

## EIMSKIPAFÉLAG ÍSLANDS HF. SHAREHOLDERS MEETING

A Shareholders' Meeting of Eimskipafélag Íslands hf. hf., reg. no. 690409-0460, will be held on 24 July 2018 at 16:00 at the Company's offices at Korngarðar 2.

### Final agenda:

#### 1. Proposal to reduce share capital

The Board of directors of the Company submits the following proposal:

*„Shareholders' Meeting of Eimskipafélag Íslands hf., held on 24 July 2018, resolves to reduce the Company's share capital of ISK 13,000,000 from ISK 200,000,000 to ISK 187,000,000 nominal value. The reduction will be executed by reducing the Company's own shares amounting to the above mentioned amount, in accordance with the provisions of the Act No 2/1995.”*

Therefore the Board of Directors proposes that Article 2.1 of the Company's Articles of Association relating to the share capital will be amended and that the following provision will replace the current article in its entirety:

*“The Company's share capital is ISK 187,000,000.”*

#### Notes relating to the proposal:

The Company has owned the 13,360,770 shares in treasury since 2014. Due to the strong financial leverage of the company and not foreseeable use of the treasury shares it is proposed to reduce the shares and deliver the value to current shareholders. It is being proposed that these shares will be cancelled. If this proposal is accepted the share capital of the Company will be reduced from ISK 200,000,000 to ISK 187,000,000 nominal value.

#### 2. 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 Shareholder Meeting of Eimskipafélag Íslands hf. held on 24 July 2018 grant the Board of Directors the authorization to acquire up to 18,000,000, 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:**

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.

### **3. Other matters**

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#### **Rules on participation and voting**

Shareholders right to propose resolutions for the meeting has passed. Further information on shareholders' rights is available on the Company's website: [www.eimskip.com/investors](http://www.eimskip.com/investors)

Each share in the Company carries one vote, except Treasury Shares that do not carry voting rights. Shareholders attending the meeting in person will be registered at the entrance of the meeting and will receive their ballot and other relevant documents. Shareholders who do not attend the meeting in person can vote on items on the agenda in writing, or by issuing a power of attorney. Shareholders will not be able to vote electronically at the meeting.

A shareholder's request to vote in writing must be received by the Company no later than five days prior to the meeting. Shareholders can request to have their ballot sent to them or claim their ballots at the Company's headquarters where they can cast their votes on business days from 9:00 to 16:30. Votes must be received by the Company prior to the meeting. Shareholders can grant written power of attorney, subject to certain formalities identified on the Company's website. Written powers of attorney must be received by the Company prior to the meeting or when registering for the meeting. Further information on the voting rules and use of powers of attorney are available on the Company's website: [www.eimskip.com/investors](http://www.eimskip.com/investors)

**Further information**

Documents of the meeting are available at the Company's website:  
[www.eimskip.com/investors](http://www.eimskip.com/investors)

Shareholders can also access the documents at the Company's headquarters in Korngardar 2, 104 Reykjavík, on business days from 9:00 to 16:30.

Shareholders and holders of power of attorney can register for the meeting on the meeting day from 15:30 at the Company's headquarters.

Reykjavík, 17 July 2018,

Board of Directors of Eimskipafélag Íslands hf.