
Proposals submitted to the Annual General Meeting (AGM) of Siminn hf.

11 March 2021

- 1. Report of the Board of Directors on the Company's activities during the past year**
- 2. Confirmation of annual accounts and decision on how to handle the company's profit or loss during the financial year**

The Board of Directors of Siminn hf. proposes to the AGM that the annual accounts for 2020 be confirmed.

Reference is made to the annual accounts for the disposal of profits and other changes in equity accounts.

- 3. Decision on the payment of dividends**

The Board of Directors of Síminn hf. proposes to the AGM that dividends be paid out to shareholders for the financial year 2020, which amounts to kr. 0,059 per share. Thus, the total payment amounts to ISK 500 million, which represents 17% of the profit for the year 2020.

Record date will be 15 March 2021, all shareholders specified in the Company's register of shareholders at the end of the Record date are entitled to dividends for the operating year 2020. The ex-date date, that is, the date the transaction commences with the company's shares without the right to dividend for the fiscal year 2020, will be 12 March 2021 next business day after the AGM. The payout date will be 8 April 2020. A proposal for a dividend payment is in accordance with the dividend policy of the company.

- 4. Proposals for amendments to the company's articles of association, if received**

- 5. Election of three individuals to the Nomination Committee**

The Board of Directors nominates the following members to sit on the Nomination Committee until the next AGM:

Jensína Kristín Böðvarsdóttir
Steinunn Kristín Þórðardóttir
Sverrir Briem

6. Election of the Board of Directors of the Company

7. Election of a statutory auditor or audit firm

The Board of Directors of Síminn hf. proposes to the AGM that KPMG ehf. will be the company's auditing firm and that Árne Claessen will carry out the audit on behalf of KPMG ehf.

8. Decision on the remuneration to the members of the Board of Directors for the work as well as remuneration of the members of the subcommittees and the Nominating Committee

The Board of Directors of Síminn hf. proposes to the AGM that the remuneration to the Board and Committee be as follows:

The remuneration of the chairman of the Board will be ISK 725.000 kr. a month

The remuneration of the vice-chairman will be ISK 375.000 kr. a month

The remuneration of board members will be ISK 375.000 kr. a month

The remuneration of the Chairman of the Audit Committee shall be ISK 210.000 kr. a month

The remuneration of the members of the Audit Committee shall be ISK 90.000 kr. a month

The remuneration of the Chairman of the Remuneration Committee shall be ISK 130.000 kr. a month

The remuneration of the members of the Remuneration Committee shall be ISK 65.000 kr. a month

The remuneration of the Chairman of the Nomination Committee shall be ISK 130.000 kr. a month

The remuneration of the members in the Nomination Committee shall be ISK 65.000 kr. a month

9. Proposal of the Board of Directors on the Company's remuneration policy

Proposal by the Board of Directors of Síminn hf. for remuneration policy is available at the company's office and is accessible on its website:

<https://www.siminn.is/umsimann/fundir>

No changes to the current remuneration policy are proposed.

10. Proposal to reduce share capital and amend the Company's Articles of Association

The Board of Directors submits the following proposal for a resolution on the reduction of the Company's share capital:

„The AGM of Síminn hf., held on 11 March 2020, agrees to reduce the Company's share capital from kr. 8,750,000,000 nominal value to 8,433,854,749 ISK at nominal value, to offset own shares on the basis of Act no. 2/1995, on Public Limited Companies. The company's share capital thus decreases by ISK. 316,145,251 nominal value. The reduction applies to own shares that the company has acquired through the purchase of own shares according to a repurchase plan that was approved at the company's last AGM on 12 March 2020 on the basis of Article 55. Act no. 2/1995 on public limited companies."

If the proposal is approved by the AGM, the amount of share capital in the Company's Articles of Association will be adjusted accordingly. Article 4.1 in the Company's Articles of Association will be amended in the following way:

„The Company's share capital is 8.433.854.749, - Eight billion four hundred and thirty-three million eight hundred and fifty-four thousand seven hundred and forty-nine ISK "

Summary with a proposal to reduce share capital to offset own shares:

The Board of Directors of Síminn hf. submits to the AGM held on 11 March 2021 a proposal that the company's share capital be reduced by ISK 316,145,251 nominal value. According to the proposal, it is assumed that the company's own shares will be equalized to the above nominal amount. The company has bought the shares on the market with the authorization of the AGM last year, as part of a repurchase plan and a reduction in share capital. If the proposal is approved, the nominal value of the company's share capital will decrease from ISK 8,750,000,000 in ISK 8,433,854,749. Nominal value of share capital according to Article 4.1. in the company's articles of association is amended accordingly.

11. Proposal to reduce share capital through payment to shareholders and amend the Company's Articles of Association.

The company's Board of Directors submits the following proposal for approval of a reduction in the company's share capital and payment to shareholders, taking into account changes pursuant to Art. Item 10 in the Board's proposals:

"The AGM of Síminn hf., held on 11 March 2021, agrees to reduce the company's share capital from ISK 8,433,854,749 at nominal value to

ISK 7,540,000,000, with payment to shareholders on the basis of point 2. Paragraph 2 Article 51 Act no. 2/1995 on public limited companies. The company's share capital is thereby reduced by ISK 893,854,749 nominal value. Reduction amount that exceeds the nominal value, or ISK 7,106,145,251 will be deducted from the premium account. If the proposal is approved, the stock exchange will be notified with a special announcement of the implementation of the reduction of share capital, including the reference dates regarding the rights date, the rights without rights and the estimated payment date. Payment will be made as soon as possible after the legal reservations have been met. "

If the proposal is approved by the AGM, the amount of share capital in the company's Articles of Association will be changed accordingly, so that Art. 4.1. in the company's articles of association subsequently reads as follows, taking into account changes pursuant to Art. Item 10 in the Board's proposals:

"The company's share capital is 7,540,000,000, - seven billion five hundred and forty million"

Summary with a proposal for a reduction of share capital by payment to shareholders:

The Board of Directors of Síminn hf. submits to the AGM a proposal that the company's share capital be reduced by ISK 893,854,749 nominal value. According to the proposal, it is proposed to pay shareholders ISK 8,000,000,000. The amount in excess of the nominal reduction will be allocated from the premium account. If the proposal is approved, the nominal value of the company's share capital will decrease from ISK 8,433,854,749 in ISK 7,540,000,000. Nominal value of share capital according to Article 4.1. in the company's articles of association is amended in accordance with the above proposals for write-downs of share capital.

It is the opinion of the company's board that the company's equity ratio has become high and it is therefore appropriate to reduce share capital and thus seek to achieve a more efficient capital structure, as the group's equity ratio is 57.2% at the end of 2020 and the parent company's equity ratio 58.7%. The reason for the above proposal is that Síminn's subsidiary, Mila, is completing the refinancing of debts, which today are all from Síminn's parent company. Síminn also sold its subsidiary Sensa at the end of 2020 for ISK 3.25 billion and receives 2/3 of the purchase price paid in cash and 1/3 in liquid securities. The refinancing of Mila and the sale of Sensa will result in Síminn's liquidity position as a result, or well over ISK 20 billion. Therefore, Síminn intends to repay about ISK 10 billion of its debt and refinance the outstanding amount, or about ISK 6 billion. In addition, the company will have access to up to ISK 7 billion in the form of long-term loans, credit lines and bill issuance. Following the changes, Síminn's indebtedness will decrease significantly, while the Group's indebtedness will increase. Síminn intends to use liquidity as a result of the repayment of Mila loans and the sale of

Sensa to reduce share capital by paying out to shareholders. Following the disbursement, the Board of Directors is of the opinion that the capital structure is more favorable for shareholders and more in line with Siminn's targets for indebtedness. The equity ratio of the Síminn Group following the write-down of share capital will be around 45% and 66% for the parent company.

As a reservation is made to the Tax Register's business register granting an exemption from the recall obligation, the proposal does not include a specific payment date, but the proposal is clear that payment should be made as soon as possible after the reservation is fulfilled. The proposal also states that when the reservations have been complied with, it shall be notified to the stock exchange and it is planned that in that notification the payment date, X-day and reference date will be specified, as well as confirmation of when the last trading day with disbursement rights is due. The proposal also states that when paying out to shareholders, the company's share register at the end of the trading day shall be based on five trading days before the payment date.

12. Proposal to authorize the Company to purchase own shares in accordance with Art. Article 55 The act on Public limited Companies.

The Board of Directors of Siminn hf. proposes to the AGM that the following proposal on the purchase of own shares be approved and replace the current authorization of the Board of Directors to purchase own shares granted at the Company's AGM on 12 March 2020.

„The AGM of Siminn hf., held on 11 March 2021, authorizes the Board of Directors of the Company to purchase one-time or more often over the next 18 months shares in the Company so that, together with its subsidiaries, it will own up to 10% of its share capital, given that all legal requirements are fulfilled , ; a maximum of kr. 754.000.000 nominal value, for the purpose of establishing market making for shares in the company and / or for setting up a formal share-buy back program. The consideration for purchased shares shall not exceed the value of the last independent transaction or the highest available independent bid in those trading systems where trading of the shares is higher, whichever is higher. However, such purchases are permitted if they are made by market makers according to Article 116 of the Act on Securities Transactions or on the basis of Point 3. Paragraph 3 Article 115 and paragraph 2 Article 119 of the Act on Securities Transactions and Regulations issued on the basis of Art. 118. And 131. of the same law. This authorization is based on the provisions of Art. 55 of Act no. 2/1995. Other prior authorizations for the purchase of own shares will lapse upon approval of this authorization.“

If the proposal of the Board of Directors is approved, the authorization will be mentioned in a separate annex to the Articles of Association of the Company, and the Annex shall form part of the Articles of Association the time the authorization is valid, cf. Article 8.1 of the Company's Articles of Association.

Summary with a proposal for authorization to purchase own shares:

The Board of Directors of Síminn hf. submits to the AGM a proposal that the company's board of directors may purchase its own shares. The proposal assumes that previous repurchase plans expire upon approval of the proposal by the AGM. The purpose of the acquisition is to establish a market making with shares in the company and set up a formal repurchase plan.

13. Proposals from shareholders to be included in the agenda

14. Other matters