



## **REMUNERATION POLICY FOSSAR MARKETS HF.**

Remuneration policy for Fossar Markets hf. ("Fossar" or the "Company") approved at the 2018 Annual General Meeting on 2 March 2018.

### **1. Objectives**

The Remuneration Policy is designed to attract, develop and retain high-performing and motivated employees in a competitive market. The policy reflects the Company's objectives for good corporate governance as well as sustained long-term value creation for shareholders.

The Remuneration Policy applies to all employees of Fossar and the Board of Directors.

### **2. Board of Directors**

Members of the Board of Directors shall receive a fixed, monthly payment in accordance with the decision of the Annual General Meeting of the Company. Alternate members shall receive a fixed amount for each Board meeting they attend.

The Board shall submit a proposal on the fee for the upcoming operating year, taking into account the extent of responsibilities, time commitment and the results of the Company.

### **3. CEO**

A written employment contract shall be prepared between the Company and the CEO, containing details of his main duties and responsibilities. The amount of his basic salaries and other remuneration shall take into account his education, working experience and be competitive. Other details of his remuneration, such as contribution to pension funds, holiday allowance and other benefits, as well as terms of notice, shall be mentioned in the employment contract.

The basic salary of the CEO shall be revised annually and shall evaluate the performance of the CEO, the development of salaries for similar positions and the general performance and operations of the Company.

The employment contract should include and stipulate all payments due to the CEO upon termination of the contract. Under special circumstances, and if compliant with the Act on financial undertakings no. 161/2002, it is permitted to prepare a separate redundancy contract.



#### **4. Managing Directors and other key employees**

The CEO employs the Managing Directors and other key employees of the Company, in consultation with the Board of Directors. Terms of their employment contracts shall take into account same aspects and principles as mentioned in paragraph 3, as applicable.

#### **5. Other employees**

The Managing Directors and other key employees shall, when applicable, take the above into consideration when deciding on the terms of employment of other employees.

#### **6. Variable remuneration**

The Company has not adopted rules on Variable Remuneration pursuant to Rules on remuneration for financial undertakings no. 388/2016 prepared by the Financial Supervisory Authority Iceland.

#### **7. Disclosure of Information**

Information on the total remuneration of members of the Board of Directors, managing directors and key employees shall be disclosed at the Annual General Meeting each year. This includes any deferred payments and extraordinary contracts during the preceding financial year.

#### **8. Approval of the Remuneration Policy**

The Remuneration Policy shall be presented to the shareholders at the Annual General Meeting for their approval. The Remuneration Policy shall be subject to annual review and approval by the Annual General Meeting.

The Remuneration Policy shall be of guidance for the Board. Any deviation from the policy shall be recorded and justified in the Board's minutes. The Board of Directors shall inform the Annual General Meeting of such deviations.

The Company's Remuneration Policy shall be published on its website.