

# ANNUAL GENERAL MEETING OF SKEL FJÁRFESTINGAFÉLAG HF. COMPANY HF., 7 MARCH 2024

## Proposals for the Annual General Meeting

### **A. Proposal for the nomination of a chairman of the meeting - ITEM 1 ON THE AGENDA**

Viðar Lúðvíksson, attorney, nominated as chairman of the meeting.

### **B. Proposal to approve the Company's annual financial statement – ITEM 3 ON THE AGENDA**

The Board proposes the approval of the Financial Statement for 2023.

**Reasoning:**

The Company's Financial Statement for 2023 can be accessed on the Company's website, <https://skel.is/fjarfestar/arsreikningar>.

The Annual Financial Statement will be presented by the CEO of SKEL Investment Company, Ásgeir Helgi Reyk fjörð Gylfason

### **C. Proposal on allocation of Company's profits – ITEM 4 ON THE AGENDA**

The Board of Directors of the Company proposes payment of a dividend to shareholders in 2024, in respect of the year 2023, in the amount of 750,000,000.

In line with the Company's dividend policy, the Board proposes payment of a dividend in respect of the year 2023 in the amount of ISK 0.39 per outstanding share, or ISK 750,000,000 million, which corresponds to 1.6% of the Company's total assets. The entitlement of shareholders to dividend payments will be based on the Company's share register as at 11 March 2024 (record date). The ex-date, i.e. the date on which trading begins in shares in the Company without entitlement to dividends for the financial year of 2024, will be set as 8 March 2024, the next trading day following the annual general meeting. It is proposed that dividends should be paid on 11 April 2024 (payment date).

### **D. Proposal to remove Article 2 of the Company's Articles of Association – ITEM 5 ON THE AGENDA**

The Board proposes to delete Article 2 of the Company's Articles of Association, which reads as follows: *"The domicile of the Company is at Borgartún 26, 105 Reykjavík [Iceland]."*

**Reasoning:**

The registered domicile of the Company is Kalkofnsvegur 2, 101 Reykjavík [Iceland]. The motion of the Board is merely to correct the Articles accordingly. With Act No. 132/2014 the obligation to specify a company's domicile in its articles was discontinued.

See in other respects the full amendments of the current Articles of Association of the Company in a separate document in an Annex hereto.

### **E. Motion on to correct a citation of law in Article 6 of the Company's Articles of Association – ITEM 6 ON THE AGENDA**

The Board proposes to correct legal reference in Article 6 of Articles of Association so as to cite the correct Act on the electronic registration of shares in the Company.

The Board proposes the following amendment of Article 6 of the Articles of Association.

*The Company's shares are issued electronically in a securities depository in accordance with the ~~Act on electronic registration of title to securities No. 131/1997~~ Article 27 of Act No. 2/1995 on limited liability companies and Act No 7/2020 on central securities depositories, settlement and electronic registration of financial instruments. The Company shall maintain a share ledger which shall be accessible to all shareholders at the Company's office. Persons acquiring shares in the Company cannot exercise their rights as shareholders unless their names have been entered in the Company's share ledger. A printout of titles from a securities depository confirming title to shares in the Company shall be regarded as an adequate basis for a share ledger.*

The clean proposal is therefore as follows:

*The Company's shares are issued electronically in a securities depository in accordance with Article 27 of Act No. 2/1995 on limited liability companies and Act No 7/2020 on central securities depositories, settlement and electronic registration of financial instruments. The Company shall maintain a share ledger which shall be accessible to all shareholders at the Company's office. Persons acquiring shares in the Company cannot exercise their rights as shareholders unless their names have been entered in the Company's share ledger. A printout of titles from a securities depository confirming title to shares in the Company shall be regarded as an adequate basis for a share ledger.*

**Reasoning:**

Article 6 of the current Articles of Association refer to the Act on Electronic Registration of Title to Securities No. 131/1997. With the entry into force of Act No. 7/2020 on central securities depositories, settlement and electronic registration of financial instruments, Act No. 131/1997 was repealed. The Motion of the Board is to correct the citation of law. No substantive change is involved.

See in other respects the full amendments of the current Articles of Association of the Company in a separate document in an Annex hereto.

**F. Proposal to reduce the share capital by cancelling own shares, along with corresponding change to the Articles of Association - ITEM 7 ON THE AGENDA**

The Board proposes to amend the Articles of Association of the Company so as to reduce the share capital of the Company for reasons of purchases of own shares in accordance with Section 54.3(1) of the Companies Act No. 2/1995. The share capital of the Company will thereby be reduced by an amount corresponding to the Company's own shares, 57,554,742 ISK in nominal value.

The Board proposes the following amendment to Article 4 of the Company's Articles of Association:

*The share capital of the Company amounts to ISK 1,878,479,032 (one billion eight hundred seventy-eight million four hundred and seventy nine thousand thirty-two ISK) ~~1,936,033,774, (one billion nine hundred thirty six million thirty three thousand seven hundred and seventy four krónur)~~. The share capital is divided into shares with each share corresponding to one - 1 - ISK in nominal value.*

[...]

*The Board of Directors of the Company is authorised to increase the share capital of the Company by up to 96,801,689 ISK in nominal value, through subscriptions to new shares, ~~up to a maximum of 5% of the nominal value of the Company's share capital~~, in order to meet obligations to SKEL Investment Company's employees grounded in stock options and purchase and/or subscription agreements in accordance with SKEL's remuneration policy and stock option plan. The shareholders waive their pre-emptive rights to the shares added in accordance with this authorisation. The new shares shall carry rights in the Company from the date of registration of the increase in share capital and they shall be subject to the Articles of Association of the Company. There are no restrictions on trading in the new shares, and the new shares shall be in the same class and confer the same rights as other shares in the Company. Redemption obligations are subject to the second paragraph of Article 10 of these Articles of*

*Association. The authorisation shall lapse on 10 March 2027 to the extent that it has not then been exercised.*

The clean proposal is therefore as follows:

*The share capital of the Company amounts to ISK 1,878,479,032 (one billion eight hundred seventy-eight million four hundred and seventy nine thousand thirty-two ISK). The share capital is divided into shares with each share corresponding to one - 1 - ISK in nominal value.*

*[...]*

*The Board of Directors of the Company is authorised to increase the share capital of the Company by up to 96,801,689 ISK in nominal value in order to meet obligations to SKEL Investment Company's employees grounded in stock options and purchase and/or subscription agreements in accordance with SKEL's remuneration policy and stock option plan. The shareholders waive their pre-emptive rights to the shares added in accordance with this authorisation. The new shares shall carry rights in the Company from the date of registration of the increase in share capital and they shall be subject to the Articles of Association of the Company. There are no restrictions on trading in the new shares, and the new shares shall be in the same class and confer the same rights as other shares in the Company. Redemption obligations are subject to the second paragraph of Article 10 of these Articles of Association. The authorisation shall lapse on 10 March 2027 to the extent that it has not then been exercised.*

**Reasoning:**

The Annual General Meeting of SKEL Investment Company hf. held on 9 March 2023 authorised the Board of Directors of the Company, in accordance with Article 55 of Act No 2/1995 on limited liability companies, to purchase up to 10% of its share capital.

On 12 July 2023 the decision of the Board on the execution of the repurchase programme was announced. The plan was to purchase a maximum of 18,518,518 shares in the Company, corresponding to 0.956% of issued shares, but on the condition that the amount of the repurchase would never exceed 250,000,000 in purchase price. The objective of the plan was to reduce the issued capital stock of the Company. Repurchases in accordance with the plan began on 13 July 2023. The end of the repurchase was announced on 15 September 2023. SKEL acquired a total of 18,518,518 own shares for 242,482,196 ISK, which corresponds to 0.956% of the Company's share capital.

On 15 September the decision of the Board on the execution of a second repurchase programme was announced. The plan was to purchase a maximum of 9.04% of the issued shares, but on the condition that the amount of the repurchase would never exceed 500,000,000 in purchase price. The objective of the plan was to reduce the issued capital stock of the Company. Repurchases in accordance with the plan began on 18 September 2023. Purchases in accordance with the plan ended on 29 December 2023. SKEL purchased a total of 39,036,224 own shares for 499,999,995 ISK. At the end of the repurchase programme SKEL held 57,554,742 own shares, which corresponds to 2.97% of the Company's total share capital.

The objective of these repurchases was to reduce the Company's share capital. With reference to the permission granted in Section 54.3(1) of the Companies Act No. 2/1995 the Board of the Companies moves to reduce capital through the invalidation of own shares that were acquired in 2023. The reduction will not affect the shares held by other shareholders. If the motion is carried by the annual general meeting, the share capital in the articles of association will be reduced on 1,877,479,032 ISK in nominal value.

If the motion of the Board on a reduction in share capital is carried, this will increase the ratio of awarded stock options. Awarded stock options would therefore no longer be 5% of the Company's total share capital. IF the motion to reduce share capital is carried at the annual general meeting it will be necessary to delete the reference to percentage of total Issued share capital to permit the Board to meet obligations under the Stock Option Plan approved at SKEL's annual general meeting on 10 March 2022. The motion is intended to ensure that stock option holders will remain on the same footing following the reduction in share capital with the invalidation of shares.

See in other respects the full amendments of the current Articles of Association of the Company in a separate document in an Annex hereto.

**G. Proposal for amendment of the Company's remuneration policy and approval of a Stock Option Plan – ITEM 8 ON THE AGENDA**

The Board of Directors proposes an amendment of the Company's remuneration policy for 2024-2025 in line with a report of the Remuneration Committee.

First, it is proposed that in very exceptional circumstances in the Company's operations, e.g. resulting from a heavy workload on employees, redeemed gains on sales in excess of expectations and/or exceptional work

performance, the CEO is permitted, with the consent of the Remuneration Committee to pay bonuses to employees even when benchmarks according to Article 7 of the Remuneration Policy are not achieved.

Second, it is proposed that a stock option plan should be adopted employees of the Company and Board of Directors should be authorised to issue up to 1% of outstanding shares for the purposes of stock options in 2024-2029. This authorisation does not extend to awarding further stock options to the key managers that were awarded stock options on the basis of the Stock Option Plan that was approved at the annual general meeting of 10 March 2022.

**Reasoning:**

The updated remuneration policy of the Company and draft Stock Option Plan can be accessed on SKEL's website: <https://skel.is/hluthafar/hluthafafundir-skel>

With the updated Remuneration Policy the CEO will be authorised, with the consent of the Remuneration Committee, to pay to employees a bonus amounting to up to 25% of the employee's total annual wages even if benchmarks in the Company's operation have not been achieved. Such bonuses shall come under consideration under very special circumstances in the Company's operation, e.g. for reasons of a heavy workload of employees, redeemed gains on sales in excess of projections and/or exceptional work performance.

With the approval of the Stock Option Plan the CEO of the Company, with the consent of the Remuneration Committee, will be authorised to award stock options to employees of the Company amounting to up to 18.784,790 shares, which corresponds to 1% of the Company's share capital at the time of approval of the Stock Option Plan. The Board will not be authorised on the basis of these changes to award further stock options to the key managers that were awarded stock options on the basis of the Stock Option Plan that was approved at the Company's annual general meeting of 10 March 2022. This Stock Option Plan is intended to be supplementary and authorisations under the Plan are limited to the award of stock options to other employees of the Company. The accrual period of stock options will be three years. The exercise period will be three years following the accrual period, as provided in the Company's Remuneration Policy. The exercise price of the call option shall be in accordance with the Company's Remuneration Policy.

SKEL has, as a shareholder, encouraged the companies that SKEL invests in to establish incentive programmes designed to link the interests of employees and shareholders. SKEL believes that prudently implemented incentive programmes increase the likelihood of good operating performance and companies achieving their long-term objectives for the benefit of all stakeholders. Also, SKEL is of the opinion that employees should benefit when success is achieved and shareholders' returns are favourable.

SKEL is the only investment company that is listed in the market today. SKEL has six employees managing the Company's 50 billion ISK portfolio. In the opinion of the Board it is important to limit staff turnover in a company that has such few employees, where important knowledge of the Company's operation and portfolio may be lost if employees choose to leave. Stock options are an appropriate means of keeping employees with the Company.

The motion submitted by the Board is intended to ensure that the Company's employees enjoy similar performance-linked benefits that SKEL has encouraged the companies that SKEL invests in to implement.

## **H. Proposal to amend the Company's Articles of Association in order to authorise an increase in share capital for the purposes of a stock option plan – ITEM 9 ON THE AGENDA**

The Board of Directors of the Company proposes the following amendment of the Articles of the Company regarding the authorisation of the Board to increase the Company's share capital for the purposes of stock option agreements..

The Board moves to amend paragraph 3 of Article 4 of the Company's Articles of Association as follows:

"The Board of Directors of the Company is authorised to increase the share capital of the Company by up to 115,586,479 ISK~~96,801,689 ISK~~ in nominal value in order to meet obligations to SKEL Investment Company's employees grounded in stock options and purchase and/or subscription agreements in accordance with SKEL's remuneration policy and the Stock Option Plan approved at the annual general meeting of the Company on 7 March 2024. The shareholders waive their pre-emptive rights to the shares added in accordance with this authorisation. The new shares shall carry rights in the Company from the date of registration of the increase in share capital and they shall be subject to the Articles of Association of the Company. There are no restrictions on trading in the new shares, and the new shares shall be in the same class and confer the same rights as other shares in the Company. Redemption obligations are subject to the second paragraph of Article 10 of these Articles of Association. The

authorisation shall lapse on 7 March 2029 ~~10 March 2027~~ to the extent that it has not then been exercised."

The clean proposal is therefore as follows:

"The Board of Directors of the Company is authorised to increase the share capital of the Company by up to 115,586,479 ISK in nominal value in order to meet obligations to SKEL Investment Company's employees grounded in stock options and purchase and/or subscription agreements in accordance with SKEL's remuneration policy and the Stock Option Plan approved at the annual general meeting of the Company on 7 March 2024. The shareholders waive their pre-emptive rights to the shares added in accordance with this authorisation. The new shares shall carry rights in the Company from the date of registration of the increase in share capital and they shall be subject to the Articles of Association of the Company. There are no restrictions on trading in the new shares, and the new shares shall be in the same class and confer the same rights as other shares in the Company. Redemption obligations are subject to the second paragraph of Article 10 of these Articles of Association. The authorisation shall lapse on 7 March 2029 to the extent that it has not then been exercised."

**Reasoning:**

This motion is in accordance with the motion on amending the Remuneration Policy and the draft of the Stock Option Plan that can be accessed on SKEL's website, <https://skel.is/hluthafar/hluthafafundur-skel>

**I. Proposal for authorisation to buy own shares – ITEM 10 ON THE AGENDA**

The Board of Directors of the Company moves for the annual general meeting to grant to the Board of Directors of the Company continued authorisation to purchase own shares of the Company.

With reference to Article 8 of the Company's Articles of Association, the Board of Directors of the Company proposes the following amendments of an Annex to the Articles (changes are overstruck and underlined):

*The Annual General Meeting' meeting of SKEL Investment Company hf., held on ~~09 March 2023~~ 7 March 2024 authorises the Board of Directors of the Company, subject to compliance with other conditions of law, to purchase, once or on more occasions, shares in the Company, on the condition that the Company, together with its other subsidiaries, shall only hold a maximum of 10% of the Company's shares. This authorisation shall be used for the purpose of setting up a formal repurchase programme or to extend to shareholders an invitation to sell to the Company shares in itself, for instance by means of an offer to shareholders, with the stipulation that there is no discrimination among shareholders as regards the invitation to participate in such transactions. In repurchasing, the highest permitted consideration for each share shall not exceed the price in the most recent arm's length trade or the highest existing arm's length offer to buy in business systems where trading in the shares is conducted, whichever is higher. Trading in the Company's own shares shall be announced in compliance with law and regulations. Other, earlier, authorisations to acquire own shares shall lapse on the approval of this authorisation."*

The clean proposal is therefore as follows:

*The Annual General Meeting' meeting of SKEL Investment Company hf. held on 7 March 2024 authorises the Board of Directors of the Company, subject to compliance with other conditions of law, to purchase, once or on more occasions, shares in the Company, on the condition that the Company, together with its other subsidiaries, shall only hold a maximum of 10% of the Company's shares. This authorisation shall be used for the purpose of setting up a formal repurchase programme or to extend to shareholders an invitation to sell to the Company shares in itself, for instance by means of an offer to shareholders, with the stipulation that there is no discrimination among shareholders as regards the invitation to participate in such transactions. In repurchasing, the highest permitted consideration for each share shall not exceed the price in the most recent arm's length trade or the highest existing arm's length offer to buy in business systems where trading in the shares is conducted, whichever is higher. Trading in the Company's own shares shall be announced in compliance with law and regulations. Other, earlier, authorisations to acquire own shares shall lapse on the approval of this authorisation."*

**Reasoning:**

No substantive alteration is proposed of the authorisation granted by shareholders for the purchase of the Company's own shares at the annual general meeting held on 09 March 2023. With its motion the Board is proposing extension of that authorisation.

Should the Board of Directors decide to exercise this authorisation, that shall be done in accordance with the provisions of current law and a financial undertaking shall be entrusted with the execution under contract. Also, the authorisation, as regards the offer to shareholders, shall only be exercised to the extent that the formal repurchase programme is not seen to be sufficient to achieve the intended objectives, e.g. pursuant to the Company's dividend policy or practical financial structure.

In order to secure non-discrimination among shareholders and ensure the transparency of such trades, it is assumed that the terms of the offer should be published after the closing of the markets and expire before their re-opening.

It is proposed that the authorisation for repurchase, whether under a formal repurchase programme or by an offer to shareholders, should be temporary and subject to review at the next annual general meeting of the Company.

This is not an actual amendment of the Articles of Association of the Company; instead the authorisation (if granted) will be referred to in an Annex to the Articles of Association in conformity with Article 8 of the Company's Articles of Association. If shareholders adopt the motion of the Board of Directors, the current Annex to the Articles of Association on repurchase from 9 March 2023 will be deleted.

See in other respects the full amendments of the current Articles of Association of the Company in a separate document in an Annex hereto.

**J. Proposal on an amendment to the Articles of Association of the Company to authorise the Board of Directors to increase share capital - ITEM 11 ON THE AGENDA**

The Board of Directors submits the following proposal for the shareholders' meeting to grant to the Board continued authorisation to increase the Company's share capital by ISK 200,000,000 in nominal value, in one or more stages, and the waiver by shareholders of their pre-emptive rights.

The Board of Directors is therefore proposing the following amendments to paragraph 4 of Article 4 of the Articles of Association:

*"The Board of Directors of the Company is authorised to decide on an increase in the share capital of the Company by up to ISK 200,000,000 in nominal value with the issue of new shares, in one or more stages. The authorisation of the Board under this provision is effective until 6 March 2025 ~~7 March 2024~~. Shareholders of the Company shall not have pre-emptive rights to subscribe to the new shares issued on the basis of the above authorisation, see Section 34.3 of the Act on Limited liability companies No. 2/1995 and the second paragraph of Article 4 of these Articles of Association. The Board of Directors of the Company shall decide the offering price of the new shares and the rules governing the purchase of shares at each time, subscription deadlines and due dates for payment. The increase may be effected in part or in full without payment in cash. The Board of Directors of the Company is authorised to make the necessary amendments to the Articles of Association of the Company in connection with the issue of the new shares."*

The clean proposal is therefore as follows:

*"The Board of Directors of the Company is authorised to decide on an increase in the share capital of the Company by up to ISK 200,000,000 in nominal value with the issue of new shares, in one or more stages. The authorisation of the Board under this provision is effective until 6 March 2025. Shareholders of the Company shall not have pre-emptive rights to subscribe to the new shares issued on the basis of the above authorisation, see Section 34.3 of the Act on Limited liability companies No. 2/1995 and the second paragraph of Article 4 of these Articles of Association. The Board of Directors of the Company shall decide the offering price of the new shares and the rules governing the purchase of shares at each time, subscription deadlines and due dates for payment. The increase may be effected in part or in full without payment in cash. The Board of Directors of the Company is authorised to make the necessary amendments to the Articles of Association of the Company in connection with the issue of the new shares."*

**Reasoning:**

Authorisation to the Board of Directors of the Company to increase its share capital by up to 200,000,000 ISK in nominal value for use as payment for shares in other companies or to fund the Company's external growth. Shareholders shall waive their pre-emptive rights to buy in part or in full. Rights shall attach to the shares from the date of registration of the increase. This authorisation will remain in effect until the next annual general meeting.

**K. Proposal on remuneration to Board members, sub-committees and auditor – ITEM 12 ON THE AGENDA**

The Board of Directors proposes amendments to the employment terms of Board and committee members taking into account increases in the wage index, as follows:

	2023		Proposal 2024
Chairman of the Board of Directors	ISK 789,000 per month	Chairman of the Board of Directors	ISK 828,000 per month
Vice Chairman of the Board of Directors	ISK 575,000 per month	Vice Chairman of the Board of Directors	ISK 604,000 per month
Members of the Board of Directors	ISK 402,000 per month	Members of the Board of Directors	ISK 422,000 per month
Chairman of the Audit committee	ISK 120,000 per month	Chairman of the Audit committee	ISK 126,000 per month
Members of the Audit Committee	ISK 79,000 per month	Members of the Audit Committee	ISK 83,000 per month
Chairman of the Remuneration Committee	ISK 79,000 per month	Chairman of the Remuneration Committee	ISK 83,000 per month
Members of Remuneration Committee	ISK 45,000 per month	Members of the Remuneration Committee	ISK 47,000 per month
Chairman of the Nomination Committee	27,000 per hour as contractor	Chairman of the Nomination Committee	27,000 per hour as contractor
Members of the Nomination Committee	27,000 per hour as contractors	Members of the Nomination Committee	27,000 per hour as contractors
Board member on the Nomination Committee	ISK 70,000.	Board member on the Nomination Committee	ISK 74,000.
Auditors	As invoiced	Auditors	As invoiced

**L. Report and proposals of the Nomination Committee regarding the Board of Directors - ITEM 13 ON THE AGENDA**

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

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

**Reasoning:**

See further the report of the Nomination Committee, accessible on SKEL's website: <https://skel.is/hluthafar/hluthafafundur-skel>

It should be noted that the Committee reserves the right to review its proposal until ten days before the annual general meeting. The final deadline for announcements of candidature is five days before the annual general meeting, but the committee will not be able to assess candidatures received when less than two weeks remain until the meeting, which will be held on 7 March 2024.

**M. Proposal of the Board of Directors of an audit firm - ITEM 17 ON THE AGENDA**

The Board recommends the re-election of KPMG as the Company's audit firm for the next year;

**N. Proposal of the Board of Directors on an external committee member on the Audit Committee  
– ITEM 18 ON THE AGENDA**

The Board proposes that Sigrún Guðmundsdóttir, a certified public accountant at ODT accounting, be elected as an external member of the audit committee.

**O. Other lawfully submitted proposals**

Reykjavik, 15 February 2024

Board of Directors of SKEL Investment Company hf.,



**ANNEX 1:**

**Proposals for amendment of Articles of Association of SKEL fjárfestingafélag hf.:**

**ARTICLES OF ASSOCIATION  
of SKEL fjárfestingafélag hf.,**

**I. CHAPTER**

**Company Name, Domicile and Objects**

**Article 1**

The name of the Company is Skel fjárfestingafélag hf.

**Article 2**

[Deleted]

The domicile of the Company is at Borgartún 26, 105 Reykjavík [Iceland].

**Article 3**

The object of the Company is to operate as an investment company, i.e. to invest funds that its shareholders have tied up in the operations with their investments.

**II. CHAPTER**

**Share Capital of the Company**

**Article 4**

The share capital of the Company amounts to ISK 1,878,479,032 ~~One billion eight hundred seventy-eight million four hundred and seventy nine thousand thirty-two~~ ISK 1,936,033,774, ~~(one billion nine hundred thirty-six million thirty-three thousand seven hundred and seventy-four krónur).~~ The share capital is divided into shares with each share corresponding to one - 1 - ISK in nominal value.

The consent of a shareholders' meeting is needed to increase or decrease the share capital, requiring the same force of votes as necessary to amend these Articles of Association. In the event of an increase in share capital, shareholders shall have pre-emptive rights to all increases in shares in equal proportion to their registered holdings in the Company; in other respects the issue of such shares shall be governed by the rules established by the Board as decided at a shareholders' meeting at any time. The same proportion of votes is needed to set aside shareholders' pre-emptive rights as to approve an increase in share capital.

The Board of Directors of the Company is authorised to increase the share capital of the Company by up to ~~96,801,689 ISK~~ 115.586.479 in nominal value, through subscriptions to new shares, ~~up to a maximum of 5% of the nominal value of the Company's share capital,~~ in order to meet obligations to SKEL Investment Company's employees grounded in stock options and purchase and/or subscription agreements in accordance with SKEL's remuneration policy and stock option plan. The shareholders waive their pre-emptive rights to the shares added in accordance with this authorisation. The new shares shall carry rights in the Company from the date of registration of the increase in share capital and they shall be subject to the Articles of Association of the Company. There are no restrictions on trading in the new shares, and the new shares shall be in the same class and confer the same rights as other shares in the Company. Redemption obligations are subject to the second paragraph of Article 10 of these Articles of Association. The authorisation shall lapse on ~~10 March 2027~~ 7 March 2029 to the extent that it has not then been exercised.

"The Board of Directors of the Company is authorised to decide on an increase in the share capital of the Company by up to ISK 200,000,000 in nominal value with the issue of new shares, in one or more stages. The authorisation of the Board under this provision is effective until ~~7 March 2024~~ 6 March 2025. Shareholders of the Company shall not have pre-emptive rights to subscribe to the new shares issued on the basis of the above authorisation, see Section 34.3 of the Act on Limited liability companies No. 2/1995 and the second paragraph of Article 4 of these Articles of Association. The Board of Directors of the Company shall decide the offering price of the new shares and the rules governing the purchase of shares at each time, subscription deadlines and due dates for payment. The increase may be effected in part or in full without payment in cash. The Board of Directors of the Company is authorised to make the necessary amendments to the Articles of Association of the Company in connection with the issue of the new shares.

#### **Article 5**

When a shareholder has paid up his share in full, the shareholder shall be issued an electronic certificate in a securities depository with rights of title registered. The electronic certificate confers full rights provided for by law and in these Articles of Association.

#### **Article 6**

The Company's shares are issued electronically in a securities depository in accordance with the ~~Act on electronic registration of title to securities No. 131/1997~~ Article 27 of Act No. 2/1995 on limited liability companies and Act No 7/2020 on central securities depositories, settlement and electronic registration of financial instruments. The Company shall maintain a share ledger which shall be accessible to all shareholders at the Company's office. Persons acquiring shares in the Company cannot exercise their rights as shareholders unless their names have been entered in the Company's share ledger. A printout of titles from a securities depository confirming title to shares in the Company shall be regarded as an adequate basis for a share ledger.

#### **Article 7**

[Deleted]

#### **Article 8**

The Company may own its own shares to the maximum permitted by law. The Company may acquire shares only pursuant to authorisation granted to the Board of Directors by a shareholders' meeting. Authorisation to the Board of Directors to buy Company shares shall not be effective for longer than 18 months at a time. If an authorisation to acquire own shares is granted, the authorisation shall be noted for informational purposes in an annex to these Articles of Association for as long as the authorisation is in effect and the addition or removal of such Annex shall not constitute an actual amendment of these Articles of Association. The provisions of Act No. 2/1995 on limited liability companies regarding own shares and acquisitions of own shares shall be observed.

#### **Article 9**

There are no restrictions on trading in shares in the Company.

#### **Article 10**

Each shareholder is obliged, without specific commitment, to abide by the Articles of Association of the Company in their current form or as lawfully amended at any time.

Shareholders may not be obligated, neither on the basis of the Company's Articles or amendments thereto, to increase their holdings in the Company nor to submit to redemption of their shares except as authorised by law.

Shareholders are not responsible for the liabilities of the Company beyond their holdings in the Company. This provision cannot be amended or deleted by any resolution of any shareholders' meeting.

#### **Article 11**

If the Annual General Meeting of the Company decides on a payment of dividends on shares, the Board of Directors of the Company has the right and obligation to pay the dividends to a registered owner of shares, but not to others, unless holders prove their title to the shares or their power of attorney to take delivery of the dividend.

Electronic exchanges of documents and electronic mail may be used in communications between the Company and shareholders, e.g. through secure media that ensure effective dissemination of information to the public in the European Economic Area. This permission applies to any communications, such as calling shareholders' meetings, payments of dividends or other notices that the Board of Directors decides to send to shareholders. Such electronic communications shall be equivalent to communications written on paper. The Board of Directors shall decide what requirements should be made regarding software and information relating thereby shall be accessible to shareholders.

### **III. CHAPTER**

#### **Governance**

##### **Article 12**

The Company shall be governed by:

1. Shareholders' meetings;
2. The Board of Directors of the Company;
- 3) The CEO.

#### **Shareholders' meetings**

##### **Article 13**

The supreme authority in all the affairs of the Company, within the limits established by its Articles of Association and statutory law, is in the hands of lawful shareholders' meetings.

A shareholder may appoint a proxy to attend a shareholders' meeting on his/her behalf and thereby exercise his/her right to vote. Otherwise, only shareholders are entitled to attend shareholders' meetings, together with the Company auditors and managing director, irrespective of whether they are shareholders or not. However, the Board of Directors may invite experts to attend individual meetings for the purpose of obtaining their opinion or assistance.

The proxy shall submit a written and dated letter of proxy. The letter of proxy shall never be valid for more than one year from its date.

Annual General Meetings shall be summoned with a minimum of 21 days' notice by an advertisement in the newspapers or electronically, as provided in Article 11. Summoning to meetings, rights of access by shareholders to documents before a shareholders' meeting or Annual General Meetings and documents and resolutions to be placed before the meeting shall be subject to the provisions of the Companies Act.

The notice of a shareholders' meeting shall specify the business to be addressed at the meeting. If the agenda includes a motion to amend the Articles of the Company, the substance of the motion shall be included in the notice of the meeting.

A shareholder shall be entitled to have specific items of business addressed at shareholders' meetings, provided that such shareholder submits a written or electronic request to the Board of Directors with sufficient advance notice for the item to be included on the agenda, but never later than 10 days before the Annual General Meeting.

At the latest one week before a shareholders' meeting, the final agenda and finalised proposals shall be published on the Company's website and be available at the Company's office for inspection by shareholders. In the case of an Annual General Meeting, the above information shall be published two weeks before the meeting, at the latest, in addition to publication of the annual financial statement, report of the Board of Directors, report of the auditors and proposal of the Board of Directors concerning a Remuneration Policy.

Items of business which are not included in the Agenda may not be taken for final decision at the meeting except with the consent of all the shareholders in the Company; however, a resolution may be passed to provide guidance to the Board of Directors of the Company. Lawfully submitted amendments falling within the scope of the original proposal may be proposed at the meeting itself, even though they have not been available for inspection by shareholders earlier.

A shareholders' meeting is valid, regardless of attendance, if the meeting has been properly convened. The same applies to an Annual General Meeting.

#### **Article 14**

Shareholders' meetings shall be convened at the discretion of the Board of Directors, by a resolution of a meeting, or when the elected auditors or shareholders holding a minimum of 1/20 of the shares of the Company request a meeting in writing and state the reason for the request for the meeting.

Such meetings shall be called in the same manner other as shareholders' meetings. Once a legitimate request for a meeting has emerged, the Board of Directors shall call a meeting no later than two weeks following the receipt of the request.

#### **Article 15**

The Annual General Meeting of the Company shall be held before the end of the month of April each year. The meeting shall be held at the location decided by the Board of Directors.

#### **Article 16**

The Annual General Meeting shall address the following items of business:

- 1) Report of the Board of Directors on the activities of the Company in the preceding year of operation;
- 2) The annual financial statement of the Company, along with the Auditor's notes, shall be submitted for approval;
- 3) Decisions shall be taken concerning the disposal of the profit or loss of the Company during the fiscal year;
- 4) Proposals of the Board of Directors on the Company's Remuneration Policy;
- 5) Decision on remuneration the members of the Board of Directors, examiners and committee members.
  
- 6) Election of Nomination Committee;
- 7) Election of the Board of Directors of the Company in accordance with Article 22;
- 8) Election of auditor or auditing firm;
- 9) Any other business lawfully submitted to the meeting or approved for discussion by the meeting.

#### **Article 17**

The Chairman of the Board of Directors or a chairman elected at the meeting shall preside over shareholders' meetings and appoint a secretary with the approval of the meeting. The chairman shall verify at the beginning of the meeting whether it has been lawfully convened and whether the meeting is valid in other respects, and declare whether such is the case. Discussions, voting and other procedure at the meeting shall be conducted as the chairman decides. A book of minutes shall be kept where all decisions and resolutions passed by the meeting, as well as a brief account of the meeting, shall be recorded. The Chairman and the secretary shall sign the minutes after they have been read and approved. The minutes shall be regarded as lawful proof of proceedings at the meeting.

#### **Article 18**

At shareholders' meetings, each share of one króna- shall carry one vote.

At the meetings of shareholders a simple plurality of votes will decide issues, unless the Company's Articles of Association or statutory law provide otherwise.

In the event of an equality of votes, a motion shall be regarded as rejected. In the event of an equality of votes in an election between two or more candidates to serve the Company, the election shall be decided by casting lots.

The consent of all shareholders is required to:

- a) Oblige shareholders to contribute funds beyond their initial commitments;
- b) Oblige shareholders to suffer redemption of their shares in part or in full, unless the Company is dissolved or the share capital lawfully reduced;
- c) Restrict the permission of shareholders to dispose of their shares beyond the provisions of these Articles of Association;
- [Deleted] e) Amend the provisions of these Articles of Association regarding voting right, privileges, whether preferred shares should be issued according to individual shareholdings in the Company or regarding equal rights between individual shareholders.

**Article 19**

Shares owned by the Company in itself shall carry no votes. Such shares shall not be included when the consent of all shareholders or a certain majority of all share capital or share capital represented at shareholders' meetings is required.

**Article 20**

A shareholder himself, acting by proxy or as a proxy for others, is not permitted to participate in voting at a shareholders' meeting regarding legal proceedings against himself or on his liability toward the Company. The same applies to legal action against others or relating to the liability of others where a shareholder has material interests and which might be in conflict with the Company's interests.

**Article 21**

[Deleted]

**The Board of Directors of the Company.**

**Article 22**

Each year, the Annual General Meeting shall elect five Members to the Board of Directors of the Company. The eligibility of members of the Board shall be subject to statutory law. A shareholders' meeting can also elect a Board member or members if a Board member or members have deceased, if they have been dismissed or if they have retired. The ratio of each gender within the Board shall not be less than 40%.

It shall be ensured on elections to the Board that the ratio of each gender is not lower than 40%. If the results of elections to the Board of Directors at a shareholders' meeting do not fulfil conditions regarding gender ratios the results shall be set aside, and the rightfully elected board shall be as follows: The first four seats on the Board shall be allocated to the two men and two women who received the most and second most votes of each gender in the election. The fifth seat on the Board shall go to the person, of either gender, who received the most votes of other candidates. If there are not enough candidates of each gender to fulfil the conditions regarding gender ratios on the Board, the acting board shall call a new shareholders' meeting, which shall convene 4-5 weeks after the previous meeting, where elections to the Board shall be on the agenda. Such extraordinary meetings shall be convened as many times as necessary to obtain the required number of candidates of each gender; The acting Board shall continue in office until such time.

Elections shall be by ballot if the number of nominations exceeds the number of members to be elected. Votes shall only be cast for candidates who are running for office and votes cast for others shall be considered blank ballots.

**Article 23**

The Board shall elect a Chairman from among its members and allocate tasks among its members in other respects.

The Chairman of the Board shall convene meetings of the Board and preside at Board meetings.

The Chairman shall also call a meeting of the Board at the request of a member of the Board or the CEO. The presence of the majority of the Board members constitutes a quorum, provided that the meeting has been lawfully convened. Important decisions, however, may not be taken unless all members of the Board have had the opportunity to discuss the matter, if possible. Issues shall be decided by majority vote, unless otherwise provided in these Articles of Association or other lawful instructions. In the event of an equality of votes, the chairman shall cast the deciding vote.

Minutes shall be kept of proceedings at meetings of the Board of Director and shall be signed by members attending the meeting.

Meetings of the Board of Directors may be conducted by telephone or by teleconferencing equipment. The Board may also make decisions via email, if necessary. However, decisions so taken shall be confirmed at the next meeting of the Board of Directors when the board convenes.

The Chairman of the Board shall lead the work of the Board on establishing more detailed rules of procedure for Board

**Article 24**

The supreme power in the affairs of the Company rests with the Board of Directors between shareholders' meetings, subject to the limitations imposed by these Articles of Association and statutory law.

The Board of Directors handles and is responsible for the affairs of the Company and shall ensure that the organisation and operation of the Company are in good and proper order.

The Board of Directors shall ensure adequate supervision of the Company's accounts and the use of its assets.

The Company's Board of Directors is responsible for the appointment of a managing director of the Company, the conclusion of his or her contract of employment, his or her terms of reference and his or her dismissal.

Only the Board of Directors may assign signatory powers.

The Board of Directors of the Company is empowered to enter the Company into obligations, such obligations requiring the signature of the majority of the Board members.

In other respects, the responsibilities, powers and work of the Board of Directors shall be governed by statutory law.

#### **Managing director**

##### **Article 25**

The managing director is responsible for the day-to-day operation of the Company in compliance with the Articles of Association of the company and the policies and instructions of the Board of Directors. However, this does not apply to matters which are out of the ordinary or of major consequence. Such matters can only be dealt with by the managing director pursuant to authorisation from the Board of Directors of the Company unless it is impossible to wait for the decisions of the Board of Directors without serious disadvantage to the operation of the Company. In such instances the Board of Directors shall notified of the handling of the matter as soon as possible.

The managing director is responsible to the Board of Directors in his or her work. The managing director attends meetings of the Board of Directors even if he or she is not a member, and has the right to speak and submit proposals.-

#### **IV. CHAPTER**

##### **Accounts, Auditing etc.**

##### **Article 26**

The fiscal year of the Company shall be the calendar year.

##### **Article 27**

An accountant or accounting firm shall be elected Company auditor at each Annual General Meeting for a term of one year. Auditors shall not be elected from among the members of the Board or employees of the Company. The eligibility of auditors is subject to statutory law.

##### **Article 28**

The Auditors and examiners shall, in conformance with generally accepted accounting standards and Act No. 144/1994 on annual accounts, audit the annual accounts of the Company and for this purpose examine the books of the Company and other matters regarding its operation and situation. They shall at all times have access to all the books and records of the Company. In other respects their work shall be subject to law.

##### **Article 29**

The annual accounts shall clearly and in detail state the income and expenses of the Company, its assets and liabilities. Expenses shall include due depreciation of the Company's real property and liquid assets.

##### **Amendments to the Articles of the Company.**

**Article 30**

The articles of association of the company may be amended at lawfully convened meetings of the Company except as otherwise permitted by law. However, the Articles of Association can only be amended with the support of at least 2/3 of the cast votes and the support of shareholders controlling at least 2/3 of the share capital represented at shareholders' meetings.

Notwithstanding the above, the provisions of these Articles regarding voting rights of shareholders and equality among them can not be amended except in compliance with Article 94 of the Companies Act No. 2/1995.

**V. CHAPTER**

**Dissolution of the Company etc.**

**Article 31**

In the event that it is considered advisable or necessary to dissolve the Company the decision on the dissolution of the Company shall be taken at a meeting of the shareholders by the same force of vote as is necessary to amend these Articles of Association. The same applies to any type of merger or consolidation of the Company with other companies, as well as to the sale of all of its assets. The meeting that has made a lawful decision to dissolve the Company shall also decide on the disposal of its assets and the payment of its debts, as provided in Chapter XIII of the Companies Act No. 2/1995.

**Other Provisions**

**Article 32**

Matters of the Company on which these Articles provide no guidance shall be governed by the provisions of Act No. 2/1995 on limited liability companies and the provisions of Act No. 144/1994 on accounts to the extent they are applicable.

**So approved at a shareholders' meeting of SKEL Investment company hf. on 7 March 2024.**

**ANNEX TO THE ARTICLES OF ASSOCIATION OF SKEL INVESTMENT HF.**

**~~Authorisation of the Company to acquire own shares  
Approved at the Annual General Meetings held on 9 March 2023~~**

~~The Annual General Meeting' meeting of SKEL Investment Company hf. held on 9 March 2023 authorises the Board of Directors of the Company, subject to compliance with other conditions of law, to purchase, once or on more occasions, shares in the Company, on the condition that the Company, together with its other subsidiaries, shall only hold a maximum of 10% of the Company's shares. This authorisation shall be used for the purpose of setting up a formal repurchase programme or to extend to shareholders an invitation to sell to the Company shares in itself, for instance by means of an offer to shareholders, with the stipulation that there is no discrimination among shareholders as regards the invitation to participate in such transactions. In repurchasing, the highest permitted consideration for each share shall not exceed the price in the most recent arm's length trade or the highest existing arm's length offer to buy in business systems where trading in the shares is conducted, whichever is higher. Trading in the Company's own shares shall be announced in compliance with law and regulations. Other, earlier, authorisations to acquire own shares shall lapse on the approval of this authorisation."~~

**Authorisation of the Company to acquire own shares  
Approved at the Annual General Meetings held on 7 March 2024**

The Annual General Meeting' meeting of SKEL Investment Company hf. held on 7 March 2024 authorises the Board of Directors of the Company, subject to compliance with other conditions of law, to purchase, once or on more occasions, shares in the Company, on the condition that the Company, together with its other subsidiaries, shall only hold a maximum of 10% of the Company's shares. This authorisation shall be used for the purpose of setting up a formal repurchase programme or to extend to shareholders an invitation to sell to the Company shares in itself, for instance by means of an offer to shareholders, with the stipulation that there is no discrimination among shareholders as regards the invitation to participate in such transactions. In repurchasing, the highest permitted consideration for each share shall not exceed the price in the most recent arm's length trade or the highest existing arm's length offer to buy in business systems where trading in the shares is conducted, whichever is higher. Trading in the Company's own shares shall be announced in compliance with law and regulations. Other, earlier, authorisations to acquire own shares shall lapse on the approval of this authorisation."