

# REMUNERATION COMMITTEE Rules of Procedure

Approved by the Board of Directors

28.3.2023

# Rules of Procedure for the Remuneration Committee

## **OBJECTIVE**

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, the CEO, and other senior management of the Company. The Committee’s objective is to perform its tasks according to Icelandic laws, Act no. 2/1995 respecting Public Limited Companies.

## **Article 1**

### **COMMITTEE APPOINTMENT**

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

The Board of Directors shall appoint the Committee chair.

The Committee operates under the authority of the Board and the Board is responsible for the appointment and activities of the Committee. Remuneration to the Committee’s members is decided by the Annual General Meeting.

## **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, and other employees under Committee’s authority.
4. To submit proposal to the Board on remuneration for the Board and its sub-committees for next term.
5. To take independent stance on the impact of remuneration on risk-taking and risk management of the Company in cooperation with the Audit Committee.
6. To handle matters that the Board has assigned the Committee from time to time.
7. To prepare an annual report of its activities to the Board.
8. To prepare a report to the Annual General Meeting of its work. The report shall include a description of the Committee’s activities for the term, along with proposals on amendments

to the Remuneration Policy. In case the Committee decides to deviate from the Remuneration Policy in its proposals, it shall be recorded in the meeting minutes of the Committee.

The Company's Remuneration Policy shall be published at the Company's Investor website.

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-today managers. The Committee is responsible for verifying that such consultants are independent.

The Committee 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.

### **Article 3**

#### **MEETINGS AND QUORUM**

The Committee shall hold meetings when the Chairman decides, or when other Committee members request, at least twice a year.

A meeting is lawful if at least two Committee members attend. Participation via teleconferencing equipment is a lawful participation.

The Remuneration 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. When information is gathered from within the Company it shall be done in co-operation with the CEO.

### **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 28 March 2023.

The Remuneration Committee shall review and assess the adequacy of the Rules of Procedure annually and send proposed changes to the Board of Directors for approval. The Board of Directors alone can change these rules.

28 March 2023

Board of Directors of Eimskipafélag Íslands hf.

Óskar Magnússon

Margrét Guðmundsdóttir

Guðrún Blöndal

Lárus Blöndal

Ólöf Hildur Pálsdóttir