

REPORT OF THE NOMINATION COMMITTEE OF SKEL FJÁRFESTINGAFÉLAG 2024

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' meetings; 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 qualifications, 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 SKEL's website, and in the Guidelines of the Iceland Chamber of Commerce, Nasdaq Iceland and Business Iceland (SA) 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 2023-2024 are Almar Þ. Möller, attorney at Jonsson & Hall Law Firm, Álfheiður Eva Óladóttir, management consultant at Skilvirk, and Birna Ósk Einarsdóttir, member of the board of directors of SKEL. At the Committee's first meeting, Almar was elected chairman. Árni Gestsson, SKEL's legal counsel, was elected secretary of the committee.

All Committee members are independent of the Company and its management. Álfheiður and Birna are independent of the Company's large shareholders, but Almar is not, in the understanding of the Corporate Governance Guidelines cited above.

Work of the Committee

At the time of signature of this report the Committee has met 9 times. At the meetings the Committee conducted the following business.

Date of meeting	Principal tasks:
28 November 2023	<ul style="list-style-type: none"> • Election of a Chairman and appointment of a secretary. • Programme of work of the Committee prepared and approved. • Version of letter to major shareholders in the company discussed. • Discussion of announcement of the work of the Committee and advertisement.
<i>Announcement of candidacies and letter to major shareholders sent on 4 January 2024.</i>	
12 January 2024 (In the absence of the chairman)	<ul style="list-style-type: none"> • Committee meeting on further organisation of tasks.
Between meetings	<ul style="list-style-type: none"> • Conclusion of board performance evaluation sent to the nomination committee for information.
15 and 16 January 2024 (In the absence of the chairman)	<ul style="list-style-type: none"> • Meetings with each board member to gather information on the work of the board and members' assessment of current composition of capability and knowledge. • Interviews with candidates • CEO's presentation of the company, its strategy and principal features. CEO's assessment of the board's work obtained. • Discussion of need for amendment of the Committees rules of procedure.
23 January, 30 January and 6 February 2024 (In the absence of the chairman)	<ul style="list-style-type: none"> • Meetings with shareholders who had requested a meeting to discuss their experience of the work of the board and necessary qualifications.
6 and 8 February 2024 (In the absence of the chairman)	<ul style="list-style-type: none"> • Assessment of composition of qualifications and expertise of candidates.
<i>Draft of report and proposal to the annual general meeting prepared between meetings. Assessment of independence of current board in connection with the preparation of a Corporate Governance Statement carried out on 13 February 2024.</i>	
14 February 2024 (In the absence of the chairman)	<ul style="list-style-type: none"> • Final proposal to the annual general meeting on the board and final edition of the Committee's report approved. • Self-evaluation of the committee
22 February 2024 (<i>according to work programme</i>) (In the absence of the chairman)	<ul style="list-style-type: none"> • New candidacies to be reviewed, if any. • An amendment will be made to the Committee's proposal to the board of directors on a new board, if needed.

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- Presentation for the annual general meeting to be prepared.
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Principal conclusions of the Committee

I. The Committee's definition of key elements of competence and knowledge of value to the board of SKEL.

Based on meetings with the Company's largest shareholders, board members and CEO regarding the board's main tasks in the coming years, the Nomination Committee of 2023-2024 has defined the following key capabilities and expertise to be of value for the board of the Company to be presented to the annual general meeting scheduled for 7 March 2024:

- a) *Management experience*
- b) *Polycymaking 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 and corporate 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 together in the best possible manner for the benefit of the Company and its shareholders. Preferably, board members should possess skills and expertise 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, ability 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.

It should be noted that the power of deciding membership of the board rests 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 regarding 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.

II. Board of Directors of SKEL from the annual general meeting of March 2023

- Jón Ásgeir Jóhannesson, Chairman of the Board of Directors

Jón Ásgeir is an independent investor and advisor. He is an alternate member of the board of directors of 365 hf. and Lyfjaval and holds signatory powers for Apogee ehf., which engages in financial services. He is chairman of the board of Strengur 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 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 owns a 60.5% share M25 Holding ehf., which owns a 47.94% share in Strengur hf., which holds 969,152,089 shares in SKEL hf., corresponding to 50.06% of voting shares. 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 SKEL Nomination Committee Jón Ásgeir 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.

- Birna Ósk Einarsdóttir, board member.

Birna Ósk Einarsdóttir is Chief Commercial Officer of APM Terminals in the Netherlands. She was formerly Chief Commercial Officer at Icelandair Group, and before that Head of Customer Experience and Business Development and Strategy. Before that, she was the head 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. She has extensive experience of board membership, managerial and operational experience, with emphasis on strategy, innovation and product development. She also possesses wide-ranging knowledge of the retail market, where she has worked in a number of sectors. She also has extensive experience of the energy sector.

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

Birna does not own shares in SKEL

It is the assessment 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.

- Guðni Eiríksson, board member.

Guðni Eiríksson is the CEO of Skakkiturn ehf. (Apple). The Company has a VAD contract with the international company Apple and manages all distribution of Apple's products in Iceland, Greenland

and the Faroe Islands, in addition to operating two retail outlets in Iceland. Guðni is a member of the board of directors of Strengur hf., which holds a large share in SKEL. Previously, Guðni worked at the Framsýn Pension Fund's asset management division, Kaupthing's securities brokerage, as head of the trading book of Eyrir Invest and as an independent investor at GE Capital and as owner and CEO of Apple. Guðni has over 20 years of experience of the financial and securities markets and has worked in domestic and foreign asset management, analysis of investment opportunities and purchases and sales of most types of securities.

Guðni has a B.Sc. in business economics and is certified as a securities broker.

GE Capital ehf., a company wholly owned by Guðni, is a 31.45% shareholder in RES 9 ehf., which owns a 47.94% share in Strengur hf. Strengur hf. owns 969,152,089 shares in SKEL, corresponding to 50.06% of voting shares. 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. 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 Guðni.

It is the assessment of the Nomination Committee, based on the Corporate Governance Guidelines, that Guðni 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.

- Nanna Björk Ásgrímsdóttir, member.

Nanna Björk Ásgrímsdóttir has been engaged in her own investment activities from 2006 to the present. She is the chairman of the board of RES 2 ehf., RES 9 ehf. and Eldra ehf. Previously, Nanna Björk was involved in the operation of a number of retail outlets 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 day-to-day 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 art history I, II, and III in the Faculty of Arts of the University of Iceland.

Nanna and her husband, Sigurður Bollason, are majority shareholders of the company RES 9 ehf. which holds a 47.94% share in Strengur hf. Strengur hf. holds 969,152,089 shares in SKEL, corresponding to 50.06% of voting shares. Also, Nanna Björk's husband is a member of the board of Strengur hf. 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 an entity owning a large share in the company. It is clear from the above that Nanna Björk, together with her husband, owns a large share in a shareholder, controlling approximately 50% of the voting rights in SKEL; in addition, her husband is a member of the board of the company that owns the share.

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

- Sigurður Kristinn Egilsson, Vice-chairman of the Board of Directors

Sigurður Kristinn Egilsson 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 alternative board member of NeckCare, 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 2010-2016, Sigurður Kristinn was head of asset management and specialised funds for ALM Securities, which was financed by pension funds.

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 SKEL.

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.

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

The board of directors received notices of candidacy from all current board members, i.e. Jón Ásgeir, Birna, Guðni, Nanna and Sigurður Kristinn.

- Reference is made to the discussion of the current board members in Section II above.

One additional notice of candidacy was received, which was later withdrawn.

IV. Evaluation of candidacies

In shaping its recommendation the Nomination Committee looks to the projects ahead for SKEL 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.

At the time of writing of this report, there are five candidates for the five seats on the Board of Directors of SKEL. Accordingly, it is the decision of the Nomination Committee to nominate these five candidates to the board of directors of SKEL, as an assessment has been made of the independence of the candidates which fulfils the requirements of the Corporate Governance Guidelines; in addition, the proposal of the Committee meets the requirements of law regarding gender ratios. The Nomination Committee also notes that in its opinion these individuals are well suited to the key elements of competence and knowledge defined earlier by the Committee (see Section I) and that together the candidates ensure a suitable diversity for the board, both in the terms of capabilities, active ownership and independence, background and vision of the role of board members.

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 SKEL's website

V. Rules of Procedure of the Nomination Committee

The Nomination Committee has no recommendation of any amendment of its rules of procedure.

Proposal of the Nomination Committee to the Annual General Meeting of SKEL.

I. Proposal for chairman of the meeting

The Nomination Committee proposes Viðar Lúðvíksson, attorney at law, as chairman of the annual general meeting of SKEL hf. 7 March 2024

II. Proposal concerning candidates for the board of directors

The Nomination Committee proposes the following candidates, in alphabetical order, for election to the board of directors of SKEL:

- Birna Ósk Einarsdóttir
- Guðni Eiríksson
- Jón Ásgeir Jóhannesson
- Nanna Björk Ásgrímsdóttir
- Sigurður Kristinn Egilsson

Reykjavik, 15 February 2024,

Almar Þ. Möller
Álfheiður Eva Óladóttir

Birna Ósk Einarsdóttir, 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 SKEL hf., and has therefore not signed this report.

Annexes:

- I. Current Rules of Procedure of the Nomination Committee
- II. External Members of the Nomination Committee:
- III. Current board of directors of SKEL

Annex I

STARFSREGLUR TILNEFNINGARNEFNDAR SKEL FJÁRFESTINGAFÉLAGS HF.

RULES OF PROCEDURE FOR SKEL FJÁRFESTINGAFÉLAG HF. NOMINATION COMMITTEE

1. Goals

Markmið

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 as regards 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 consists, inter alia, in:

- 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^[1], 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 for service on 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

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 hæfisnefndum 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 tilkynnst 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 SKEL fjárfestingafélags, 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 9. mars 2023.

So approved by the Annual General Meeting, March 9, 2023

Undirritun stjórnar eða prókúruhafa:
Signatures of the Board of Directors or the holder of signatory powers:

Annex II

External Members of the Nomination Committee:

Almar Þ. Möller

Almar Þ. Möller has worked as an attorney at the Jonsson & Hall Law Firm since 2009 and is one of the owners of the firm. In the course of his work he has undertaken a variety of assignments, including in the field of corporate advisory services. Almar is licenced to practice before the district courts and the Court of Appeal.

Almar does not own shares in SKEL

He is independent of the Company, its day-to-day management but not large shareholders in the Company according to the definition of independence in the ICC corporate governance guidelines.

Álfheiður Eva Óladóttir

Álfheiður has worked as an executive and consultant at Vinna og velliðan since 2023 and as a management consultant at Skilvirk Consultancy since 2020. She has an M.Sc. in management and strategic planning and a B.A. degree in psychology. Álfheiður is also a coach, a qualified expert in occupational safety and has taken basic courses and advanced courses in hypnotic therapy. She previously worked as an adjunct at Bifröst University and a clinical hypnosis therapist as human resource manager at Flensburg School.

Álfheiður does not own shares in SKEL

She is independent of the Company, its day-to-day management, and major shareholders of the Company.

ANNEX III

Current Board of Directors of SKEL

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

Year of birth:	1968
Education:	Graduated from the Commercial college of Iceland (Verzlunarskóli Íslands).
Principal occupation:	Investor.
Professional Career:	One of the founders of the Bónus supermarkets, one of the founders of Orkan, CEO and Chairman of the board of directors of Hagar and subsequently Baugur Group. Extensive management experience, e.g. for Iceland foods and Magazin du Nord, as well as many Icelandic companies. Independent investor and advisor.
Other positions of trust:	Chairman of the board of Strengur hf. Alternate member of the board of directors of 365 miðlar hf. and agent for Apogee ehf.
Holdings in SKEL:	The company 365 hf., owns a 60.5% share M25 Holding ehf., which owns a 47.94% share in Strengur hf., which owns 969,152,089 shares in SKEL hf., corresponding to 50.06% of voting shares. 365 hf. is owned by Jón Ásgeir's wife, Ingibjörg Pálmadóttir.
Posts for SKEL:	Member of the Board of Directors of SKEL, chairman of the board of Lyfjaval and member of the board of Heimkaup. Chairman of SKEL's Remuneration Committee.
Relevant affiliations:	The company 365 hf., owns a 60.5% share M25 Holding ehf., which owns a 47.94% share in Strengur hf., which owns 969,152,089 shares in SKEL hf., corresponding to 50.06% of voting shares. 365 hf. is owned by Jón Ásgeir's wife, Ingibjörg Pálmadóttir.

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

Birna Ósk Einarsdóttir, member of the Board of Directors, first took a seat on the Board in 2023

Year of birth:	1976
Education:	B.Sc. Business Administration, Reykjavík University, 2001, M.Sc. Strategic Management, University of Iceland, 2008, AMP (Advanced Management Program), IESE Business School, 2015.
Principal occupation:	Head of the sales, service and marketing division of APM Terminals.
Professional Career:	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. Chief Commercial Officer at Icelandair. 2019-2022.
Other positions of trust:	Member of the board of Míla hf., Brekkumýri ehf., Sunstone IV hf. and Sunstone III ehf.
Holdings in SKEL:	None.
Posts for SKEL:	Directorship functions for SKEL, committee work on the Remuneration Committee and Nomination Committee of SKEL.
Relevant affiliations:	None.

In the opinion of the SKEL 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.

Nanna Björk Ásgrímsdóttir, Board member, first took a seat on the Board in 2021

Year of birth:	1974
Education:	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.
Principal occupation:	Own investments.
Professional Career:	Nanna Björk has been engaged in her own investment activities from 2006 to the present. Nanna Björk has extensive experience of the retail sector and has been involved in the operation of retail enterprises both in Iceland and abroad, variously as owner and investor or manager. These include businesses such as All Saints, Whistles, Karen Millen, Shoe Studio Group and Warehouse. In 2004-2006 Nanna was an investor in the Shoe Studio Group UK and a participant in its management. In 2003-2004, Nanna worked as Chief Operating Officer at Karen Millen UK for the United States, Scandinavia and Europe, in addition to her legal work and negotiations for the same company. She was an employee of Corporate Finance at Kaupthing Bank, engaging in normal legal affairs from 2001 to 2003 and at Lex Law Firm, also in normal legal work.
Other positions of trust:	Nanna is the chairman of the board of RES 2 ehf., RES 9 ehf. and Eldra ehf.
Holdings in SKEL:	Nanna and her husband, Sigurður Bollason, own 50.1% of the shares in RES 9 ehf, which holds a 47.94% share of Strengur hf. Strengur hf. owns 969,152,089 shares in SKEL, corresponding to 50.06% of voting shares.
Posts for SKEL:	Directorship functions for SKEL and service on SKEL's Remuneration Committee.
Relevant affiliations:	RES 9 ehf. holds a 47.94% share in Strengur hf. which holds shares in SKEL. Nanna's husband, Sigurður Bollason, is a member of the board of directors of Strengur hf.

In the opinion of the SKEL Nomination Committee Nanna Björk Ásgrímsdóttir 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.

Sigurður Kristinn Egilsson, Vice-chairman of the Board, first took a seat on the Board in 2021

Year of birth:	1974
Education:	Engineer and certified securities trader.
Principal occupation:	Employee of Arcur ehf.
Professional Career:	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- 2016, Sigurður Kristinn was head of asset management and specialised funds for ALM Securities, which was financed by pension funds.
Other positions of trust:	Chairman of the board of directors of Arcur ehf. Sigurður is also a member of the boards of directors of NeckCare ehf., Zeda ehf., Mælifjallið ehf., REC Studio ehf. and REC Funds ehf.
Holdings in SKEL:	None.
Posts for SKEL:	Vice Chairman of the Board of Directors of SKEL and member of SKEL's Audit Committee.
Relevant affiliations:	None.

In the opinion of the SKEL Nomination Committee Sigurður Kristinn Egilsson 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

Guðni Eiríksson, board member, first took a seat on the Board in 2023

Year of birth:	1977
Education:	B.Sc. in business administration from the University of Iceland and licenced securities broker.
Principal occupation:	Owner and CEO of Skakkiturnin ehf. Apple's agent in Iceland.
Professional Career:	Guðni possesses extensive experience of investment in international securities markets. He previously worked in securities brokerage at Kaupthing Bnka fin 2005-2007 and subsequently with Eyrir Invest, but has since been a private investor from 2008.
Other positions of trust:	Chairman of the board of Skerjabraut ehf., Klapparholt ehf., Grásteinsmýri hf., RES 9 ehf., M Invest ehf., and Blue Ghost ehf. Guðni is also a member of the boards of directors of Hraunhafnartangar ehf., GE Capital ehf., Skakkaturn ehf., Árkór ehf., 2E ehf., Fagrahæð ehf., Bustravel Iceland ehf., Fasteignafélagið L4 ehf., Edra ehf. Strengur hf. and Metatron ehf.
Holdings in SKEL:	Guðni is a shareholder in RES 9 through his company GE Capital ehf, which is wholly owned by Guðni. RES 9 ehf. holds a 47.94% share in Strengur hf. Strengur hf. owns 969,152,089 shares in SKEL, corresponding to 50.06% of voting shares.
Posts for SKEL:	Member of the board of directors of SKEL and member of SKEL's Audit Committee.
Relevant affiliations:	GE Capital ehf., a company wholly owned by Guðni, is a 31.45% shareholder in RES 9 ehf. RES 9 ehf. holds a 47.94% share in Strengur hf. Strengur hf. owns 969,152,089 shares in SKEL, corresponding to 50.06% of voting shares.

In the opinion of the SKEL Nomination Committee Guðni Eiríksson 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.