



**EIMSKIPAFÉLAG ÍSLANDS HF.
RULES OF PROCEDURE
for
THE NOMINATION COMMITTEE**

**Article 1
Constitution**

The Nomination Committee is a sub-committee of the Board of Directors of Eimskipafélag Íslands hf. (the "Company") and established in accordance with the Rules of Procedure for the Board.

The Nomination Committee shall assist the Board with the process and oversight of Board succession planning and identification and nomination of Board candidates as well as member of the Board's committees.

The Board is responsible for the appointment and activities of the Nomination Committee and it operates under the Board's authority.

**Article 2
Composition of the 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. The members shall possess the knowledge and expertise needed to perform the tasks of the Committee.

**Article 3
Role and responsibility**

The Board is accountable to all Company's shareholders and other stakeholders for the way the Company conducts its business. The composition of the Board must therefore be such that the consolidated competences of its members are aligned with Company's long-term strategy, enabling it to inspire, guide and oversee the Company's development and diligently address and resolve the issues and problems faced at any time.

The Nomination Committee shall assist the Board with the process and oversight of Board succession planning and identification and nomination of Board candidates as well as members of the Board's committees.

To fulfill its role, the Nomination Committee shall:

- Regularly review and evaluate the structure, size and composition (including the balance of skills, knowledge, experience, diversity, tenure and independence) of the Board and its committees, making recommendations to the Board regarding any changes.
- Consider succession planning for Board members, taking into account the challenges and opportunities facing the Company, and what skills and expertise are therefore needed on the Board in the future.
- Establish a dialogue with the Company's major shareholders, with the aim of providing insights on Board composition and seeking shareholder input.
- Ensure that the Company's website includes information on how shareholders can submit proposals to the Nomination Committee.
- Be responsible for identifying and nominating for the approval of the Board, candidates to fill Board vacancies as and when they arise.
- Prepare a Nomination Report to be submitted to the Company's general meeting at which elections to the Board of Directors will take place. The report shall include a reasoned proposal of candidates to be elected, an overview of the nomination criteria as well as a description of the Committee's activities.



The Nomination Committee may obtain reasonable assistance from external or internal advisors when performing its tasks and duties. In the process of identifying suitable candidates, the Committee shall generally solicit the services of internationally recognized advisors to facilitate the search.

The Committee Chairman shall report formally to the Board on its proceedings on all matters within its duties and responsibilities. The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

The Committee shall ensure there is a statement in the Annual Report about its activities and the process used to make nominations.

**Article 4
Meeting and quorum**

The Nomination Committee shall convene as often as it determines necessary to perform its tasks and duties in an efficient way, at least twice a year. Furthermore, the Nomination Committee shall meet upon request of a member of the Committee.

Rules regarding Board meetings, as presented in the Board's Rules of Procedure, shall apply, as appropriate.

The Nomination Committee forms a quorum when two or more of its members are present. Resolutions are passed by simple majority.

The Nomination Committee may invite any Board Member, executive, external advisor or other person to attend any meeting(s) of the Committee as and when it deems appropriate.

The secretary of the Board of Directors acts as secretary of the Nomination Committee.

**Article 6
Miscellaneous**

Members of the Nomination Committee have the same general obligations as Board members, as stipulated in the Board's Rules of Procedure. The Committee shall, at least once a year, review its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval. These Rules enter into force on the date of adoption by the Board. Only the Board may amend these Rules. The original of these rules, as amended if applicable, shall be kept in the Company's records of minutes. At the time of adoption of these rules, all members of the Board shall sign the original thereof. The Rules shall be published on the Company's website.

Adopted by the Board of Directors of Eimskipafélag Íslands hf. on 26 March 2020
