

## **Eimskipafélag Íslands hf.**

### **Rules of Procedure for the Remuneration Committee**

#### **Introduction**

These Rules of Procedure are formulated in accordance and with reference to Article 2.4. of the Rules of Procedure for the Board of Directors of Eimskipafélag Íslands hf. (hereinafter referred to as the "Company"). The Remuneration Committee (hereinafter referred to as the "Committee") has the role to prepare and execute propositions for remuneration for members of the Board of Directors and negotiate with the Chief Executive Officer on terms of employment.

#### **Article 1**

##### COMMITTEE APPOINTMENT

The Board of Directors shall annually, within one month from the annual meeting, elect three members to the Committee.

The Committee shall elect a Chairman from its members.

The Committee operates under the authority of the Board and the Board is responsible for the appointment and activities of the Committee.

#### **Article 2**

##### MAIN TASKS

The main tasks of the Committee are:

1. To prepare a remuneration policy for the Company and monitor compliance with it.
2. To ensure that remuneration and other terms of employment are consistent with law, rules and best practice at each time. In this regard, the Committee shall take into consideration the performance-evaluation of each individual.
3. To submit a framework for the remuneration of the Chief Executive Officer of the Company.
4. To take independent stance on the impact of remuneration on risk-taking and risk management of the Company in cooperation with the Audit Committee.

The Remuneration Committee may seek the involvement of expert consultants in the execution of its duties. Such consultants shall be independent of the Company and its day-to-day managers. The Committee is responsible for verifying that such consultants are independent.

#### **Article 3**

##### MEETINGS

Committee meetings are held as the Chairman decides, or by the request of other Committee members, at least twice a year.

#### **Article 4**

##### MINUTES AND DISCLOSURE OF INFORMATION

The Committee is provided with a secretary that shall electronically take minutes, and if appropriate, in accordance with Article 6.1. of the Rules of Procedure for the Board of Directors. Committee members are entitled to have their comments entered into the minutes.

The Committee shall ensure that accurate information on its main projects and execution of works is available to the Board of Directors before and between Board meetings. All Board members shall receive the same information and shall have access to the minutes of the Committee. The Committee shall give the Board a report on its projects at least annually.

#### **Article 5**

##### OTHER

The Board of Directors of the Company may request the assistance of the Committee with specific issues relating to the Company.

These Rules of Procedure are established and approved by the Board of Directors of the Company at a board meeting on 23 February 2017.

These Rules of Procedure can only be changed by the Board of Directors.

23 February 2017

Board of Directors