

## CORPORATE GOVERNANCE DECLARATION

### Icelandic Investors Ltd.

The Board of Directors of Icelandic Investors Ltd. has decided the following policy on corporate governance accordant with Act no. 161/2002 on Financial Undertakings.

Icelandic Investors Ltd. follows the Corporate Governance Guidelines published by the Iceland Chamber of Commerce, SA – Business Iceland, and Nasdaq OMX Iceland, in May 2015 (5th edition) in addition to the acts and rules applying to the activities of financial undertakings each time, available in their entirety on the homepage of the Financial Supervisory Authority, Iceland.

The Corporate Governance Guidelines of the Iceland Chamber of Commerce, SA – Business Iceland, and Nasdaq OMX Iceland state that management has definite leeway to depart from the guidelines' points and, in such instances, explain the reasons for the departure.

Because of the company's smallness and the composition of the shareholders' group, Icelandic Investors Ltd. departs, for example, from the following points in the above guidelines, in whole or in part:

- Subpar. 1.1 on the requirement to divulge the date and time of its Annual General Meeting on its homepage after the company has decided this, and that it shall list the candidates for the Board of Directors on its homepage.
- Subpar. 1.5 on the appointment and work of a nominating committee, but the company sees no reason to appoint such a committee.
- Subpar. 2.8 on risk management and internal monitoring since the company got an exemption from the Financial Supervisory Authority, Iceland, from running an internal audit department, and these operations are outsourced to impartial specialists. The company's Board of Directors is responsible for the company's risk management and internal control and regularly discusses the company's status and risk-taking at board meetings, along with the company's managing director, who sees to daily internal control and risk management.
- Subpar. 2.9 on social responsibility and ethics, but the company's Board of Directors has set neither written criteria on ethics nor a policy on social responsibility.
- Subpar. 2.10 on communications with shareholders, but the company's Board of Directors has not set separate rules on or processes for communications with shareholders.
- Subpar. 3.1 on having on file a job description of the chairman of the board's work and responsibility.
- Subpar. 5 on subcommittees of the Board of Directors and their appointment, but no such committees operate at the company.

Subpar. 6.2 on the company's publishing on its homepage an employment terms policy, information on shareholder meetings, annual accounts, meeting documents of the Board of Directors and shareholder meetings, annual accounts, etc.

The company's Board of Directors is elected at the Annual General Meeting accordant with the company's Articles of Incorporation, and 3 board members are elected and 2 reserve members. Board members shall always fulfil the qualification conditions of the Act on Financial Undertakings. The company's homepage has information on the company's board members.

The company's Board of Directors sets rules of procedure that it is obligated to follow.

The company's Articles of Incorporation address the role of the managing director and his main duties.

Icelandic Investors Ltd. has not violated any laws or rules that a relevant supervisory and/or quasi-judicial body has decided.