

NOMINATION COMMITTEE

Report for Annual General Meeting

Date

11.3.2021

REPORT OF NOMINATION COMMITTEE

ROLE OF THE COMMITTEE

The Nomination Committee is a sub-committee of the Board of Directors which shall assist the Board with the process of Board succession planning, identification and nomination of Board candidates, alternate Board candidates as well as members of the Board's committees. The Nomination Committee was formed at the 2020 Annual General Meeting and began its work in the beginning of January 2021.

The Nomination Committee reviews and evaluates 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. The Committee establishes a dialogue with the Company's major shareholders, with the aim of providing insights on the Board composition and to seek shareholder input.

COMPOSITION

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.

The members of the Nomination Committee are Hrund Rudolfssdottir (Chairman), Óskar Magnússon and Vilhjálmur Vilhjálmsson.

ACTIVITIES DURING THE YEAR

<i>Date</i>	<i>Main projects</i>
<i>January 8th 2021</i>	Preparation meeting. Rules of procedure review, work until AGM discussed and suitability assessment reviewed.
<i>January 25th 2021</i>	Preparation meeting. Meetings with shareholders organized.
<i>January 27th 2021</i>	The Board informed of the Committees intentions
<i>February 1st 2021</i>	Advertisement published on Nasdaq

<i>February</i>	Meetings with largest shareholders that hold 88% of shares
<i>March 2nd</i>	Preparation meeting
<i>March 3rd-8th</i>	Interview with Board candidates
<i>March 9th, 10th and 11th</i>	Preparation meetings, discussion with shareholders and candidates, finalization of report

THE COMMITTEE'S DEFINITION OF KEY COMPETENCIES AND KNOWLEDGE

It is the Committee's conclusion that in order to be a strong Board member for Eimskipafélag Íslands general knowledge of extensive operations is the most important asset as well as knowledge of corporate governance. In addition, it is important that the Board is combined of diverse individuals with knowledge of the Company's core business.

The Company's Board of Directors as a whole must be composed of individuals with extensive business knowledge, both domestically and internationally. Board members must have good insight into Icelandic society and business environment, the labor market and business practices. The individuals who make up the Board of Directors need to have a solid career, and successful relations with the government and stakeholders.

THE COMMITTEE'S PROPOSAL

The number of candidates received by the Committee exceeded the number of available seats in the Board of Directors, and the Committee is pleased that so many qualified candidates showed interest in the Company.

Candidates that are not a part of the Committee's proposal of nomination of Board members will not automatically become candidates to the Annual General Meeting and they will not be covered in this report. The general deadline for declaring candidacy to the Board of Directors passes 10 days before the Annual General Meeting, or at 16:00 (GMT) on 15 March 2021.

It is the Committee's opinion that the appointment of the Company's Board of Directors has been successful in recent years during a time of transformation, and that the combined knowledge of Board Members has been broad and extensive. Board Members have co-operated well together and made decisions at demanding times without hesitation in a considered and informed way. Thus, the Committee believes that a similar composition of the Board is suitable now that two Board Members, Hrund Rudolfsdóttir and Vilhjálmur Vilhjálmsson, are resigning.

Based on that view and the general criteria mentioned above, the Committee recommends that the remaining Board Members and Alternate Board Members will be re-elected.

After reviewing the application documents, conducted interviews, and evaluated candidates the Committee considers that all applicants meet the general eligibility criteria. The Nomination Committee considers Margrét Guðmundsdóttir and Ólöf Hildur Pálsdóttir the most suitable individuals to take a seat on the Board of the Directors.

Therefore, the recommended composition of the Board of Directors are;

- Baldvin Þorsteinsson
- Guðrún Blöndal
- Lárus Blöndal
- Margrét Guðmundsdóttir
- Ólöf Hildur Pálsdóttir

Recommended candidates to the Alternate Board of Directors

- Jóhanna á Bergi
- Óskar Magnússon

RECOMMENDED CANDIDATES FOR BOARD OF DIRECTORS

Baldvin Þorsteinsson

Baldvin is the Director of European operations at Samherji hf. Previously he was the CEO of Iceland Drilling hf. from 2013 to 2016. He is currently a chairman of the board of Olíuverzlun Íslands hf., a board member of Iceland Drilling hf., and a board member of the Canadian fishing company Newfoundland Resources Limited Ltd. and the Norwegian fishing company Nergard A/S. He earned a BS degree in Industrial Engineering from the University of Iceland in 2007. Baldvin is currently the Chairman of the Board of Eimskipafélag Íslands hf. Baldvin owns 160,000 shares in the Company but does not have a share options agreement. He is not independent of Samherji Holding ehf., which holds 63.2 million shares in the Company.

Guðrún Blöndal

Guðrún was a CEO of Nasdaq CSD Iceland from 2013 to 2018. Previously she was the CEO of Arion Custody Services, subsidiary of Kaupthing hf., from 2002 until it merged with Arion bank hf. in 2012. She held various positions in Kaupthing hf. from 1984 to 2002 such as an Executive Director, Human Resource Manager, Marketing Manager and Asset Manager. In 2012 to 2013 she was a Board Member at the Enterprise Investment Fund slhf., Reginn hf., Míla ehf., Vörður Insurance Company and Vörður Life Insurance. Guðrún is an alternate board member at Landsbankinn hf. Guðrún earned a Cand.Oecon degree at the University of Iceland in 1990. She is currently an independent Board member at Eimskipafélag Íslands hf. and does neither own shares nor share options in the Company. She has no interest links with the Company's main clients, competitors, or major shareholders.

Lárus Blöndal

Lárus is a Supreme Court Attorney and a Partner at Juris Law Offices. Lárus was a Partner at Almenna lögfrædistofan from 1990 to 2008. Lárus is currently a board member of Orkusalan hf., RARIK Orkuthróun ehf. and the Chairman of the board of ISFI (Icelandic State Financial Investments). He has been a member of the Competition Appeals Committee since 2000 and its Vice-Chairman since 2009 and a member of the National Olympics and Sports Association's executive committee since 2001, becoming its Vice-President in 2006 and its President in 2013. He has previously been a board member of the Icelandic Bar Association, the University of Iceland's Human Rights Institute, the University of Iceland's Research Centre in Environmental and Natural Resources Law, Hótel Borg ehf., Fastus ehf., the Housing Financing Fund, Chairman of the National Olympic and Sport Association's legal committee, and a member of various other official committees and boards. Lárus has been a Supreme Court Attorney since 1998 and a District Court Attorney since 1990. He graduated with a Cand.jur.degree from the University of Iceland in 1987. Lárus is currently an independent Board member at Eimskipafélag Íslands hf. and owns 3,190 shares in the Company but no share options. He has no interest links with the Company's main clients, competitors, or major shareholders.

Margrét Guðmundsdóttir

Margrét is the Managing Director of Eignarhaldsfélagið Lyng ehf. and is a Board member of that company. She is also a Board Member at Krónan, Hekla hf., Hekla Fasteignir ehf. and Paradís ehf. Margrét was the Chairman of the European Surgical Trade Association from 2011 to 2013 and a member of its Board from 2009 to 2015. She was the Chairman of Félag atvinnurekenda from 2009 to 2013, a member of the Board of Reiknistofa bankanna from 2010 to 2011 and 2016 to 2018, the Board of Isavia from 2017 to 2018 and the Board of SPRON from 2008 to 2009.

Margrét was the CEO of Austurbakki, later Icepharma hf., from 2005 to 2016. Prior to that she was the Managing Director of Skeljungur from 1995 to 2005, Managing Director of Kuwait Petroleum (Denmark) A/S from 1986 to 1995 and Office Manager at Dansk ESSO (later Statoil) from 1982 to 1986. Margrét was Deputy Managing Director of AIESEC International in Brussels from 1978 to 1979. Margrét holds a Cand. oecon. degree in economics and business administration from the University of Iceland, a Cand. merc. degree from the Copenhagen Business School and Executive education from CEDEP/Insead in France.

Margrét does neither own shares nor share options in the Company. She has no interest links with the Company's main clients, competitors, or major shareholders.

Ólöf Hildur Pálsdóttir

Ólöf Hildur is the CFO of atNorth ehf. and has held that position since the year 2019. Prior to that she worked as an independent Financial Advisor for a year, and at Arion bank and its predecessors from 2000 to 2017 in various roles e.g. as Head of Credit Structuring and Analysis, Deputy Head of IR, Investment strategist and fund manager. Ólöf Hildur has been a board member of Reginn and Alternate Board member of VÍS. Ólöf holds a Cand. Oecon degree from the University of Iceland.

Ólöf Hildur does neither own shares nor share options in the Company. She has no interest links with the Company's main clients, competitors, or major shareholders.

RECOMMENDED CANDIDATES FOR ALTERNATE BOARD

Óskar Magnússon

Óskar is a well-known writer and has published two collections, short stories and three novels in recent years. He is a farmer and co-owner and chairman of Kerfélagið ehf., the owner of the tourist nature attraction Kerid Crater. Óskar is currently a vice-chairman of the board of Samherji hf., a board member of Samherji Holding ehf. and a chairman of the Icelandic landowners Association. He has previously been a board member of the Icelandic Bar Association. Óskar was Publisher/CEO and major shareholder of Árvakur hf. from 2009 to 2015, President/CEO of Tryggingamiðstöðin hf. and TM Life Insurance hf. from 2004 to 2007, President/CEO of Vodafone Iceland from 2001 to 2007, Executive Chairman of Baugur from 1998 to 1999 and President/CEO of Hagkaup hf. supermarkets, that later became part of Baugur Corporation, from 1993 to 1998. Óskar has been a Supreme Court Attorney since 1993. He graduated with an LL.M. degree in International Business Law from George Washington University Law School in 1986, and with a Cand.jur. degree from the University of Iceland in 1983. Óskar is currently an alternate member of the board of Eimskipafélag Íslands hf. He owns 15,000 shares in the Company, but no share options, but is not independent of Samherji Holding ehf., which holds, in total, 63.2 million shares in the Company.

Jóhanna á Bergi

Jóhanna is the CEO of Atlantic Airways Ltd. Jóhanna was the CEO of P/f Faroe Ship, Eimskip's subsidiary in the Faroe Islands, from 2006 to 2015, Sales Director of JFK and Kósin Seafood from 1998 to 2006 and Sales Manager of Faroe Seafood France from 1994 to 1998. She is currently a board member of the Faroese Confederation of Sports and Olympic Committees, Nordoyatunnilin, Föroya Grunnurin, and Visit Faroe Islands. Jóhanna has a Master's degree in Management from Robert Gordon University in the UK. She further holds an EE degree from the Danish School of International Marketing and Export. Jóhanna is an independent Board member and does neither own shares nor share options in the Company. She has no interest links with the Company's main clients, competitors, or major shareholders.

CURRENT BOARD MEMBERS

Baldvin Þorsteinsson – Chairman of the Board

Information about Baldvin can be read in text above.

Hrund Rudolfsdóttir – Vice-Chairman of the Board

Hrund is the CEO of Veritas Capital ehf. Previously she was Corporate Director of Human Resources at Marel hf. from 2009-2013 and Director of Operations and Investments at Moderna Finance ehf./Milestone ehf. from 2007 to 2009. Hrund was CEO of L&H Holding, CEO and Chief of Operations of Lyf & heilsa hf. from 2001 to 2006. She is currently a board member of Iceland Chamber of Commerce, Artasan hf., Distica hf., Stoð ehf, Bandagisten A/S and Lumina ehf. Hrund took her Master's degree in International Marketing and Management at Copenhagen Business School in 2000. She also

earned a Cand.Oecon. degree at the University of Iceland in 1994. Hrund is an independent Board member and does neither own shares nor share options in the Company. She has no interest links with the Company's main clients, competitors, or major shareholders. Hrund is an independent Board member.

Guðrún Ó. Blöndal – Board member

Information about Guðrún can be read in text above.

Lárus L. Blöndal – Board member

Information about Lárus can be read in text above.

Vilhjálmur Vilhjálmsson – Board member

Vilhjálmur is the Chairman of the Board of Directors of Hampiðjan hf. Vilhjálmur was the CEO of HB Grandi hf. from 2012 to 2018, and a Manager of HB Grandi hf.'s pelagic sector from 2005 to 2012. Before joining HB Grandi hf. Vilhjálmur was office manager and later the CEO of Tangi, Vopnafjörður based fishery from 2001 to 2004. Vilhjálmur started his career in fisheries at age 11 and worked as a seaman from age of 15 alongside his studies. Later Vilhjálmur started working ashore at Fiskafurðir ehf. and at the Federation of Icelandic fishing vessels owners where he worked for 8 years before joining Tangi. Vilhjálmur is a Fish Industry Technician from the Icelandic Technical College and is a master of navigation from Reykjavik Navigational School. He is an independent Board member and does neither own shares nor share options in the Company. He has no interest links with the Company's main clients, competitors or major shareholders.

Óskar Magnússon – Alternate of the Board

Information about Óskar can be read in proposal text above.

Jóhanna á Bergi – Alternate of the Board

Information about Jóhanna can be read in proposal text above.

Reykjavík, 11 March 2021

Hrund Rudolfsdóttir
Chairman of Nomination Committee

Óskar Magnússon

Vilhjálmur Vilhjálmsson