



## MINUTES OF A SHAREHOLDERS' MEETING OF ARION BANK HF.

A shareholders' meeting of Arion Bank was held at the Bank's headquarters at Borgartún 19, 105 Reykjavík on 9 August 2019 at 4:00 p.m.

### 1. Opening the meeting

Brynjólfur Bjarnason, Chairman of the Board of Directors of Arion Bank, began the meeting by welcoming those present and calling the meeting to order. He said that the meeting would be held in Icelandic, but would be translated into English. He then proposed that Ólafur Haraldsson be elected as chair of the meeting and this was approved. Ólafur then took over the duties of chairing the meeting.

The chair proposed that Þóra M. Hjaltested, Attorney in Arion Bank's legal services, be elected as secretary to the meeting and this was approved. The secretary took over the duties of recording the minutes.

The chair announced that shareholders or their representatives representing 1,303,319,364.00 of shares with voting rights or 71,86 % of share capital in Arion Bank hf. were in attendance at the meeting. That includes votes cast by shareholders electronically.

The chair discussed the summons to the meeting. He stated that the summons to the meeting had been given with sufficient notice pursuant to Article 88a of the Public Limited Companies Act and the provisions of the Bank's Articles of Association. The summons to the meeting had been published in an announcement in the Nasdaq system stock exchange and on the Bank's website on 12 July 2019. The summons to the meeting had also been published in a daily newspaper on 15 July 2019. The proposals to be discussed on the meeting had been published on the Bank's website and in an announcement in the Nasdaq system e and had also been made available to shareholders at the Bank's headquarters.

No objections were raised and the chair declared the meeting to be properly constituted.

The following agenda and proposals were presented to the meeting:

#### 1. Changes to the Board of Directors

Election of two new members to the Board of Directors to serve until the Bank's next Annual General Meeting

#### 2. Changes to the Nomination Committee



Election of one new member to the Nomination Committee to serve until the Bank's next Annual General Meeting

### **3. Other business**

#### **1. Changes to the Board of Directors**

The chair informed that the Board of Directors had decided that an election of two new members to the Board of Directors shall take place at the shareholders' meeting to serve until the Bank's next Annual General Meeting. One of the members would replace Benedikt Gíslason who resigned from his duty as a member of the Board of Directors on 27 June 2019. Benedikt took up the position of CEO of Arion Bank hf. on 1 July 2019.

The chair said that the information on candidates which must be provided in accordance with Article 63a of the Public Limited Companies Act, i.e. name, ID-No, address, information on main occupation, other board engagements, education, experience and information on common interests with the main clients and competitors of the company, had been published on the Bank's website and the information had been made available to shareholders at the Bank's headquarters.

The chair noted that according to Article 14.4 of the Bank's Articles of Association, prospective candidates to the Board of Directors should announce their candidacies to the Board no later than five days before the annual general meeting. Three individuals put themselves forward as candidates to the Board of Directors.

The following individuals announced their wish to stand for election to the Board of Directors:

- Gunnar Sturluson
- Már Wolfgang Mixa
- Paul Richard Horner

The chair informed that the Nomination Committee had examined the nominations and, in accordance with the committee's rules, had assessed the independence of the candidates. The Nomination Committee proposes in its report, which had been published in an announcement in the Nasdaq system and on the Bank's website, that Gunnar Sturluson and Paul Richard Horner be elected to the Board of Directors of Arion Bank.

The chair stated that since there were three candidates but only two available seats on the Nomination Committee, a written election would be required.



The chair then noted that according to the Bank's Articles of Association the election of the Board of Directors should be made by majority voting between individuals unless the Board of Directors received a request from shareholders for voting by other means at least five days before the commencement of a shareholders' meeting where the Board of Directors is to be elected. As no request was received by the Board of Directors the voting should be conducted as a majority vote between candidates.

The chair asked the shareholders to select the names of the two candidates they wished to vote.

When the votes had been counted the chair announces the result of the election. Votes from shareholders representing 1,189,791,152.00 shares in the Bank had been valid. Invalid votes were 113,528,212. The results of the vote were the following:

- Gunnar Sturluson received 1.117.173.105 votes.
- Már Wolfgang Mixa received 18.785 votes.
- Paul Richard Horner received 1.117.183.020 votes.

Gunnar Sturluson and Paul Richard Horner were elected to the Board of Directors.

The following individuals now serve on the Board of Directors of Arion Bank:

- Brynjólfur Bjarnason (Chairman)
- Herdís Dröfn Fjeldsted (Vice-Chairman)
- Gunnar Sturluson
- Liv Fiksdahl
- Paul Richard Horner
- Renier Lemmens
- Steinunn Kristín Þórðardóttir

and the Alternate Directors are:

- Ólafur Örn Svansson
- Sigurbjörg Ásta Jónsdóttir
- Þröstur Ríkhartsson

## 2. Changes to the Nomination Committee

The chair informed that under item 2 on the agenda, one member of the Nomination Committee was due to be elected to replace Christopher Felix Johannes Guth, who had requested to resign from his duty before the end of his electoral period.

The chair announced that one candidate, Júlíus Þorfinnsson, had announced his wish to stand for election to the Nomination Committee



The chair informed that information on the candidate, i.e. name, ID-No, address, information on main occupation, other board engagements, education, experience and information on common interests with the main clients and competitors of the Bank, had been published on the Bank's website and the information had been made available to shareholders at the Bank's headquarters. The Board had also assessed the independence of the candidate.

The chair announced that since no other candidacies had been received, the individual above was duly elected to the Nomination Committee.

The chair announced that Sam Taylor (chairman), Herdís Dröf Fjeldsted and Júlíus Þorfinnsson now serve in the Nomination Committee.

### **3. Other business**

The chair informed that Rúnar Einarsson, shareholder, had proposed a resolution. The resolution was in two parts that would be elected on separately. The resolution was the following:

Arion banks shareholders' meeting renders the following resolution for the Board of Directors

1. Bonus agreements and stock option agreements will no longer be made with senior management and all other bonus schemes will be discontinued. This does not apply to bonuses paid to all employees of the Bank and which are insignificant in value.
2. In the future all jobs at the Bank which pay a salary of more than ISK 1 million will be advertised and applicants will be asked to submit salary requirements with their application in a sealed envelope. A selection committee will examine the applications, and the applicant who fulfils all the necessary requirements and who also has the lowest salary requirements will be hired.

Both of these ideas are intended to reduce the Bank's expenses and thereby increase shareholders' earnings so that it will be possible to pay higher dividends.

The chair then presented the first part of the resolution.

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The chair invited shareholders to discuss the proposed resolution. No one wished to discuss the matter and the resolution was rejected with majority of votes.

The chair then presented the second part of the resolution.

2. In the future all jobs at the Bank which pay a salary of more than ISK 1 million will be advertised and applicants will be asked to submit salary requirements with their application



in a sealed envelope. A selection committee will examine the applications, and the applicant who fulfils all the necessary requirements and who also has the lowest salary requirements will be hired.

The chair invited shareholders to discuss the proposed resolution. No one wished to discuss the matter and the resolution was rejected with majority of votes.

The chair asked whether the Board of Directors or the shareholders wished to raise any further items of business.

Finally, the approval of the meeting was sought for the secretary and chair of the meeting to complete the minutes, and it was agreed that the minutes would not be read out aloud at the end of the meeting in accordance with Article 90 (5) of the Public Limited Companies Act No. 2/1995, but instead by the meeting secretary for those who wished.

No further business was discussed and the meeting was adjourned by the chair at 16:45.

***Thora M. Hjaltested***

***Secretary***

***Ólafur Haraldsson***

***Chair***