



Rules of Procedure of Síminn hf. Nomination Committee



1. Purpose of the Nomination Committee

1.1. The purpose of Síminn hf. (hereinafter “the Company”) the Nomination Committee (hereinafter “the Committee”) is to promote the interests of all shareholders and facilitate that the proposed Board of Directors (hereinafter “BoD”) candidates collectively possess sufficient knowledge and experience to exercise their obligations under the Company’s Article of Association, the Act on Public Limited Liability Companies no 2/1995, as well as other Acts and regulations that apply to the Company.

1.2. The Committee shall be an active platform for assessing whether candidates for the BoD have sufficient and appropriate competencies to act as Directors on Síminn’s BoD according to the Company’s Competency Criteria, see appendix 1. Furthermore, it should assess whether the overall BoD composition is effective. Based on its findings the Committee shall make recommendations for BoD candidacy to the Annual General Meeting (hereinafter “AGM”).

2. Composition of the Nomination committee and qualification of its members

2.1. The Committee shall consist of three (3) members, all of whom shall be independent of the Company and its management team.

2.2. Neither management nor employees of the Company may be appointed as Committee members.

2.3. Collectively the committee members must possess:

a) Extensive experience in evaluating candidates against qualification criteria.

b) Good knowledge of business and board responsibilities.

c) Excellent knowledge of corporate governance and requirements made by laws and regulations as well as generally accepted guidelines on corporate Governance.

2.4. Each Committee candidate must meet at least one of the above-mentioned criteria and have a sound reputation in the business community.



3. Appointment of committee members

3.1. Committee members shall be elected by the AGM each year. The Committee composition shall be in compliance with the gender equality requirements in the Act on Public Limited Liability Companies no 2/1995.

3.2. In the call for the AGM the BoD shall propose three Committee members. The shareholders may propose other individuals, no later than seven days prior to the AGM. If there are more than three individuals nominated that AGM shall elect nomination committee.

3.3. The Committee candidates that are nominated shall provide the Company with the same information as is required by BoD candidates under Act on Public Limited Liability Companies no 2/1995, the Company's Article of Association, in addition to information on how the Committee Candidates fulfils one or more of the criteria under Article 2 of these Rules of Procedure.

3.4. The BoD shall review the Committee candidacy in the same manner as the BoD reviews the BoD candidacy under the Company Article of Association. No later than two days prior to the AGM the BoD shall publish the name of the individuals that have been nominated as nomination committee members in the same manner as the candidates for the BoD is published.

3.5. Information on the arrangements for the appointment of the Committee, the rules of procedures of the Committee and information on the Committee members shall be published on the Company's website.

3.6. If a Committee Member resigns or cease to be a member of the Committee, for whatever reason, before the Committee's term has expired, the BoD may appoint a new nomination committee member until the next AGM.

4. Committee Obligation and Working Procedures

4.1. The Committee's main obligation is to act as an advisory Committee regarding the election of the BoD at each AGM.



4.2. The Committee shall publish on the Company's website information on how potential BoD candidates may declare their interest in serving as directors. The Committee shall create a standardized form detailing relevant information on candidates' qualifications and competencies and ensure that such a form exists for acting board members. Information about the procedure and the standardized form shall be accessible on the company website.

4.3. The Committee shall conduct an assessment of the competencies and composition of the current board. Individual interviews should be done with each board member with the purpose of assessing the individual competencies and qualities based on the Company's Competency Criteria, as well as evaluating the BoD's overall effectiveness as reported by board members. Furthermore, board members should notify the Committee if they intend to seek reappointment to the board or not, preferably before the Committee publishes its recommendation to AGM.

4.4. Following the interviews with the members of the BoD the Committee shall make a reasoned assessment of the overall BoD qualities and composition measured against the Board Competency Criteria and determine whether there is a gap that is required to be filled by new candidates. If such gaps are established based on the reasoned opinion of the Committee, it shall seek to find potential candidates that can compensate for these gaps or otherwise add to the capabilities and competencies on the BoD. In such process, shareholders shall be given an opportunity to suggest candidates and the Committee shall encourage the shareholders to put forth potential candidates in a timely manner. The committee can decide to make open announcements for candidates, and such notifications shall clearly state the specific qualifications required.

4.5. The Committee shall take appropriate action to ensure that nominated candidates collectively possess sufficient diversity and breadth in capabilities, experience and knowledge. The committee shall evaluate the independence of potential candidates, so as to make sure that the proposed pool of candidates is in compliance with the Corporate Governance Guidelines (CGG) issued by the Icelandic Chamber of Commerce. Furthermore, the committee shall ensure that the proposed pool is in accordance with Act 2/1995 regarding equal representation of gender on the board.

4.6. The Committee shall present the BoD with its reasoned recommendations at least three days prior to the Board meeting which approves the Company's annual account.

4.7. Based on the evaluation process, and recruitment process, if applicable, the Committee shall provide the reasoned recommendations to the AGM that shall be included in the call



for each AGM. The report and recommendations to the AGM, shall be made available to the shareholders in the same manner and deadline as other necessary AGM documents are published.

4.8. Any candidacies that may emerge between the call for the AGM and the five days deadline for submitting candidacy, shall be assessed by the Committee, as possible, and reported on at the AGM. All recommendations made by the Committee must be reasoned and based on Competency Criteria and presented no later than two days prior to the AGM.

4.9. The Committee can decide to suggest the same number of candidates as the number of board seats or to suggest a higher number of candidates. Should the Committee decide to do the latter, it should clearly indicate the criteria for its suggestions.

4.10. The Committee shall report to the BoD its main findings on collective board competencies and board effectiveness as reported by board members in the interviews. This shall serve as an input to the board's self-assessment process.

4.11. The Committee shall regularly review these rules of procedures and make suggestions, if applicable, in its report presented before each AGM.

4.12. Reference to the AGM in these Rules of Procedure shall apply equally to any Shareholder Meeting where it is necessary to elect new board members.

5. Meetings

5.1. The Committee shall after its election at the AGM convene and elect the Chairman of the Committee.

5.2. The Committee shall meet as needed to fulfil its obligations. The chairman shall call for meeting and chairs the meetings.

5.3. Meetings are valid and legal if attended by all members. Committee members may attend a meeting via telecommunication device.

6. Access to information

6.1. The Company, the BoD as well as potential Board of Directors candidates shall ensure that the committee members will be given timely access to all relevant documentation that



the Committee deems necessary to fulfil its tasks and obligations under these Rules of Procedure.

6.2. The Committee shall be authorised to interview the BoD or relevant employees of the Company regarding board procedures and other information relevant to the Committee 's responsibilities upon request. Such interviews shall be conducted under strict confidence.

7. Confidentiality

7.1. The members of the Committee are bound by strict confidentiality regarding their work in relation to the Committee as well as all information obtained by the Committee members, unless specifically stated in these Rules of Procedure.

7.2. Confidentiality shall be honoured after the employment of the Committee members has expired.

7.3. All information of the Committee shall be kept in a secure manner and stored by the Company. All personal information that is not necessary to be stored for record keeping purposes shall be deleted, destroyed or otherwise made deidentifiable.

8. Committee member remuneration

8.1. Annual General Meeting of the Company shall decide on remuneration to the Committee members based on suggestion of the BoD

9. Enter into force

9.1. These rules shall become effective upon the approval of the AGM and shall apply until amended or revoked by shareholders meeting of the Company.

9.2. The rules of procedure shall be published on the Company's website.

9.3. The rules are published in English and Icelandic, in case of discrepancy between the two versions, the Icelandic version shall prevail.

Thus, approved at the AGM of Síminn hf. on March 12th 2020.