



## **Report of the Remuneration Committee of Síminn hf.**

### **Operating year 2025 – 2026**

#### **Purpose and role of the Remuneration Committee**

Síminn has established a Remuneration Policy, which is applied throughout the Company. The Company's Remuneration Policy was approved unchanged at the Annual General Meeting in 2025. The policy is intended to serve as the basis for appropriate remuneration at Síminn and to ensure that the remuneration of senior management takes into account the Company's long-term performance, individual performance, and the interests of shareholders.

The Remuneration Committee shall negotiate terms with the CEO, and the Board of Directors shall approve the Company's agreement with the CEO. The CEO is responsible for the terms of employment of other employees of the Company and is responsible for ensuring that remuneration is always in accordance with the Remuneration Policy and its implementation guidelines issued by the Remuneration Committee. The Committee is authorised to consult with external advisers on terms of employment in comparable companies when necessary. The Committee is intended, in accordance with its role, to cover the tasks stipulated in the Guidelines on Corporate Governance, 6th edition 2021.

#### **Composition and work of the Remuneration Committee during the operating year**

The Remuneration Committee is a sub-committee of the Board of Directors of Síminn and is appointed by it in accordance with the Board's rules of procedure. The Remuneration Committee of Síminn for the operating year 2025 - 2026 was composed of Jón Sigurðsson (Chairman), Arnar Mátsson and Valgerður Halldórsdóttir. The Remuneration Committee held two meetings during the operating year 2025 - 2026. The Committee's main tasks concerned the Remuneration Policy, the CEO's salary terms and payments under the variable remuneration scheme for the CEO and Executive Management. The Committee also advised the CEO on the remuneration and employment terms of Managing Directors, as well as on a Managing Director's departure from the Company. The Committee also discussed general employee-related issues such as job satisfaction surveys and equal pay certification.

Two Managing Directors resigned during the year, and payments made in connection with their departure were in accordance with their employment contracts and within the scope of the Remuneration Policy. Further discussion of the salary payments of the CEO and Executive Management can be found in note 31 to the financial statements for the year 2025.

Síminn's Remuneration Policy specifies the following regarding bonus payments: "A bonus may amount to a maximum amount corresponding to four months' basic salary for the CEO and senior management. Bonuses shall be based on the performance of the employees in question, the Company's performance and/or important milestones in the Company's operations and activities, including whether set goals have been achieved."

At the same time as the annual accounts for 2025 were approved, at a board meeting on February 17, 2026, the Board of Directors of Síminn approved the remuneration committee's proposal for payments due to the variable salary system for the CEO and Executive Management. The targets defined in the system for the financial year 2025 were partially achieved, but the targets were based on operating profit (2 months), joint non-financial targets (1 month) and personal targets (1



month). Based on the above objectives, the Board of Directors approved payments equivalent to 2.5 to 3.0 months' basic salary, to four members of the Executive Committee. Managing Directors who commenced employment in 2025 were not eligible for participation in the bonus scheme for that year. The equivalent of 1.0 monthly wages were paid for common financial goals, the equivalent of 1.0 monthly wages for common non-financial goals and the equivalent of 0.5-1.0 monthly wages for personal goals. The payments in question amounted to a total of ISK 38 million, excluding wage-related expenses.

The fixed salary of the CEO was increased by 3.5% in 2025 and on average the fixed salary of the Managing Directors employed by the Company at year-end 2024 increased by 3.5% during the year.

At a board meeting on May 16, 2023, the Board of Directors of Síminn hf. decided to grant management and certain key employees stock options for a total of 75,000,000 shares in the company. The decision is based on the approval of the Annual General Meeting from March 9, 2023. On November 7, 2025, the Board of Directors of Síminn hf. decided to grant two new Managing Directors and certain key employees stock options for a total of 15,000,000 shares in the company, or the equivalent of approximately 1.06% of Síminn's issued share capital. The decision is based on the approval of the Annual General Meeting from March 2023. At year-end 2025, 67,500,000 shares had been allotted to Executive Management and other key employees, and their exercise period will begin in the autumn of 2026 and last until 2030 but the option will lapse if the option holder leaves the Company. Further information on the terms of the stock option plan for executives and key employees can be found on Síminn's website for investors<sup>1</sup>.

In accordance with the resolution of the Annual General Meeting on 9 March 2023, a stock option plan based on Article 10 of Act No. 90/2003 on Income Tax has been finalised. The stock option applies to all permanent employees of the company. According to the plan, each option holder will acquire the right to purchase shares in the Company for a maximum of ISK 1,500,000 once a year for three years, following the publication of the half-year results for the years 2024, 2025 and 2026. The purchase price of shares is the weighted average of trading in the Company's shares during the last ten trading days prior to the date of the agreement.

In 2023, 226 employees entered into a stock option agreement covering up to 30,874,312 shares in 2024, 2025 and 2026 and the option price was 10.98 per share.

- The option price has been adjusted for dividend payments in 2024 and 2025 and is now 10.58.
- Of the 226 employees who entered into stock option agreements in 2023, 190 were still employed by the company at the end of last year.

In 2024, 38 employees were added who are entitled to up to 11,457,286 shares in 2025 and 2026 and the option price was 9.95 per share.

- The option price has been adjusted for dividend payment in 2025 and is now 9.75.
- Of the 38 employees who entered into a stock option agreement in 2024, 31 were still employed by the company at the end of last year.

In 2025, 23 employees were added who are entitled to up to 2,595,937 shares in 2026 and the option price was 13.29 per share.

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<sup>1</sup> [Síminn hf. - Proposal for a share option plan for management 2023](#)



No employee exercised their stock option in 2024, as the market price was lower than the option price at that time.

In 2025, 150 employees exercised their stock options and purchased a total of 21,087,950 shares at nominal value. The utilisation is divided as follows:

- Registered 2023: 121 employees purchased 16,677,694 shares at a nominal value of 10.58.
- Registered 2024: 29 employees purchased 4,410,256 shares at a nominal value of 9.75.

Further information on Síminn's salary costs can be found in Note 8 to the financial statements for the year 2025. Information on stock options is provided in Note 12, and Note 31 contains details on the remuneration of the Board of Directors and the fixed and variable salaries of the CEO and Executive Management for 2025.

The Remuneration Committee has discussed the variable component of the salaries of the CEO and Executive Management for the financial year 2026 and submitted a proposal to the Board of Directors for updated targets. The performance targets for 2026 will be based on EBIT, performance and personal targets. The variable component of salary may amount to a maximum of four months' base salary in accordance with the current Remuneration Policy, of which two months will be subject to EBIT targets and two months to personal targets.