occupation:</b>     | Self-employed.   |
| <b>Professional Career:</b>      | Founder and Managing Director of Skíma hf., 1994-2000. Assistant Director of Íslandssími hf. (now Vodafone), 2000-2002. Assistant Director of Neyðarlínan ehf. (emergency call service), 2005-2011. Founder and managing director of DH Samskipti ehf. (FinTech), 2011-2017. Has served on a number of corporate committees, councils and boards of directors, including the board of Advania MobilePay ehf. (FinTech) 2017-2018, chairman of the board of ISB Holding ehf., 2013-2016 and vice-chairman 2011-2013, vice-chairman of the board of Kaffitár ehf. 2004-2014. |
| <b>Other positions of trust:</b> | None.  |
| <b>Holdings in Skeljungur:</b>   | None.  |
| <b>Posts for Skeljungur:</b>     | Board functions, service on Skeljungur's Remuneration Committee and Audit Committee.   |
| <b>Relevant affiliations:</b>    | None.  |

*In the opinion of the Skeljungur Nomination Committee Dagný Halldórsdóttir is independent of the Company, its day-to-day management and large shareholders in the Company, according to the definition of independence in the ICC corporate governance guidelines.*

#### **Þórarinn Arnar Sævarsson, Board member, first took a seat on the Board in 2019**

|                                  |   |
|----------------------------------|---|
| <b>Year of birth:</b>            | 1969  |
| <b>Education:</b>                | Licensed Real Estate Agent. Graduated from the Icelandic School of engineers (Vélskóli Íslands) and the Icelandic Ship Management School (Skipstjórnarskólinn), and flight training.  |
| <b>Principal occupation:</b>     | Chairman of the Board of Kaldalón hf., Certified Realtor, regional manager at RE/MAX Iceland.   |
| <b>Professional Career:</b>      | Fourteen years of experience in the fisheries sector. Near twenty years' experience in the real estate market relating to acquisition, sale and development of real estate. Investment projects in consulting firms, innovation companies and technology companies. Establishment of real estate chains, both in Iceland and abroad. Þórarinn and partners is a franchisee of RE/MAX Iceland, and a board member of that company. Owner of the company Loran ehf. |
| <b>Other positions of trust:</b> | Chairman of the Board of Directors of Kaldalón hf. and Fjölbendir ehf. On the board of directors of Remax Iceland, Loran ehf., RPF ehf., IREF ehf., Einbýli ehf., Strengur Holding ehf., Strengur hf., Steinsteypan ehf., Iceland Rent ehf. and Smárahvammur ehf.   |
| <b>Holdings in Skeljungur:</b>   | Þórarinn holds 100% of the shares in the company Loran ehf. Loran ehf. holds 50% of the shares in RPF ehf. RPF ehf. holds a 24% share in Strengur Holding ehf. which holds 100% of the shares in Strengur ehf. Strengur ehf. owns 969,152,089 shares in Skeljungur, which corresponds to a 48.81% share in  |

|                                      |   |
|--------------------------------------|---|
|                                      | Skeljungur, or 50.06% of the vote when shares held by the Company itself have been deducted.  |
| <b><i>Posts for Skeljungur:</i></b>  | Member of the Board of Directors of Skeljungur and Skeljungur's Nomination Committee.   |
| <b><i>Relevant affiliations:</i></b> | RES II ehf. holds 523,290 Shares in Skeljugur hf. RES II ehf. is related to Strengur hf. and Strengur Holding ehf. through board membership, as the same board member is a member of the board of Strengur hf., Strengur Holding ehf. and RES II ehf. |

*In the opinion of the Skeljungur Nomination Committee Þórarinn Arnar Sævarsson is independent of the Company, and its day-to-day management, but not independent of large shareholders in the Company, according to the definition of independence in the ICC corporate governance guidelines.*