



The Annual General Meeting of Sýn hf. will be held Friday March 17, 2023 at 10:00 am. The meeting will be streamed online, but shareholders who want to attend are also welcome to the meeting venue at Sudurlandsbraut 8, 6th floor, IS-108 Reykjavík. All those attending must register on the website: www.lumiconnect.com/meeting/syn2023.

Meeting Agenda:

1. Board of Directors report on the company's last year of operations.
2. The company's Annual Financial Statements for last year of operations submitted for approval.
3. Decision on how to dispose of the company's return from the 2022 operating year.
4. Proposal to lower share capital through redemption (cancellation) of the company's own shares, following purchase of own shares.
5. Proposal to amend the company's Articles of Association and for an authorisation to purchase own shares (which will be presented in an addendum to the Articles of Association):
 - i) Amendment to the method of summons to the Annual General Meetings and shareholder meetings.
 - ii) Authorisation for the company to purchase own shares, which will be an addendum to the Articles of Association.
6. Proposal for a policy on dividend payments and/or repurchase of own shares.
7. Proposal on the company's remuneration policy.
8. Decision on remuneration to Board Directors for the coming year of operation.
9. Election of the Board of Directors of the Company.
10. Election of two representatives to the company's Appointment Committee according to the Board's rules of procedure and the rules of procedure for the Appointment Committee.
11. Election of company Auditors.
12. Other legally submitted matters.





Board proposals to the 2023 Annual General Meeting of Sýn hf.

- I. **Agenda item 2. – The company's Annual Financial Statements for the past year of operation is submitted for approval**

Proposal: The presented Annual Financial Statement for 2022 be approved.

- II. **Agenda item 3. – Decision on how to dispose of the company's return from the 2022 operating year**

Proposal: "The Board of Directors proposes to the Annual General Meeting that a dividend of ISK 300,000,000 be paid to shareholders for the 2022 year of operations or about ISK 0.112 for each ISK of shares in the company at par value. The dividend will be paid to shareholders on April 5, 2023. The last trading day when dividend is included with the shares is March 17, 2023 and the ex-dividend date is therefore March 20, 2023. The record date is March 21, 2023, which means that dividend will be paid to those who are recorded in the shareholder registry of Sýn hf. at the Icelandic Securities Depository at the close of day on March 21, 2023."

Justification: This is a proposed amendment to a previous Board of Directors proposal on how to dispose of the company's return from the 2022 year of operation. The amendment to the Board's original proposal is only meant to change the ex-dividend date from Saturday March 18, 2023 to Monday March 20, 2023, as it is considered more appropriate that the ex-dividend date be the next business date following the Annual General Meeting date and also the business day preceding the record date. As before, the proposal for dividend payment is based on the existing dividend policy and is consistent with the improved performance of Sýn hf.

- III. **Agenda item 4. – Proposal to lower share capital through redemption (cancellation) of the company's own shares, due to purchase of own shares**

Proposal: "The Annual General Meeting of Sýn hf. held March 17, 2023 agrees that the company's share capital be lowered by ISK 173,752,080 at par value, only through redemption (cancellation) of the respective holding of the company's own shares (a total of 17,375,208 shares representing a total of ISK 173,752,080 at par value) based on the provisions of article 54 of the Act on Public Limited Companies No. 2/1995. The company's share capital is thus lowered from a par value of ISK 2,683,769,620 to a par value of ISK 2,510,017,540. As this concerns a redemption (cancellation) of the company's own shares, there will be no payment for the shares and therefore there is no need for a recall to company creditors, however, an exemption from the recall obligation will be sought from the Register of Companies if otherwise. The company's Board of Directors shall agree to and make necessary amendments to the company's Articles of Association on account of this."





Justification: At the Sýn hf. Annual General Meeting on March 18, 2022 the Board of Directors was authorised to purchase its own shares. According to the authorisation the repurchase could amount to up to 10% of the Company's issued share capital. On the basis of the above-mentioned authorisation the Board of Directors of Sýn, decided at its meeting last November 2, to implement a new repurchase plan for purchase of the company's shares. The repurchase plan is implemented for the purpose of lowering the company's issued share capital. The repurchase should be at least 4,958,678 shares, or about 1.85% of the company's issued shares, but to an amount no higher than ISK 300 million.

At its meeting on February 15 the Board of Directors decided to discontinue the repurchase plan and go instead for a reverse tender for up to ISK 800 million, according to notification thereof to the stock exchange, dated February 17, 2023. The Board of Directors of Sýn hf. decided to accept tenders for 13,559,322 shares at the rate of 59.00 in repurchase.

The purpose of the repurchase and the reverse tender, was to lower the company's share capital and on that basis the company's Board of Directors proposed to lower the share capital by the sum of the company's own shares acquired in the repurchase plan and the reverse tender, based on the repurchase balance once the reverse tender was complete, amounting to 17,375,208 own shares (i.e. ISK 173,752,080 at par value), or the equivalent of about 6.47% of the company's issued share capital at the end of the repurchase, according to the tender arrangement. The lowering will not affect shares owned by other shareholders, only those of the company itself. The authorisation for cancelling own shares in this manner is based on article 54 of the Act on Public Liability Companies No. 2/1995. As this concerns a redemption (cancellation) of the company's own shares there will be no payment for the shares and consequently there will be no need for a recall to company creditors, however, an exemption from the recall obligation will be sought from the Register of Companies if otherwise.

IV. Agenda item 5. – Proposal of amendment to the company's Articles of Association:

i) Amendment to the method and implementation of summons to Annual General Meetings and shareholder meetings

Proposal: It is proposed that article 13 of the Articles of Association be as follows:

"A shareholder meeting shall be summoned in a written or electronic announcement to each shareholder or with an advertisement on a stock exchange if the company is listed on a equity market.

Shareholder meetings shall be summoned at least three weeks prior to the meeting, and for an Annual General Meeting at least three and no longer than six weeks prior to the meeting.

The Board of Directors has decided that shareholders are to inform the company of their intended attendance to the shareholder meeting within a specified time before the meeting, but no more than one week prior. The summons to the meeting shall contain information on the day of registration. Voting rights at the meeting depend on the number of shares at the time when the registration period ends.





In other respects the summons and arrangement of shareholder meeting and Annual General Meeting will be according to the provisions of the Act on Public Limited Companies No. 2/1995."

Furthermore it is proposed that article 14 of the Articles of Association be as follows:

"When summoning a shareholder meeting, the agenda, proposals, as well as the Annual Financial Statements (for a parent company, group Financial Statements are included), Board of Directors' report, remuneration policy and the Auditor report in case of an Annual General Meeting, shall be presented for shareholders to examine at the company's office and at the same time sent to each registered shareholder who may request it. Should a shareholder wish to add a matter or a proposal to the shareholder meeting agenda, such a request shall be submitted in time for it to be entered to the meeting's agenda. The Board of Directors shall present an amended agenda on this occasion as soon as may be. Shareholders have a right to present matters or proposals for a resolution to the Annual General Meeting if a written or electronic request has been made thereon no later than 10 days before a meeting. The company's Board shall inform shareholders at least three days before an Annual General Meeting of this request and the proposal whenever applicable and also, as the case may be, of a revised meeting agenda, for example on the company's website or in the stock exchange if the company is listed on a regulated market. Matters that have not been indicated on the shareholder meeting agenda cannot be taken up for a final solution at the meeting without the consent of all the company's shareholders, but a resolution may be passed as guidance for the company's Board. Legally presented supplementary proposals and amendments may be presented at the meeting itself."

Justification: The proposal takes note of changes in the provisions of the Act on Public Limited Companies No. 2/1995, see Act No. 119/2022.

ii) Authorisation for the company to purchase its own shares, which will be an addendum to the Articles of Association

Proposal: "The Annual General Meeting of Sýn hf. held March 17, 2023 agrees to authorise the company's Board of Directors, on the basis of article 55 of the Act on Public Limited Companies No. 2/1995, to purchase on behalf of the company up to 10% of its share capital. This authorisation shall be used in order to set up a market maker with shares in the company, create a formal repurchase plan or make a general bid to the shareholders to buy the company's own shares, for example with a tender arrangement, provided that all shareholders are treated equally when offered to participate in such transactions. In repurchase the highest permitted payment for each share shall be no higher than the last independent transaction or the highest available independent offer in the business systems where the shares are traded, whichever is higher. The company's trading of its own shares shall be notified according to laws and regulations. This authorisation is valid for 18 months from its approval. Other former authorisations to purchase own shares become void upon the approval of this authorisation."

Justification: This authorisation to purchase own shares is in line with last Annual General Meeting's authorisation, but the provision provides a clearer authorisation to tender a general offer to shareholders for the company to buy its own shares.





According to article 30 of the company's Articles of Association, the authorisation will be mentioned for information purposes in a special addendum to the company's Articles of Association, if approved, replacing an addendum on the same issue, but does not entail an actual change to the company's Articles of Association.

V. Agenda item 6. – Proposal for a policy on dividend payments and/or repurchase of own shares

Proposal: "The Board of Directors of Sýn hf. has set a policy for the company whereby an emphasis should be placed on the company returning to its shareholders, directly or indirectly, the value created through operations each year, in excess of necessary investments in fixed assets. For that purpose the Company has mainly three options: direct dividend payments, paying off interest bearing debt and repurchase of its own shares.

The company aims to return to shareholders a value equivalent to 30%-60% of profit after tax, in accordance with applicable law and regulations at any given time. Under specific circumstances, such as following sale of assets, the company plans to return value to shareholders that exceeds the above-mentioned reference. The final contribution of each year will depend on the company's financial standing, investment needs and market circumstances.

VI. Agenda item 7. – Proposal on the company's remuneration policy.

Proposal: "The Board of Directors proposes an unchanged remuneration policy from the last Annual General Meeting."

Justification: In recent years the Annual General Meeting has regularly amended the company's remuneration policy. It is the opinion of the Board of Directors that those changes worked well and therefore there is no reason to change the policy any more at this point. The entire policy can be found in the meeting document.

VII. Agenda item 8. – Determination of payment to Board Directors

Proposal: "The Board of Directors proposes to the Annual General Meeting that payment to Board Members be as follows:

- a) Chairman of the Board to receive ISK 625,000 per month.
- b) Vice-Chairman of the Board to receive ISK 470,000 per month
- c) Other Board Members to receive ISK 310,000 per month.
- d) Auxiliary Members of the Board to receive ISK 125,000 for each meeting attendance.
- e) Chairmen of Sub-Committees to receive ISK 125,000 per month.





- f) Other Sub-Committee members to receive ISK 65,000 per month, notwithstanding item g.
- g) Elected members of the Appointment Committee, as well as other external advisers to Sub-Committees, be paid based on the approved tender. Payments to Auditors shall also be according to the approved tender."

Justification:

It is proposed that Board Member payments, wages to members of Sub-Committees and payments to elected members of the Appointment Committee, external advisers and Auditors remain unchanged.

VIII. Agenda item 11. – Election of the Company's Auditors

Proposal: The Board of Directors of the Company proposes to the Annual General Meeting that Deloitte ehf. be Auditors for Sýn hf."

