



Proposals to the Annual General Meeting of Arion Bank hf. to be held 11 March 2026

The Annual General Meeting of Arion Bank hf. (“Arion Bank” or the “Bank”) will be held at the Bank’s head office at Borgartún 19, 105 Reykjavík, at 16:00 Icelandic time on 11 March 2026. Shareholders will also have the option of attending by electronic means. On the day of the announcement of the Annual General Meeting there are 1,371,358,567 outstanding shares in the Bank with voting rights.

Agenda:

1. **Report of the Board of Directors on the Bank’s operations, activities and financial situation during the last financial year**
2. **Approval of the Bank’s annual financial statements and consolidated accounts for the last financial year**
3. **Decision on payment of a dividend**
4. **Election of the Bank’s Board of Directors, Chairman of the Board and Vice-Chairman**
5. **Election of an auditing firm**
6. **Decision on remuneration to the Board of Directors and compensation to members of the Board’s sub-committees**
7. **Decision on remuneration to members of the Bank’s Nomination Committee**
8. **Election of two members of the Bank’s Nomination Committee**
9. **Election of one member of the Bank’s Audit Committee**
10. **Proposal to amend the Bank’s Remuneration Policy**
11. **Proposal to reduce share capital by cancelling the Bank’s own shares and a corresponding amendment to the Articles of Association**
12. **Proposal to renew the Bank’s authorisation to purchase own shares and a corresponding amendment to the Articles of Association**
13. **Other business**

Proposals of the Board of Directors:

1. **Item no. 2 - Approval of the Bank’s annual financial statements and consolidated accounts for the last financial year**

The Board of Directors proposes that the Annual Financial Statements and consolidated accounts for the year 2025 will be approved.

Benedikt Gíslason, Chief Executive Officer, will present the Annual Financial Statements, as approved by the Board of Directors at its meeting on 11 February 2026.

2. **Item no. 3 - Decision on payment of a dividend**

The Board of Directors proposes that a dividend of ISK 11.5 per share will be paid to the Bank’s shareholders, equal to approximately ISK 15.3 billion, taking into account own shares held by the Bank.

If approved by the shareholders, the Bank’s shares traded on and after 12 March 2026 (Ex-date) will be ex-dividend.

The right to a dividend will be paid to shareholders registered in the Bank’s shareholders registry at the end of 13 March 2026 (Record date).

The payment date of the dividend will be 19 March 2026.

Explanatory note:



The Board of Directors proposes that the Bank pay dividends of ISK 15.3 billion, net of own shares. This dividend calculates as ISK 11.5 per share.

3. Item no. 5 - Election of an auditing firm

The Board of Directors proposes that Deloitte ehf. will be elected to continue to act as the Bank's external auditors until the next AGM. This proposal is based on an agreement between Arion Bank and Deloitte from December 2024 and Article 90 of the Act on Financial Undertakings, No. 161/2002.

4. Item no. 6 - Decision on remuneration to the Board of Directors and compensation to members of the Board's sub-committees

The Board of Directors proposes the following remuneration for the Board of Directors, members of Board sub-committees and alternate Directors:

The monthly salary of Board members be ISK 635,000, the monthly salary of the Vice-Chairman be ISK 952,500 and the monthly salary of the Chairman be ISK 1,270,000. Board members residing outside of Iceland will receive a further ISK 410,000 for each Board meeting they attend in person.

In addition, it will be permitted to pay those Board members who serve on the following Board's sub-committees; Audit Committee, Remuneration Committee and Tech Committee, a maximum of ISK 264,500 a month for each committee and the chairmen of these sub-committees ISK 396,750 a month. For the newly consolidated Board's sub-committee, formed from the merger of the Risk Committee and Credit Committee, it will be permitted to pay those who serve on the merged sub-committee ISK 462,500 a month, and the chairman of the aforementioned sub-committee ISK 693,750. Furthermore, it will be permitted to pay the external member of the Bank's Audit Committee a maximum of ISK 396,750 a month, whether or not the individual is the chairman of the Committee.

Alternate Directors shall receive a payment of ISK 635,000 per year. In addition, alternate Directors shall be paid ISK 317,500 for each meeting attended but cannot exceed ISK 635,000 per month.

For Board members residing outside of Iceland, these figures shall be paid in the equivalent amount in their respective currency, fixed at the average three-year official exchange rate prior to the date of the 2026 AGM.

Explanatory note:

Further information is to be found in the Nomination Committee's report, which is expected to be made available on 18 February 2026 on the Bank's website, www.arionbanki.is/gm.

5. Item no. 7 - Decision on remuneration to members of the Bank's Nomination Committee

The Board of Directors proposes that remuneration to members of the Bank's Nomination Committee shall be a fixed hourly rate of ISK 31,000.

6. Item no. 9 - Election of one member of the Bank's Audit Committee

The Board of Directors proposes that Heimir Þorsteinsson, ID. no. 200670-3889, be re-elected as an external member of the Bank's Audit Committee.

Explanatory note:

According to Act No. 3/2006 on Annual Accounts, external members of a company's audit committee must be appointed by the annual general meeting. Given that the Board of Directors has decided that one member of its Audit Committee shall be a non-director, the Board proposes that this member be appointed by the Annual General Meeting.

7. Item no. 10 – Proposal to amend the Bank's Remuneration Policy

The Board of Directors proposes that the Remuneration Policy be amended. Firstly, it is proposed that footnote i. be amended to reflect the renewal of the authorisation for the Board



of Directors to adopt a five-year share option plan. Secondly, it is proposed that footnote ii. stating that ISK 1,500,000 amounted to approximately EUR 10,395 based on the official exchange rate from 2022, be removed, as this reference is outdated and no longer relevant. Thirdly, it is proposed that footnote iii. indicating that internal procedures for integrating sustainability risks were still in development be removed, as these procedures have now been fully implemented.

The Bank's Remuneration Policy, reflecting the proposed amendments, is attached hereto as Appendix 1 and is also set out on the Bank's website, www.arionbanki.is/gm.

Explanatory note:

The proposed amendments are primarily technical in nature and consist of updating and removing outdated references in the policy's footnotes. No substantive changes are being proposed, and the policy therefore remains effectively unchanged. The purpose of these amendments is to ensure that the Remuneration Policy accurately reflects the Bank's current procedures and that all references comply with the Bank's internal rules.

On the Bank's website, www.arionbanki.is/gm, is a document that tracks the intended changes to the Bank's Remuneration Policy accompanied with a reasoned explanatory note for each amendment.

8. Item no. 11 - Proposal to reduce share capital by cancelling the Bank's own shares and a corresponding amendment to the Articles of Association

The Board of Directors proposes the following to the Annual General Meeting:

"The Annual General Meeting of Arion Bank hf., held on 11 March 2026, resolves to reduce the Bank's share capital by ISK 40,000,000 nominal value, from ISK 1,420,000,000 to ISK 1,380,000,000 nominal value, by cancelling 40,000,000 own shares. The reduction will be executed by cancelling the Bank's own shares amounting to the above-mentioned amount provided that all applicable legal conditions are met."

The proposal entails a change to Article 2.1 of the Bank's Articles of Association, which will read as follows:

"The Company's share capital is ISK 1,380,000,000 – one billion three hundred eighty million Icelandic kronur."

Explanatory note:

It is proposed to cancel 40,000,000 shares held by the Bank for the benefit of shareholders. If this proposal is accepted, the share capital of the Bank will be reduced from ISK 1,420,000,000 to ISK 1,380,000,000 nominal value. The Financial Supervisory Authority of the Central Bank of Iceland has already approved the reduction in accordance with Act No. 161/2002, on Financial Undertakings and Regulation (EU) on Prudential Requirements for Credit Institutions and Investment Firms, No. 575/2013 (CRR).

9. Item no. 12 - Proposal to renew the Bank's authorisation to purchase own shares and a corresponding amendment to the Articles of Association

The Board of Directors proposes that the authorisation to purchase the Bank's shares be approved. It is further proposed that should the proposal be approved, the authorisation will be recorded in Annex no. 1 to the Articles of Association of the Bank, replacing the current Annex no. 1, and thus be an integral part of the Articles of Association in accordance with Article 7.1 of the Articles of Association. The proposal reads as follows:

"The Annual General Meeting of Arion Bank hf. held on 11 March 2026 authorises the Board of Directors, based on Article 55 of the Company Act, No. 2/1995, to acquire on behalf of the Company own shares, causing the Company and its subsidiaries to hold up to 10% of issued share capital in the Company. The authorisation shall be used to set up a formal share repurchase program or for the purpose of offering shareholders generally to sell their shares to the Company, e.g. through auction, provided equal treatment of shareholders is ensured should such offer be made. Shares acquired by



the Company hereunder may *inter alia* be used for the purpose of meeting the Company's obligations under share option agreements with its employees, and for payment of variable remuneration as per the Company's Remuneration Policy and variable remuneration framework. The repurchase of shares under this authorisation is conditional upon the prior approval of the Financial Supervisory Authority in accordance with Article 77 of Regulation (EU) on Prudential Requirements for Credit Institutions and Investment Firms, No. 575/2013 (CRR).

This authorisation shall remain in effect until the Company's Annual General Meeting in 2027 or 11 September 2027, whichever occurs first. Older authorisations to purchase own shares are cancelled with the approval of this authorisation. Such cancellation shall, however, not affect any repurchase transactions initiated and published prior to that date."

Explanatory note:

The Board of Directors proposes that the current authorisation of the Board of Directors to purchase the Bank's shares is renewed, allowing the Company to hold up to 10% of own shares. In general, similar arguments apply to the repurchase of a Bank's own shares as to annual dividend payments, on the basis of the Bank's operating results. The proposal aims at outlining the Bank's shareholder return in a transparent manner and concurrently with the Bank's dividend policy.

The proposed authorisation to repurchase the Bank's own shares will be carried out in accordance with applicable laws and regulations and the prior approval of the Central Bank's Financial Supervisory Authority shall be obtained in accordance with applicable laws and regulations.

*Furthermore, in line with paragraph 2 (c) of Article 5 of Regulation (EU) No. 596/2014 on Market Abuse (Market Abuse Regulation) the Annex reflects that shares acquired by the Bank on the basis of this authorisation may, *inter alia*, be used for the purpose of meeting the Bank's obligations under share option agreements and payment of variable remuneration in accordance with the Bank's Remuneration Policy and variable remuneration framework, as per item no. 10.*

Explanatory notes to agenda items no. 4 and 8:

Item no. 4 - Election of the Bank's Board of Directors, Chairman of the Board and Vice-Chairman

In accordance with the Bank's Articles of Association, the Bank's Board of Directors shall be elected at an Annual General Meeting of the Bank for a term of one year.

The Board of Directors has decided that the Board election will be executed so that the Board of Directors will be composed of five directors and two alternates, cf. Article 17.1 of the Bank's Articles of Association. The decision is based on a proposal from the Bank's Nomination Committee but the proposal can be subject to change when the final proposals will be published no later than two weeks before the Annual General Meeting. Further information is to be found in the Nomination Committee's report, which is expected to be made available on 18 February 2026 on the Bank's website.

Individuals who intend to stand for election as a member of the Board of Directors must give notice of their candidacy in writing to the Board of Directors no later than fourteen days prior to the commencement of the Annual General Meeting, in accordance with the Bank's Articles of Association. Notifications must be sent to nominationcommittee@arionbanki.is by 16:00 (GMT) on 25 February 2026.

The Nomination Committee will propose to the shareholders the candidates to serve on the Board of Directors based on shareholders' proposals and submission of candidacy and expects to publish its proposal on 18 February 2026. Information regarding all candidates will be published on the Bank's website, www.arionbanki.is/gm, no later than ten days before the Annual General Meeting. It will be made available at the Bank's headquarters at the same time.

Item no. 8 - Election of two members of the Bank's Nomination Committee



Translation from Icelandic

In accordance with the Bank's Articles of Association and the Rules of Procedure for the Nomination Committee, a shareholders' meeting shall vote for two of the three members of the Nomination Committee. The third member of the Nomination Committee shall be the Chairman of the Board of Directors or another member of the Board of Directors appointed by the Board.

The individuals who intend to stand for election as members of the Nomination Committee must give notice of their candidacy in writing no later than fourteen days prior to the commencement of the Annual General Meeting. Notifications must be sent to shareholders@arionbanki.is by 16:00 (GMT) on 25 February 2026. The applicable arrangement for the voting of Board members in the Articles of Association shall apply to the voting of Committee Members. Notifications from candidates will be published on the Bank's website, www.arionbanki.is/gm, no later than ten days before the Annual General Meeting and will be made available at the Bank's headquarters at the same time.