



Proposals to a shareholders' meeting of Arion bank hf. to be held 9 August 2019

A shareholders' meeting of Arion Bank hf. will be held at the Bank's headquarters at Borgartún 19, 105 Reykjavik, at 16:00 Icelandic time on 9 August 2019. At the day of the announcement of the shareholders' meeting there are ISK 1,813,793,618 outstanding shares in the Bank.

Proposals:

1. Changes to the Board of Directors

The Board of Directors has 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 will replace a member of the Board of Directors who resigned from his duty as a member of the Board of Directors before the end of his electoral period, cf. paragraph 2 of Article 64 of the Act No 2/1995 respecting Public Limited Companies.

Individuals who intend to stand for election as members of the Board of Directors must give notice of their candidacy in writing to the Board of Directors by 16:00 Icelandic time on 4 August 2019 at shareholders@arionbanki.is. Forms for notifications can be found on the Bank's website www.arionbanki.is/gm.

The Nomination Committee will propose to the shareholders candidates to serve on the Board of Directors based on shareholders' proposals and submission of candidacy and publish its proposal along with other declarations of candidacy on the Bank's website www.arionbanki.is/gm no later than two days before the shareholders' meeting. At the same time they will be made available at the Bank's headquarters.

2. Changes to the Nomination Committee

The Board has decided that an election of one new member to the Nomination Committee, to serve until the Bank's next Annual General Meeting to replace a member of the Nomination Committee who has requested to resign from his duty as a member of the Committee before the end of his electoral period, shall take place.

Individuals who intend to stand for election as a member of the Nomination Committee must give notice of their candidacy in writing to the Board of Directors by 16:00 Icelandic time on 4 August 2019 at shareholders@arionbanki.is. Forms for notifications can be found on the Bank's website www.arionbanki.is/gm. Information on candidates will be published on the Bank's website



www.arionbanki.is/gm no later than two days before the meeting and will be made available at the Bank's headquarters at the same time

3. Other business

Proposed resolution to the Board of Directors by Rúnar Einarsson, shareholder

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.