



# Remuneration Policy

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FOR ÖLGERÐIN EGILL SKALLAGRÍMSSON HF (Ölgerðin)

## **1. Purpose and objectives.**

1.1 The Company's Remuneration Policy is set pursuant to Article 79 a of Act No. 2/1995 on Public Limited Companies and with reference to the guidelines of the Iceland Chamber of Commerce, Nasdaq Iceland hf., and the Confederation of Icelandic Enterprise on corporate governance.

1.2 The objectives of the Remuneration Policy are that remuneration within the Company and its subsidiaries is structured so as to contribute to the achievement of the operational and performance goals at any given time and that shareholders have an influence on and insight into the Company's policy on the remuneration of the CEO, other senior executives, and members of the Board. The Remuneration Policy is based on the long-term interests of the Group, its shareholders, customers, and employees.

1.3 The Remuneration Policy is intended to ensure that the Company is always competitive and able to attract and retain outstanding employees who, through their work, contribute to the success and prosperity of the Group.

## **2. Scope and review.**

2.1 This Remuneration Policy defines the fundamental aspects of the remuneration of the CEO, other senior executives, and members of the Board of the Company and its subsidiaries, and as well as within what framework it is permissible to pay or reward executives and board members in addition to the base salary. Therefore, the Remuneration Policy thus covers the main aspects of the employment terms and remuneration of the Board of Directors, the CEO, and other senior executives. For the purposes of this Remuneration Policy, other senior executives are defined as employees of the Company and its subsidiaries who are members of the Executive Board of the Company.

2.2 The Remuneration Policy shall be reviewed and approved by the Board annually and subsequently submitted to the Annual General Meeting for approval.

### **3. Remuneration Committee of the Board.**

3.1 The Board of Directors shall nominate up to three individuals to serve on the Remuneration Committee. The CEO of the Company and other employees may not serve on the Remuneration Committee. Committee members shall possess experience and knowledge of the benchmarks and practices relating to executive remuneration.

3.2 The Board of Directors shall approve the rules of procedure of the Remuneration Committee. The Board is responsible for the work of the Committee, which operates under the authority of the Board.

3.3 The Remuneration Committee shall prepare proposals for the Board regarding the Company's Remuneration Policy and regarding the remuneration of the CEO, the Board, and sub-committees of the Board, cf. Article 79 of Act No. 2/1995 on Public Limited Companies.

3.4 The Board of Directors, together with the Remuneration Committee, shall ensure that remuneration within the Company is in line with this Remuneration Policy.

### **4. Remuneration of the Board and its sub-committees.**

4.1 The remuneration of the Board and its sub-committees shall be determined at the Annual General Meeting each year.

4.2 The Board shall submit a proposal on the remuneration of the Board and its sub-committees for the coming operating year, following proposals from the Remuneration Committee. In doing so, account shall be taken of the responsibilities borne by the Board and its sub-committees, the time devoted to the work, the Company's performance, and the objectives of this Remuneration Policy.

### **5. Remuneration of the CEO.**

5.1 A written employment agreement shall be made with the CEO of the Company, specifying his remuneration, including base salary, variable pay, pension fund contributions, vacation, other benefits, and notice period, as well as the basis for revising individual remuneration elements, if applicable.

5.2 The base salary and other remuneration of the CEO shall be competitive in the market in which the Company operates and shall reflect qualifications, responsibilities, scope of work, job performance, and internal factors within the Company's operations, such as pay distribution.

5.3 Other remuneration shall be in line with what is generally offered by comparable companies, such as pension fund contributions, vacation, benefits, and notice periods. When concluding an employment agreement with the CEO, it shall be ensured that no additional payments shall be made

upon termination beyond what is stipulated in the agreement and that the notice period shall not exceed 12 months.

## **6. Remuneration of other senior executives.**

6.1 The CEO appoints other senior executives of the Company and negotiates their remuneration.

6.2 Written employment agreements shall be concluded with senior executives, specifying their remuneration, including base salary, variable pay, pension fund contributions, vacation, other benefits, and notice periods, as well as the basis for revising individual remuneration elements, if applicable.

6.3 The base salary and other remuneration of senior executives shall be competitive in the market in which the Company operates and shall reflect the qualifications, responsibilities, scope of work, job performance, and internal factors within the Company's operations, such as pay distribution.

6.4 When determining the remuneration of senior executives, it shall be ensured that no additional payments shall be made upon termination beyond what is stipulated in the agreement and that the notice period shall not exceed 6 months. Termination agreements may be concluded with senior executives, but such payments shall reflect the agreed employment terms, the notice period, and the circumstances of the termination.

## **7. Variable remuneration – Bonuses to executives.**

7.1 The CEO and other senior executives of the Company and its subsidiaries covered by this Remuneration Policy may be paid bonuses on the basis of specific predefined criteria determined by the Board, following the opinion of the Remuneration Committee, in the form of performance related payments, share grants in the Company, or share options, with the aim of aligning the interests of executives with the long term objectives of the Company and its shareholders. Bonuses shall be based on the Company's performance and the performance of the relevant employee in achieving the predefined targets. The targets are set by the CEO and linked to the Company's strategy, e.g., related to sales, market share, sustainability, and efficiency projects. The CEO's targets are determined by the Board.

7.2 When determining bonuses to the CEO and other senior executives pursuant to what is stated hereinabove, the annual bonus amount shall not exceed four months' base salary or 33.33% of the relevant individual's base salary.

## **8. Variable remuneration – Executive share options.**

8.1 The Board of Directors may, following the opinion of the Remuneration Committee, enter into share option agreements with the CEO and certain executives of the Company and its subsidiaries

for the purchase of shares in Ölgerðin, provided that the Company's shareholders' meeting has authorized the Board to issue new share capital to meet obligations the Company may assume under such agreements.

8.2 Such option agreements shall stipulate that the granted options are vested and exercisable in tranches. Option holders shall generally not be permitted to exercise options on shares until after a three-year waiting period from the grant date. The Board shall determine the terms of option agreements with individual employees, within the limits set out in the Company's Articles of Association.

8.3 Board members shall not receive remuneration in the form of shares, share options, or any other payments linked to shares in the Company or their market value.

## **9. Variable remuneration – Share options for all employees.**

9.1 The Board of Directors may approve a share option scheme in accordance with Article 10 of Act No. 90/2003 on Income Tax and, on that basis, offer employees of the Company and, where applicable, its subsidiaries, options to purchase shares in the Company.

9.2 The objective of the share option scheme is to align the interests of Group employees with the performance and long-term objectives of the Company and its shareholders.

9.3 Under the scheme, each employee who meets the requirements referred to in Article 10 of Act No. 90/2003 shall be entitled to purchase shares in the Company for up to ISK 750,000 annually for three years, otherwise, it is to be in accordance with Article 10 of Act No. 90/2003.

## **10. Equal pay.**

10.1 Ölgerðin has adopted an Equal Pay Policy covering all employees and has obtained and maintains equal pay certification.

10.2 Employees of Ölgerðin shall receive equal pay and enjoy the same terms for the same or equally valuable work regardless of gender. Equal pay means that pay shall be determined in the same manner for all employees irrespective of gender, race, nationality, religion, age, or other irrelevant factors. The criteria underlying pay decisions shall not involve unjustifiable discrimination.

10.3 Equality shall be ensured in the allocation of all types of remuneration and benefits, direct or indirect, and employees shall enjoy the same terms regarding pension, vacation, and sick leave regardless of gender, race, nationality, religion, age, or other irrelevant factors.

## **11. Disclosure.**

11.1 At the Company's Annual General Meeting, remuneration of Board members and, as applicable, the CEO, shall be reported, and the Board shall explain the implementation of the previously

approved Remuneration Policy. If there have been material deviations from the Remuneration Policy, the Board shall record such deviations in the minutes along with reasoning, cf. Article 79 a of Act No. 2/1995 on Public Limited Companies.

**12. Approval of the Remuneration Policy.**

12.1 This Remuneration Policy of Ölgerðin is advisory for the Company and its Board, unless otherwise prescribed by law, and primarily covers the aspects set out hereinabove. The Remuneration Policy shall be approved at the Company's Annual General Meeting with or without amendments.

Thus, this was approved at the Annual General Meeting.

Reykjavík, May 2025