

EIMSKIPAFÉLAG ÍSLANDS HF.

ANNUAL GENERAL MEETING 26 MARCH 2020

To be held at Eimskip's headquarters at Korngardar 2, Reykjavík at 16:00 (GMT)

Meeting Agenda

1. The report of the Board of Directors on the activities of the Company for the financial year 2019
2. Confirmation of the Company's Consolidated Financial Statements for the financial year 2019
3. Decision on the handling of the net earnings for 2019
4. Proposal to grant the Board of Directors an authorization to purchase own shares
5. Proposal on appointment of a nomination committee and its rules of procedure
6. Alteration to Article 5.3 of the Company's Articles of Association
7. Proposal on the Company's Remuneration Policy
8. Election of the Board of Directors
9. Decision on remuneration to the members of the Board of Directors, the alternate Board members and subcommittees
10. Election of auditors
11. Other issues, lawfully presented
 - a. Questions from shareholder

Proposed resolutions for the Annual General Meeting 2020

2. Confirmation of the Company's consolidated financial statements for the financial year 2019

The Board of Directors of Eimskipafélag Íslands hf. proposes that the Consolidated Financial Statements for 2019 are approved.

3. Decision on the handling of the net earnings for 2019

The Board of Directors proposes that dividend will not be paid to shareholders for the year 2019.

4. Proposal to grant the Board of Directors an authorization to purchase own shares

The Board of Directors proposes that Article 11.2 of the Company's Articles of Association relating to the authorization to purchase own shares will be amended and that the following provision will replace the current article in its entirety:

"The Annual General Meeting of Eimskipafélag Íslands hf. held on 26 January 2020 grant the Board of Directors the authorization to acquire up to 10,000,000, in one or more transactions, own shares each in the nominal amount of one Icelandic krona. This authorization may be used for setting up formal share repurchase programs or for the purpose of offering shareholders generally to sell their shares to the Company, through auction, provided equal treatment of shareholders is safeguarded when such offer is made. This authorization has a fixed term of 18 months and is limited so that the ownership of the Company, and subsidiaries, do not exceed 10% of the Company's share capital. The purchase price shall be in accordance with Article 55, paragraph 3 of Act No. 2/1995. Other older authorizations to purchase own shares are cancelled by accepting this authorization."

Notes relating to the proposal:

On a shareholders meeting of 24 July 2018 an authorization was granted to purchase own shares until 24 January 2020 when it expired. The proposal is set forth on the basis that the authorization to the Board of Directors is general and allows the board to introduce a formal share purchase program and/or to make an offer to shareholders generally to sell their shares to the company through an offering, provided equal treatment of shareholders is safeguarded. This would of course only be carried out to the extent permitted by law, including the Act on Securities Transactions. If the proposal is accepted this would apply to any future purchase by the company of own shares.

Formal share repurchase programs refer to transactions that fall under point 1 of paragraph 3 in Article 115 and paragraph 2 in Article 119 of the Act on Securities Transactions and regulations set on the basis of those provisions. Detailed provisions on the submission of information and course of action apply if the Board of Directors resolves to offer shareholders to sell their shares, safeguarding equal treatment and transparency of such transactions relating to own shares.

5. Proposal on appointment of a nomination committee and its rules of procedure

The Board of Directors of the Company submits the following proposal on appointment of a nomination committee and rules of procedures for that committee:

"The Annual General Meeting of Eimskipafélag Íslands hf., held on Thursday 26 March 2020, resolves to approve the appointment of a nomination committee that shall be a Board committee with three members of the Company's Board of Directors, unless the Board decides otherwise. The committee's appointment, purpose, competence and responsibility shall be governed by the attached Rules of Procedure of the Nomination Committee which the Annual General Meeting resolves to approve as the committees rules of procedure."

Notes relating to the proposal:

At the Company's Annual General Meeting 2019 the Board of Directors submitted the following to the minutes of the meeting: "The Board of Directors will evaluate the pros and cons of nomination committees during its next term and submit its proposals on this matter to the Annual General Meeting 2020."

Considerable discussion has recently taken place on the purpose, appointment and operation of nomination committees where the pros and cons of the work of such committees have been taken into consideration. According to the Guidelines on Corporate Governance published by the Iceland Chamber of Commerce, Nasdaq Iceland and the Confederation of Icelandic Employers the objective and tasks of such a committee should be considered in light of the needs of each company, and the companies are free to tailor the committee's operation to the overall objectives of the shareholders of each company. Currently there are committees operating that have been appointed by both board of directors and shareholder meetings. After an overall assessment on the pros and cons of nomination committees and how they have operated recently, and participation in discussion on the purpose, appointment and operation of such committees, the Board of Directors proposes that a nomination committee will be established as a board committee. The nomination committee shall be composed of three Board members, unless the Board decides otherwise. The Board appoints the members of the Committee and its Chairman at the first Board meeting following the Annual General Meeting who's term shall be valid until a new Board is elected at the next Annual General Meeting of the Company. The Chairman of the Board of Directors shall not chair the Committee. The majority of the Nomination Committee shall be independent of the Company.

This proposal does not entail alteration to the Company's Articles of Association.

6. Alteration to Article 5.3 of the Company's Articles of Association

The Board of Directors proposes that Article 5.3 of the Company's Articles of Association will be amended, so that the 5 day deadline will become 10 day deadline, and that the article will after the amendment read as follows:

"Those who intend to run for the Board of Directors shall notify the Board of Directors of their candidacy at least 10 days before a shareholders' meeting. The notification shall list the name, identification number and address of the candidate along with the information about his or her main employment, the other board memberships, education, experience and shareholdings. Candidates shall furthermore list any interest connected to shareholders, directors, officers, clients or competitors of the Company and shareholders controlling more than 10% of the Company."

7. Proposal on the Company's Remuneration Policy

The Board of Directors suggests that the Remuneration Policy that was approved on the Annual General Meeting on 28 March 2019 will continue to remain in force and to be approved unaltered. The Remuneration Policy is attached in a separate document.

8. Election of the Board of Directors

Final information on the candidates to the Board of Directors will be published no later than two days prior to the Annual General Meeting, cf. Art. 63 a. of act no. 2/1995 on Public Limited Companies. The deadline to declare candidacy to the Board of Directors passes on 21 March 2020 at 16:00 GMT.

9. Decision on remuneration to the members of the Board of Directors, the alternate Board members and subcommittees

The Board of Directors proposes that the remuneration of the Board of Directors for the year 2020 will remain unchanged and shall be as follows:

Chairman	ISK 470,000 per month
Vice-Chairman	ISK 450,000 per month
Directors	ISK 310,000 per month

Alternates ISK 125,000 per attended meeting, but shall never exceed ISK 310,000 per month

Members of the
Audit Committee, the
Remuneration Committee, and the
Nomination Committee ISK 125,000 per month

The remuneration of the Board of Directors and committee members is fixed and shall apply to the next term.

10. Election of auditors

The Board of Directors proposes to the Annual General Meeting that KPMG ehf., Borgartún 27, 105 Reykjavík, will be re-elected as the Company's auditing firm for the year 2020.