

NOTICE OF COVERED BONDHOLDER MEETING

THIS NOTICE IS IMPORTANT AND REQUIRES THE IMMEDIATE ATTENTION OF COVERED BONDHOLDERS.

If any Covered Bondholder is in any doubt about any aspect of the proposal in this notice and/or the action it should take, it is recommended to seek its own financial advice immediately from its broker, bank manager, solicitor, accountant or other financial adviser authorised under the Financial Services and Markets Act 2000 (if it is in the United Kingdom (the “UK”)) or from another appropriately authorised independent financial adviser and such other professional adviser from its own professional advisers as it deems necessary.

FURTHER INFORMATION REGARDING THE MATTERS REFERRED TO IN THIS NOTICE IS AVAILABLE IN THE CONSENT SOLICITATION MEMORANDUM (THE “CONSENT SOLICITATION MEMORANDUM”) ISSUED BY THE ISSUER TODAY, AND ELIGIBLE (AS DEFINED BELOW) COVERED BONDHOLDERS ARE ENCOURAGED TO READ THIS ANNOUNCEMENT IN CONJUNCTION WITH THE SAME.

ARION BANK HF.

(incorporated with limited liability in Iceland)
(the “**Issuer**”)

NOTICE OF COVERED BONDHOLDER MEETING

to the holders (the “**Covered Bondholders**”) of the
€300,000,000 Series 2021-1 Tranche 1 0.050 per cent. Fixed Rate Covered Bonds due 5 October 2026 consolidated
with €200,000,000 Series 2021-1 Tranche 2 0.050 per cent. Fixed Rate Covered Bonds due 5 October 2026 (ISIN:
XS2391348740) (the “**2026 Covered Bonds**”)
(the “**Covered Bonds**”)

of the Issuer presently outstanding.

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the agency agreement dated 16 July 2021 (the “**Agency Agreement**”), made between the Issuer and The Bank of New York Mellon, London Branch (the “**Fiscal Agent**”), the Issuer has convened a meeting (the “**Meeting**”) of the Covered Bondholders to be held via teleconference on 8 March 2024 for the purpose of considering and, if thought fit, passing the resolution set out in the Annex to this Notice, with the implementation of the resolution being subject to satisfaction of the condition set out in paragraph 9(b) thereof (the “**Eligibility Condition**”) and which resolution will be proposed as an Extraordinary Resolution in accordance with the provisions of the Agency Agreement.

The Meeting will commence at 10.00 a.m. (London time).

Capitalised terms used in this Notice and not otherwise defined herein shall have the meanings given to them in the Consent Solicitation Memorandum dated 12 February 2024 (the “**Consent Solicitation Memorandum**”), which is available to Eligible Covered Bondholders (as defined below) from the Tabulation Agent (including on the website of the Tabulation Agent (<https://deals.is.kroll.com/arionbank>)) (see “*Documents Available for Inspection*” below). In accordance with normal practice, the Tabulation Agent, the Paying Agent and the Fiscal Agent have not been involved in the formulation of the Covered Bondholder Proposal (as defined below). The Tabulation Agent, the Solicitation

Agent, the Paying Agent and the Fiscal Agent express no opinion on, and make no representations as to the merits of, the Covered Bondholder Proposal, the Extraordinary Resolution or the proposed amendments referred to in the Extraordinary Resolution set out below.

None of the Tabulation Agent, the Solicitation Agent, the Paying Agent or the Fiscal Agent makes any representation that all relevant information has been disclosed to Covered Bondholders in or pursuant to this Notice, the Consent Solicitation Memorandum or otherwise. None of the Tabulation Agent, the Solicitation Agent, the Paying Agent or the Fiscal Agent has approved the draft Supplemental Agency Agreement appending the Amended and Restated Final Terms and Supplemental Deed of Covenant referred to in the Extraordinary Resolution set out below and the Fiscal Agent recommends that Covered Bondholders arrange to inspect and review such draft Supplemental Agency Agreement appending the Amended and Restated Final Terms and Supplemental Deed of Covenant as provided below in this Notice. Accordingly, Covered Bondholders should take their own independent legal, financial, tax or other advice on the merits and the consequences of voting in favour of the Extraordinary Resolution, including any tax consequences, and on the impact of the implementation of the Extraordinary Resolution and the payment of the Early Participation Fee.

None of the Tabulation Agent, the Solicitation Agent, the Paying Agent or the Fiscal Agent is responsible for the accuracy, completeness, validity or correctness of the statements made in the Consent Solicitation Memorandum or this Notice, or omissions therefrom.

Neither this Notice nor the Consent Solicitation Memorandum constitutes or forms part of, or should be construed as, an offer for sale, exchange or subscription of, or a solicitation of any offer to buy, exchange or subscribe for, any securities of the Issuer or any other entity. The distribution of the Consent Solicitation Memorandum may nonetheless be restricted by law in certain jurisdictions. Persons into whose possession the Consent Solicitation Memorandum comes are required to inform themselves about, and to observe, any such restrictions.

COVERED BONDHOLDER PROPOSAL

Pursuant to this Notice, the Issuer has convened the Meeting to request that Covered Bondholders consider and, if thought fit, agree by Extraordinary Resolution to the matters contained in the Extraordinary Resolution set out in the Annex to this Notice.

If the Extraordinary Resolution is passed by the Covered Bondholders, and if the Eligibility Condition is satisfied, the Extraordinary Resolution will be binding on all Covered Bondholders, including those Covered Bondholders who do not vote in favour of the Extraordinary Resolution or who do not vote in connection with the Extraordinary Resolution.

The Covered Bondholder Proposal is being put to Covered Bondholders for the purpose of amending the Final Terms and the Deed of Covenant so that

- (i) the Covered Bonds will no longer be rated by S&P; and
- (ii) the covenants relating to the credit ratings provided by S&P in respect of the Covered Bonds or the Issuer shall cease to apply.

It should be noted that (i) the Covered Bonds will continue to be rated by Moody's and the covenants provided to support the rating from Moody's and endorsed by Moody's Deutschland GmbH will continue to apply, and (ii) the Issuer has no obligation to maintain any credit ratings by S&P, and the Proposed Amendments will not change this.

Covered Bondholders should also refer to the Consent Solicitation Memorandum which provides further background to the Covered Bondholder Proposal and the reasons therefor.

CONSENT SOLICITATION

Covered Bondholders are further given notice that the Issuer has invited Eligible Covered Bondholders (the “**Consent Solicitation**”) to consent to the approval, by Extraordinary Resolution at the Meeting, of the modification of the Final Terms and the Deed of Covenant (as defined in the Consent Solicitation Memorandum) as described in paragraph 1 of the Extraordinary Resolution as set out below, all as further described in the Consent Solicitation Memorandum.

The Consent Solicitation Memorandum and any other documents or materials relating to the Consent Solicitation are only for distribution or to be made available to persons who are (i) not retail investors (as defined in the Extraordinary Resolution below) in either the EEA or the UK and, if applicable and acting on a non-discretionary basis, who are acting on behalf of beneficial owners that are not retail investors in either the EEA or the UK, and (ii) otherwise persons to whom the Consent Solicitation can be lawfully made and that may lawfully participate in the Consent Solicitation (all such persons, “**Eligible Covered Bondholders**”).

Subject to the restrictions described in the previous paragraph, Covered Bondholders may obtain from the date of this Notice a copy of the Consent Solicitation Memorandum from the Tabulation Agent, the contact details for which are set out below. In order to receive a copy of the Consent Solicitation Memorandum, a Covered Bondholder will be required to provide confirmation as to his or her status as an Eligible Covered Bondholder.

The Issuer will pay to each Eligible Covered Bondholder from whom a valid Consent Instruction (as defined in the Consent Solicitation Memorandum) for the Extraordinary Resolution is received by the Tabulation Agent by 4.00 p.m. (London time) on 23 February 2024 (the “**Early Instruction Deadline**”), an amount equal to 0.025 per cent. of the nominal amount of the Covered Bonds that are the subject of such Consent Instruction (the “**Early Participation Fee**”), subject to (i) such Consent Instruction not being revoked (in the limited circumstances in which revocation is permitted), (ii) the Extraordinary Resolution being duly passed, (iii) the Issuer not having previously terminated the Consent Solicitation relating to the Extraordinary Resolution in accordance with the provisions for such termination (as set out in the Consent Solicitation Memorandum), and (iv) satisfaction of the Eligibility Condition, all as more fully described in the Consent Solicitation Memorandum. Only Eligible Covered Bondholders who deliver, or arrange to have delivered on their behalf, valid Consent Instructions for the Extraordinary Resolution by the Early Instruction Deadline (which are not subsequently revoked (in the limited circumstances in which revocation is permitted)) will be eligible to receive the Early Participation Fee.

INELIGIBLE COVERED BONDHOLDERS

Ineligible Covered Bondholder Payment

Any Covered Bondholder who is not an Eligible Covered Bondholder, on the basis that such Covered Bondholder is either (a) a retail investor in either the European Economic Area or the UK and, if applicable and acting on a non-discretionary basis, who is acting on behalf of a beneficial owner that is a retail investor in either the EEA or the UK, and (b) otherwise a person to whom the Consent Solicitation cannot be lawfully made and that may not lawfully participate in the Consent Solicitation (each an Ineligible Covered Bondholder) may be eligible, to the extent permitted by applicable laws and regulations, to receive an equivalent amount to any applicable Early Participation Fee (which is an amount equal to 0.025 per cent. of the per cent. of the nominal amount of the Covered Bonds that are the subject of such Ineligible Covered Bondholder Instruction (as defined below)) (the Ineligible Covered Bondholder Payment).

To be eligible for the Ineligible Covered Bondholder Payment, an Ineligible Covered Bondholder must deliver, or arrange to have delivered on its behalf, a valid Ineligible Holder Instruction that is received by the Tabulation Agent by 4.00 p.m. (London time) on 23 February 2024 (the **Ineligible Instruction Deadline**) and is not subsequently revoked (in the limited circumstances in which revocation is permitted).

Only Ineligible Covered Bondholders may submit Ineligible Covered Bondholder Instructions and be eligible to receive the Ineligible Covered Bondholder Payment. By delivering, or arranging for the delivery on its behalf, of an

Ineligible Covered Bondholder Instruction in accordance with the procedures described below, an Ineligible Covered Bondholder shall be deemed to agree, acknowledge and represent to the Issuer, the Tabulation Agent, the Solicitation Agent, the Paying Agent and the Fiscal Agent (i) that it is an Ineligible Covered Bondholder and (ii) as otherwise set out under "*Submission of Ineligible Holder Instructions*" below. Eligibility for the Ineligible Covered Bondholder Payment is subject in each case to the Extraordinary Resolution being passed at the Meeting (or any adjourned such Meeting).

Where payable, Ineligible Covered Bondholder Payments are expected to be paid by the Issuer to the relevant Ineligible Covered Bondholders no later than the second Business Day following the Meeting.

By submitting an Ineligible Covered Bondholder Instruction by the relevant Ineligible Instruction Deadline, an Ineligible Covered Bondholder may either (a) confirm only its status as an Ineligible Covered Bondholder (which is all that is required for that Ineligible Covered Bondholder to be eligible for the Ineligible Covered Bondholder Payment) or (b) give instructions for the appointment by the Paying Agent of one or more representatives of the Tabulation Agent as its proxy to attend the Meeting (and any adjourned such Meeting) and vote in the manner specified or identified in such Ineligible Covered Bondholder Instruction in respect of the Extraordinary Resolution.

To be eligible to receive the Ineligible Covered Bondholder Payment, each Covered Bondholder who submits an Ineligible Holder Instruction must not attend, or seek to attend, the Meeting in person or make any other arrangements to be represented at the Meeting. Ineligible Covered Bondholders may choose to attend and vote at the Meeting in person or to make other arrangements to be represented or to vote at the Meeting in accordance with the provisions for meetings of Covered Bondholders set out in the Agency Agreement, and as described in this Notice. However, any such Ineligible Covered Bondholder will not be eligible to receive the Ineligible Covered Bondholder Payment, irrespective of whether such Ineligible Covered Bondholder has delivered an Ineligible Covered Bondholder Instruction.

Submission of Ineligible Covered Bondholder Instructions

Any Ineligible Covered Bondholder may deliver, or arrange to have delivered on its behalf, a valid Ineligible Covered Bondholder Instruction (as defined below).

In respect of any Covered Bonds held through Euroclear Bank SA/NV ("**Euroclear**") or Clearstream Banking S.A. ("**Clearstream, Luxembourg**" and, together with Euroclear, the "**Clearing Systems**"), the submission of Ineligible Covered Bondholder Instructions will be deemed to have occurred upon receipt by the Tabulation Agent from Euroclear or Clearstream, Luxembourg, as applicable, of a valid instruction (an "**Ineligible Covered Bondholder Instruction**") submitted in accordance with the requirements of Euroclear or Clearstream, Luxembourg, as applicable. Each such Ineligible Covered Bondholder Instruction must specify, among other things, the aggregate nominal amount of the Covered Bonds which are subject to such Ineligible Covered Bondholder Instruction, and the securities account number at the relevant Clearing System in which the relevant Covered Bonds are held. The receipt of such Ineligible Covered Bondholder Instruction by the relevant Clearing System will be acknowledged in accordance with the standard practices of such Clearing System and will result in the blocking of the relevant Covered Bonds in the relevant Ineligible Covered Bondholder's account with such Clearing System so that no transfers may be effected in relation to such Covered Bonds until the earlier of (i) the date on which the relevant Ineligible Covered Bondholder Instruction is validly revoked (in the limited circumstances in which revocation is permitted, including the automatic revocation of such Ineligible Covered Bondholder Instruction on the termination of the Consent Solicitation in accordance with the terms of the Consent Solicitation) and (ii) the conclusion of the Meeting (or, if applicable, any adjourned Meeting).

Only Direct Participants (as defined under "*Voting and Quorum*" below) may submit Ineligible Covered Bondholder Instructions. Each beneficial owner of Covered Bonds who is an Ineligible Covered Bondholder and is not a Direct Participant, must arrange for the Direct Participant through which such beneficial owner of Covered Bonds who is an Ineligible Covered Bondholder holds its Covered Bonds to submit an Ineligible Covered Bondholder Instruction on its behalf to the relevant Clearing System before the deadlines specified by the relevant Clearing System.

By delivering, or arranging for the delivery on its behalf, of an Ineligible Covered Bondholder Instruction in accordance with the procedures described below, a Covered Bondholder shall (A) waive its right to attend (via teleconference) and vote (or be represented) at the Meeting (as the consequence of the eligibility condition set out in paragraph 9(b) of the Extraordinary Resolution is that the Extraordinary Resolution may only be implemented where it is passed irrespective of any vote or other participation at the Meeting by Ineligible Covered Bondholders, such that the attendance and voting at the Meeting by an Ineligible Covered Bondholder will be of no consequence for such implementation) and (B) be deemed to agree, acknowledge, represent, warrant and undertake to the Issuer, the Fiscal Agent, the Solicitation Agents, the Paying Agent and the Tabulation Agent at (i) the time of submission of such Ineligible Covered Bondholder Instruction, (ii) the Expiration Deadline, (iii) the time of the Meeting and (if applicable) at the time of any adjourned such Meeting and (iv) the Implementation Date (and if a Covered Bondholder or Direct Participant on behalf of any Covered Bondholder is unable to make any such agreement or acknowledgement or give any such representation, warranty or undertaking, such Covered Bondholder or Direct Participant should contact the Tabulation Agent immediately) that:

(a) It is an Ineligible Covered Bondholder.

(b) It is not a person or entity (a “**Person**”) (A) that is, or is directly or indirectly owned or controlled by a Person that is, described or designated in (i) the most current “Specially Designated Nationals and Blocked Persons” list (which as of the date hereof can be found at: <https://www.treasury.gov/ofac/downloads/sdnlist.pdf>) or (ii) the Foreign Sanctions Evaders List (which as of the date hereof can be found at: <http://www.treasury.gov/ofac/downloads/fse/fselist.pdf>) or (iii) the most current “Consolidated list of persons, groups and entities subject to EU financial sanctions” (which as of the date hereof can be found at: https://eeas.europa.eu/headquarters/headquarters-homepage_en/8442/Consolidated%20list%20of%20sanctions); or (B) that is otherwise the subject of any sanctions administered or enforced by any Sanctions Authority, other than solely by virtue of their inclusion in: (i) the most current “Sectoral Sanctions Identifications” list (which as of the date hereof can be found at: <https://www.treasury.gov/ofac/downloads/ssi/ssilist.pdf>) (the “**SSI List**”), (ii) Annexes III, IV, V and VI of Council Regulation (EU) No. 833/2014, as amended from time to time including (without limitation) by Council Regulation (EU) No. 960/2014, Council Regulation (EU) No 1290/2014 and Council Regulation (EU) No 2015/1797 (the “**EU Annexes**”), or (iii) any other list maintained by a Sanctions Authority, with similar effect to the SSI List or the EU Annexes. For these purposes “**Sanctions Authority**” means each of: (i) the United States government; (ii) the United Nations; (iii) the European Union (or any of its member states); (iv) the UK; (v) any other equivalent governmental or regulatory authority, institution or agency which administers economic, financial or trade sanctions; and (vi) the respective governmental institutions and agencies of any of the foregoing including, without limitation, the Office of Foreign Assets Control of the US Department of the Treasury, the United States Department of State, the United States Department of Commerce and His Majesty’s Treasury.

(c) It has undertaken all appropriate analysis of the implications of the Consent Solicitation without reliance on the Issuer, the Fiscal Agent, the Solicitation Agent, the Paying Agent or the Tabulation Agent.

(d) It has observed the laws of all relevant jurisdictions, obtained all requisite governmental, exchange control or other required consents, complied with all requisite formalities and paid any issue, transfer or other taxes or requisite payments due from it in each respect in connection with its Ineligible Covered Bondholder Instruction and/or the Extraordinary Resolution in any jurisdiction and that it has not taken or omitted to take any action in breach of the representations or which will or may result in the Issuer, the Solicitation Agent, the Tabulation Agent or any other person acting in breach of the legal or regulatory requirements of any such jurisdiction in connection with the Extraordinary Resolution.

(e) Its Ineligible Covered Bondholder Instruction is made on the terms and conditions set out in this Notice and therein.

(f) Its Ineligible Covered Bondholder Instruction is being submitted in compliance with the applicable laws or regulations of the jurisdiction in which the Covered Bondholder is located or in which it is resident or located and no registration, approval or filing with any regulatory authority of such jurisdiction is required in connection with such Ineligible Covered Bondholder Instruction.

(g) It holds and will hold, until the earlier of (i) the date on which its Ineligible Covered Bondholder Instruction is validly revoked (in the limited circumstances in which revocation is permitted), and (ii) conclusion of the Meeting or (if applicable) any adjourned such Meeting, as the case may be, the Covered Bonds the subject of the Ineligible Covered Bondholder Instruction, in the relevant Clearing System and in accordance with the requirements of the relevant Clearing System and by the deadline required by the relevant Clearing System, it has submitted, or has caused to be submitted, an Ineligible Covered Bondholder Instruction to the relevant Clearing System, as the case may be, to authorise the blocking of such Covered Bonds with effect on and from the date thereof so that no transfers of such Covered Bonds may be effected until the occurrence of any of the events listed in (i) or (ii) above.

(h) It acknowledges that none of the Issuer, the Solicitation Agent, the Tabulation Agent, the Paying Agent or the Fiscal Agent or any of their respective affiliates, directors, officers, employees, representatives or agents has made any recommendation as to whether to vote on the Extraordinary Resolution and it represents that it has made its own decision with regard to the Extraordinary Resolution based on any independent legal, financial, tax or other advice that it has deemed necessary to seek.

(i) It acknowledges that all authority conferred or agreed to be conferred pursuant to these acknowledgements, representations, warranties and undertakings and every obligation of the Covered Bondholder offering to waive its right to vote on the Extraordinary Resolution shall to the extent permitted by applicable law be binding upon the successors, assigns, heirs, executors, trustees in bankruptcy and legal representatives of the Covered Bondholder waiving its right to vote on the Extraordinary Resolution and shall not be affected by, and shall survive, the death or incapacity of the Covered Bondholder waiving its right to vote on the Extraordinary Resolution, as the case may be.

(j) The information given by or on behalf of such Covered Bondholder in the Ineligible Covered Bondholder Instruction is true and will be true in all respects at (i) the time of the Meeting (or any adjourned such Meeting), (ii) the Expiration Deadline, and (iii) the Implementation Date.

(k) No information has been provided to it by the Issuer, the Fiscal Agent, the Solicitation Agent, the Paying Agent or the Tabulation Agent, or any of their respective affiliates, directors, officers, employees, representatives or agents, with regard to the tax consequences for Covered Bondholders arising from the participation in the Meeting (or any adjourned such Meeting) or the implementation of the Extraordinary Resolution or the receipt by it of the Ineligible Covered Bondholder Payment (if applicable), and it acknowledges that it is solely liable for any taxes and similar or related payments imposed on it under the laws of any applicable jurisdiction as a result of its submission of the Ineligible Covered Bondholder Instruction or its receipt of any Ineligible Covered Bondholder Payment, and agrees that it will not and does not have any right of recourse (whether by way of reimbursement, indemnity or otherwise) against the Issuer, the Fiscal Agent, the Solicitation Agent, the Paying Agent or the Tabulation Agent, or any of their respective affiliates, directors, officers, employees, representatives or agents, or any other person, in respect of such taxes and payments.

The representation set out in paragraph (b) above shall not be sought or given at any time after such representation is first made if and to the extent that it is or would be unenforceable by reason of breach of any provision of Council Regulation (EC) No 2271/1996 of 22 November 1996 (including as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018, as amended) (the “**Blocking Regulations**”) or any law or regulation implementing the Blocking Regulations in any member state of the European Union or the UK.

If the relevant Ineligible Covered Bondholder is unable to give any of the representations and warranties described above, such Ineligible Covered Bondholder should contact the Tabulation Agent.

Each Ineligible Covered Bondholder submitting an Ineligible Covered Bondholder Instruction in accordance with its terms shall be deemed to have agreed to indemnify the Issuer, the Solicitation Agent, the Tabulation Agent, the Fiscal Agent, the Paying Agent and each of their respective affiliates, directors, officers, employees, representatives or agents against all and any losses, costs, fees, claims, liabilities, expenses, charges, actions or demands which any of them may incur or which may be made against any of them as a result of any breach of any of the terms of, or any of the representations, warranties and/or undertakings given pursuant to, such instruction by such Covered Bondholder.

All questions as to the validity, form and eligibility (including the time of receipt) of any Ineligible Covered Bondholder Instructions or revocation or revision thereof or delivery of Ineligible Covered Bondholder Instructions will be determined by the Issuer in its sole discretion, which determination will be final and binding. The Issuer reserves the absolute right to reject any and all Ineligible Covered Bondholder Instructions not in a form which is, in the opinion of the Issuer, lawful. The Issuer also reserves the absolute right to waive defects in Ineligible Covered Bondholder Instructions with regard to any Covered Bonds. None of the Issuer, the Solicitation Agent, the Fiscal Agent, the Paying Agent or the Tabulation Agent shall be under any duty to give notice to Covered Bondholders or beneficial owners of Covered Bonds of any irregularities in Ineligible Covered Bondholder Instructions; nor shall any of them incur any liability for failure to give notification of any material amendments to the terms and conditions of the Consent Solicitation.

GENERAL INFORMATION

The attention of Covered Bondholders is particularly drawn to the quorum required for the Meeting and for the adjourned Meeting which is set out in paragraphs 1, 2, 3, 4 and 5 of “Voting and Quorum” below. Having regard to such requirements, Covered Bondholders are strongly urged either to attend (via teleconference) the Meeting or to take steps to be represented (via teleconference) at the Meeting (including by way of submitting a Consent Instruction) as soon as possible.

VOTING AND QUORUM

*Covered Bondholders who have submitted and not revoked (in the limited circumstances in which revocation is permitted) a valid Consent Instruction or Ineligible Covered Bondholder Instruction in respect of the Extraordinary Resolution by 10.00 a.m. (London time) on 7 March 2024 (the “**Expiration Deadline**”), by which they will (i) (in the case of Consent Instructions) have given instructions for the appointment by the Fiscal Agent of one or more representatives of the Tabulation Agent as their proxy to vote in the manner specified or identified in such Consent Instruction at the Meeting (or any adjourned Meeting), or (ii) (in the case of Ineligible Covered Bondholder Instructions) waived such rights, need take no further action to be represented at the Meeting (or any adjourned Meeting).*

Covered Bondholders who have not submitted, or who have submitted and revoked (in the limited circumstances in which revocation is permitted), a Consent Instruction in respect of the Extraordinary Resolution by the Expiration Deadline should take note of the provisions set out below detailing how such Covered Bondholders can attend (via teleconference) the Meeting (references to which, for the purposes of such provisions, include, unless the context otherwise requires, any adjourned Meeting).

1. Subject as set out below, the provisions governing the convening and holding of each Meeting are set out in Schedule 2 (*Provisions for Meetings of Covered Bondholders*) to the Agency Agreement, a copy of which is

available for inspection by prior appointment by the Covered Bondholders during normal business hours at the office of the Fiscal Agent.

Covered Bonds are represented by a global bond and is held by a common safekeeper for Euroclear and Clearstream, Luxembourg. For the purpose of the Meeting, a “**Direct Participant**” shall mean each person who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a particular nominal amount outstanding of the Covered Bonds.

Each person (a “**beneficial owner**”) who is the owner of a particular nominal amount of the Covered Bonds through Euroclear, Clearstream, Luxembourg or a Direct Participant, should note that a beneficial owner will only be entitled to vote at the Meeting in accordance with the procedures set out below and where a beneficial owner is not a Direct Participant it will need to make the necessary arrangements, either directly or with the intermediary through which it holds its Covered Bonds, for the Direct Participant to complete these procedures on its behalf by all applicable deadlines.

A Direct Participant wishing to vote at the Meeting may (or the beneficial owner of the relevant Covered Bonds may arrange for the relevant Direct Participant on its behalf to) give a voting instruction or an instruction to abstain from voting (by giving an electronic instruction to block its Covered Bonds and to vote in respect of the Meeting to Euroclear or Clearstream, Luxembourg in accordance with the procedures of Euroclear or Clearstream, Luxembourg, as applicable) requiring the Fiscal Agent to include the votes attributable to its Covered Bonds or intention to abstain in respect of its Covered Bonds in a block voting instruction issued by the Fiscal Agent for the Meeting or any adjourned such Meeting, and the Fiscal Agent shall appoint a representative of the Tabulation Agent as a proxy to attend (via teleconference) and vote or abstain at the Meeting in accordance with such Direct Participant’s instructions.

Covered Bondholders (or a chosen proxy) can attend and vote at the Meeting (via teleconference) by giving notice to the clearing system of an Identified Person (which need not be the holder) to collect the voting certificate and attend and vote at the meeting. Subject to receipt by the Fiscal Agent from the clearing system, by no later than 10.00 a.m. (London Time) on 7 March 2024 of notification of the nominal amount of the Covered Bonds to be represented by any voting certificate and the form of identification against presentation of which the voting certificate should be released, the Fiscal Agent will make available the voting certificate at or shortly before the start of the meeting.

Beneficial owners or their Direct Participants must have made arrangements to vote or abstain with the relevant Clearing System by not later than 24 hours before the time fixed for the Meeting (or any adjourned such Meeting) and within the time limit specified by the Clearing System (who may set a significantly earlier deadline) and request or make arrangements for the Clearing System to block the Covered Bonds in the Direct Participant’s account and to hold the same to the order or under the control of the Fiscal Agent.

Covered Bonds blocked as set out above will not be released until the earlier of (i) the date on which the Consent Instruction is validly revoked (in the limited circumstances in which revocation is permitted, including its automatic revocation on the termination of the related Consent Solicitation); and (ii) the conclusion of the Meeting (or, if applicable, any adjourned such Meeting); and (iii) not less than 24 hours before the time for which the Meeting (or, if applicable, any adjourned such Meeting) is convened, the notification in writing of any revocation of a Direct Participant’s previous instructions to the Fiscal Agent.

Covered Bondholders should note that the timings and procedures set out in this Notice reflect the requirements for Covered Bondholders’ Meeting set out in the Agency Agreement, but that the Clearing Systems and the relevant intermediaries may have their own additional requirements as to timings and procedures for voting on the Extraordinary Resolution. Accordingly, Covered Bondholders wishing to vote

in respect of the relevant Resolution are strongly urged either to contact their custodian (in the case of a beneficial owner whose Covered Bonds are held in book-entry form by a custodian) or the Clearing System (in the case of a Covered Bondholder whose Covered Bonds are held in book-entry form directly in the relevant Clearing System), as soon as possible.

Any Covered Bondholders who indicate to the Tabulation Agent that they wish to attend the teleconference for the Meeting will be provided with further details about attending (via teleconference) the Meeting.

2. The quorum at any Meeting for passing the Extraordinary Resolution shall (subject as provided below) be one or more Eligible Persons (as defined below) present and holding or representing not less than two-thirds in nominal amount of the Covered Bonds for the time being outstanding (as defined in the Agency Agreement). If within 15 minutes (or such longer period not exceeding 30 minutes as the Chairman may decide) after the time fixed for the Meeting, a quorum is not present, the Meeting will be adjourned for such period, being not less than 14 Clear Days nor more than 42 Clear Days, and to such date and time as may be appointed by the Chairman and approved by the Issuer. The Extraordinary Resolution will then be considered at an adjourned Meeting (notice of which will be given to the Covered Bondholders at least 10 Clear Days prior to the proposed adjourned such Meeting). At any adjourned Meeting, one or more Eligible and holding or representing not less than one-third in nominal amount of the Covered Bonds for the time being outstanding shall form a quorum and shall have the power to pass the Extraordinary Resolution. For the purposes of calculating a period of “**Clear Days**” in respect of any adjourned Meeting, no account shall be taken of the day on which the notice of such adjourned Meeting is given or the day on which such adjourned Meeting is held.
3. To be passed at the Meeting or any adjourned Meeting, an Extraordinary Resolution requires a majority in favour consisting of not less than 75 per cent. of the Eligible Persons voting at such Meeting (or adjourned such Meeting).

The question submitted to the Meeting shall be decided by a poll.

At each Meeting, on a poll every person who is a proxy specified in a block voting instruction (each an “**Eligible Person**”) shall have one vote in respect of each €1 in nominal amount of Covered Bonds for which such Eligible Person is a proxy.

A poll shall be demanded at each Meeting and shall be taken in such manner and, subject as provided below, either at once or after an adjournment as the Chairman directs, and the result of such poll shall be deemed to be the resolution of such Meeting. Any poll demanded at any Meeting on the election of the Chairman shall be taken at such Meeting without adjournment.

4. The implementation of each Consent Solicitation and the related Extraordinary Resolution will be conditional on:
 - (a) the passing of the Extraordinary Resolution;
 - (b) the quorum required for, and the requisite majority of votes cast at, the Meeting being satisfied by Eligible Covered Bondholders only, irrespective of any vote or other participation at the Meeting by Ineligible Covered Bondholders (and would also have been so satisfied if any Ineligible Covered Bondholders who provide confirmation only of their status as Ineligible Covered Bondholders and waive their right to attend (via teleconference) and vote (or be represented) at the Meeting had actually participated at the Meeting), including, if applicable, the satisfaction of such condition at an adjourned Meeting as described in “Meeting” below (the “**Eligibility Condition**”); and

- (c) the Issuer not having previously terminated the Consent Solicitation relating to the Extraordinary Resolution in accordance with the provisions for such termination (as set out in the Consent Solicitation Memorandum),

(together, the “**Consent Conditions**”).

- 5. If passed, the Extraordinary Resolution will be binding upon all the Covered Bondholders, whether or not present or represented at the Meeting and whether or not voting.

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of items (a) to (f) below (together, the “**Covered Bondholder Information**”) will be available from the date of this Notice, for inspection by prior appointment during normal business hours at the office of the Fiscal Agent and on the website of the Tabulation Agent (<https://deals.is.kroll.com/arionbank>):

- (a) this Notice;
- (b) the Consent Solicitation Memorandum;
- (c) the Final Terms;
- (d) the Deed of Covenant;
- (e) the Agency Agreement;
- (f) the current draft of the Supplemental Agency Agreement (the “**Supplemental Agency Agreement**”) appending the Amended and Restated Final Terms as referred to in the Extraordinary Resolution set out in the Annex to this Notice (the “**Amended and Restated Final Terms**”);
- (g) the current draft of the Supplemental Deed of Covenant as referred to in the Extraordinary Resolution set out in the Annex to this Notice (the “**Supplemental Deed of Covenant**”).

This Notice should be read in conjunction with all of the Covered Bondholder Information.

The Covered Bondholder Information may be supplemented from time to time. Existing Covered Bondholders should note that the Supplemental Agency Agreement appending the Amended and Restated Final Terms and the Supplemental Deed of Covenant may be subject to amendment (where such amendments are in line with the Proposed Amendments). Should such amendments be made, blacklined copies (showing the changes from the originally available Supplemental Agency Agreement appending the Amended and Restated Final Terms and the Supplemental Deed of Covenant) and clean versions will be available from the Tabulation Agent (including on the website of the Tabulation Agent (<https://deals.is.kroll.com/arionbank>)).

CONTACT INFORMATION

Further information relating to the Proposed Amendments can be obtained from the Solicitation Agent directly:

THE SOLICITATION AGENT

Barclays Bank Ireland PLC
One Molesworth Street

Dublin 2
Ireland
D02 RF29

Attention: Liability Management Group
Telephone: +44 20 3134 8515
Email: eu.lm@barclays.com

The contact details for the Tabulation Agent, the Paying Agent and the Fiscal Agent are set out below:

THE TABULATION AGENT

Kroll Issuer Services Limited

The Shard
32 London Bridge Street
London SE1 9SG
United Kingdom

Attention: Alessandro Zorza
Telephone: +44 20 7704 0880
Email: arionbank@is.kroll.com
Website: <https://deals.is.kroll.com/arionbank>

THE FISCAL AGENT & THE PAYING AGENT

Bank of New York Mellon, London Branch

160 Queen Victoria Street
London EC4V 4LA
United Kingdom

Covered Bondholders whose Covered Bonds are held by Euroclear or Clearstream, Luxembourg should contact the Tabulation Agent at the address details above for further information on the process for voting at the Meeting.

ANNOUNCEMENTS

If the Issuer is required to make an announcement relating to matters set out in this Notice, any such announcement will be made in accordance with all applicable rules and regulations via notices to the Clearing Systems for communication to Covered Bondholders and an announcement published on the website of the Luxembourg Stock Exchange.

This Notice is given by:

ARION BANK HF.

Dated: 12 February 2024

ANNEX TO THE NOTICE OF COVERED BONDHOLDER MEETING

EXTRAORDINARY RESOLUTION PROPOSED TO BE PASSED

EXTRAORDINARY RESOLUTION IN RESPECT OF THE €500,000,000 0.050 PER CENT. FIXED RATE COVERED BONDS DUE 5 OCTOBER 2026 (ISIN: XS2391348740)

“THAT this Meeting of the holders (together, the “**Covered Bondholders**”) of the presently outstanding €300,000,000 Series 2021-1 Tranche 1 0.050 per cent. Fixed Rate Covered Bonds due 5 October 2026 consolidated with €200,000,000 Series 2021-1 Tranche 2 0.050 per cent. Fixed Rate Covered Bonds due 5 October 2026 (ISIN: XS2391348740) (the “**Covered Bonds**”) of Arion Bank hf. (the “**Issuer**”), *inter alios*, the Covered Bondholders:

1. (subject to paragraph 9 of this Extraordinary Resolution) assents to the modification of the deed of covenant executed by the Issuer in favour of the holders of the Covered Bonds on 16 July 2021 (the “**Deed of Covenant**”), and the final terms executed by the Issuer on 1 October 2021 and 6 April 2022 at the time of issue of the Covered Bonds, which completes the Conditions for the Covered Bonds (the “**Final Terms**”) through a supplemental agency agreement to give effect to the following:
 - (i) the Covered Bonds will no longer be rated by S&P; and
 - (ii) the covenants relating to the credit ratings provided by S&P in respect of the Covered Bonds or the Issuer shall cease to apply.

It should be noted that (i) the Covered Bonds will continue to be rated by Moody's and the covenants provided to support the rating from Moody's and endorsed by Moody's Deutschland GmbH will continue to apply, and (ii) the Issuer has no obligation to maintain any credit ratings by S&P, and the Proposed Amendments will not change this.

2. (subject to paragraph 9 of this Extraordinary Resolution) authorises, directs, requests and empowers:
 - (a) the Issuer to execute a supplemental agency agreement appending the amended and restated Final Terms (the “**Amended and Restated Final Terms**”) to effect the modifications referred to in paragraph 1 of this Extraordinary Resolution, in the form or substantially in the form of the draft produced to this Meeting (the “**Supplemental Agency Agreement**”);
 - (b) the Issuer to execute a deed supplemental to the Deed of Covenant (the “**Supplemental Deed of Covenant**”) (substantively in the form available for inspection at the Meeting) to effect the modifications referred to in paragraph 1 of this Extraordinary Resolution, in the form or substantially in the form of the draft produced to this Meeting;
 - (c) the Issuer and the Fiscal Agent to execute, agree all other such amendments to the Deed of Covenant and to do all such other deeds, instruments, acts and things as may be necessary, desirable or expedient in the Fiscal Agent's sole opinion to carry out and to give effect to this Extraordinary Resolution and the implementation of the modifications referred to in paragraph 1 of this Extraordinary Resolution;
3. discharges and exonerates the Fiscal Agent from all liability for which it may have become or may become responsible under the Agency Agreement or the Covered Bonds or any document related thereto in respect

of any act or omission in connection with the passing of this Extraordinary Resolution or its implementation, the modifications referred to in paragraph 1 of this Extraordinary Resolution or the implementation of those modifications or the executing of any deeds, agreements, documents or instructions, the performance of any acts, matters or things to be done to carry out and give effect to the matters contemplated in the Supplemental Agency Agreement appending the Amended and Restated Final Terms and the Supplemental Deed of Covenant or this Extraordinary Resolution;

4. irrevocably waives any claim that the Covered Bondholders may have against the Fiscal Agent arising as a result of any loss or damage which they may suffer or incur as a result of the Fiscal Agent acting upon this Extraordinary Resolution (including but not limited to circumstances where it is subsequently found that this Extraordinary Resolution is not valid or binding on the holders) and the Covered Bondholders further confirm that the Covered Bondholders will not seek to hold the Fiscal Agent liable for any such loss or damage;
5. expressly agrees and undertakes to indemnify and hold harmless the Fiscal Agent from and against all losses, liabilities, damages, costs, charges and expenses which may be suffered or incurred by it as a result of any claims (whether or not successful, compromised or settled), actions, demands or proceedings brought against the Fiscal Agent and against all losses, costs, charges or expenses (including legal fees) which the Fiscal Agent may suffer or incur which in any case arise as a result of the Fiscal Agent acting in accordance with this Extraordinary Resolution and the Agency Agreement;
6. (subject to paragraph 9 of this Extraordinary Resolution) sanctions and assents to every abrogation, modification, compromise or arrangement in respect of the rights of the Covered Bondholders appertaining to the Covered Bonds against the Issuer, whether or not such rights arise under the Agency Agreement, the terms and conditions of the Covered Bonds (the “**Conditions**”) or otherwise, involved in, resulting from or to be effected by the amendments referred to in paragraph 1 of this Extraordinary Resolution and their implementation;
8. (subject to paragraph 9 of this Extraordinary Resolution) discharges and exonerates the Issuer from all liability for which it may have become or may become responsible under the Agency Agreement, Final Terms, Deed of Covenant or the Agency Agreement, the Covered Bonds or any document related thereto in respect of any act or omission in connection with the passing of this Extraordinary Resolution or the executing of any deeds, agreements, documents or instructions, the performance of any acts, matters or things to be done to carry out and give effect to the matters contemplated in the Supplemental Agency Agreement appending the Amended and Restated Final Terms, Supplemental Deed of Covenant or this Extraordinary Resolution;
9. declares that the implementation of this Extraordinary Resolution shall be conditional on:
 - (a) the passing of this Extraordinary Resolution;
 - (b) the quorum required for, and the requisite majority of votes cast at, this Meeting being satisfied by Eligible Covered Bondholders only, irrespective of any vote or other participation at this Meeting by Ineligible Covered Bondholders (and would also have been so satisfied if any Ineligible Covered Bondholders who provide confirmation of their status as Ineligible Covered Bondholders and waive their right to attend (via teleconference) and vote (or be represented) at the Meeting had actually participated at the Meeting) and further resolves that, if this Extraordinary Resolution is passed at this Meeting but such condition is not satisfied, the Chairman of this Meeting is hereby authorised, directed, requested and empowered to adjourn this Meeting for a period of not less than 14 Clear Days nor more than 42 Clear Days, and to such date and time as may be appointed by the Chairman of this Meeting and approved by the Issuer, for the purpose of reconsidering resolutions 1 to 11 of

this Extraordinary Resolution with the exception of resolution 9(b) of this Extraordinary Resolution, and in place of the foregoing provisions of resolution 9(b) the relevant condition will be satisfied if the quorum required for, and the requisite majority of votes cast at, the adjourned Meeting are satisfied by Eligible Covered Bondholders only, irrespective of any vote or other participation at the adjourned Meeting by Ineligible Covered Bondholders (and would also have been so satisfied if any Ineligible Covered Bondholders who provide confirmation of their status as Ineligible Covered Bondholders and waive their right to attend (via teleconference) and vote (or be represented) at the adjourned Meeting had actually participated at the adjourned Meeting);

- (c) the Issuer not having previously terminated the Consent Solicitation in respect of the Covered Bonds in accordance with the provisions for such termination (as set out in the Consent Solicitation Memorandum);

10. acknowledges that the following terms, as used in this Extraordinary Resolution, shall have the meanings given below:

“Consent Solicitation” means the invitation by the Issuer to all Covered Bondholders to consent to the modification of the Final Terms and the Deed of Covenant, as described in the Consent Solicitation Memorandum and as the same may be amended in accordance with its terms;

“Consent Solicitation Memorandum” means the consent solicitation memorandum dated 12 February 2024 prepared by the Issuer in relation to, among other things, the Consent Solicitation in respect of the Covered Bonds;

“EEA” means the European Economic Area;

“Eligible Noteholder” means each Noteholder who is (a) not a retail investor in either the EEA or the UK and, if applicable and acting on a non-discretionary basis, who is acting on behalf of a beneficial owner that is not a retail investor in either the EEA or the UK, and (b) otherwise a person to whom the Consent Solicitation in respect of the Notes can be lawfully made and that may lawfully participate in the Consent Solicitation in respect of the Notes;

“Ineligible Noteholder” means each Noteholder who is not an Eligible Noteholder;

“Notice” means the notice dated 12 February 2024 given by the Issuer to Covered Bondholders and convening, among other things, the initial meeting at which this Extraordinary Resolution is to be considered; and

“retail investor” means

- (a) in relation to any person in the EEA, a person who is one or more of:
 - (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended or superseded, **“MiFID II”**); or
 - (ii) a customer within the meaning of Directive 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; and
- (b) in relation to any person in the UK, a person who is one or more of:

- (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018, as amended (the “EUWA”); or
- (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the “FSMA”) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the EUWA;

“UK” means the United Kingdom; and

11. agrees that capitalised terms in this Extraordinary Resolution where not defined herein shall have the meanings given to them in the Agency Agreement or the Notice, as applicable.”