



Minutes of the Annual General Meeting of Arion Bank hf.

The Annual General Meeting of Arion Bank was held at the Bank's head office on Wednesday 12 March 2025 at 4:00 p.m. Shareholders were also given the opportunity of attending by electronic means.

Opening the meeting

Paul Horner, Chairman of the Board of Directors of Arion Bank hf., began the meeting by welcoming present and calling the meeting to order. The chairman then proposed that Guðbjörg Helga Hjartardóttir, attorney, be elected as chair of the meeting and no objections were raised. Guðbjörg then took over the duties of chairing the meeting.

The chair proposed that Sólveig Rún Rúnarsdóttir, employee in the legal department of Arion Bank hf., be elected as secretary to the meeting and no objections were raised. The secretary took over the duties of recording the minutes.

The chair went over the summons to the meeting. She stated that the summons to the meeting had been given with sufficient notice pursuant to Article 88 a. of the Act on Public Limited Companies and the provisions of the Bank's Articles of Association. The summons to the meeting had been published in an announcement in the Nasdaq stock exchange system and on the Bank's website on 17 February 2025. The summons to the meeting had also been published in a daily newspaper in Iceland and Sweden on 19 February 2025. The proposals to be discussed at the meeting, and the notes to the proposals, had been published on the Bank's website and, where applicable, in an announcement in the Nasdaq system. They had also been made available to shareholders at the Bank's headquarters.

The chair declared the meeting to be properly constituted to discuss the items on the agenda.

The chair stated that the meeting was an Annual General Meeting for the operating year 2024.

The chair then briefly described the voting arrangements at the meeting, that voting was to be conducted electronically and solely via the electronic voting system Lumi AGM. It was also noted that shareholders had the option of submitting questions and comments digitally via the system.

The meeting's agenda was as follows:

- 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 authorise the Board of Directors to implement a share option plan**
- 11. Proposal to amend the Bank's Remuneration Policy**
- 12. Proposal to reduce share capital by cancelling the Bank's own shares and a corresponding amendment to the Articles of Association**
- 13. Authorisation of issuance of Additional Tier 1 notes and a corresponding amendment to the Articles of Association**
- 14. Proposal to renew the Bank's authorisation to purchase own shares and a corresponding amendment to the Articles of Association**
- 15. Proposals to amend the Bank's Articles of Association**
- 16. Proposal to amend the Rules of Procedure for the Bank's Nomination Committee**
- 17. Other business**

The chair proposed that the items "Report of the Board of Directors", and "Approval of the Bank's annual financial statements", i.e. items 1 and 2, be discussed together after the presentation of the annual financial statements. No objections were raised. The chair also announced that the Bank's annual and sustainability report and Pillar 3 Risk Disclosures were available in digital format on the Bank's website.

1. Report of the Board of Directors on the Bank's operations, activities and financial situation during the last financial year

Paul Horner, Chairman of the Board of Directors of Arion Bank hf., presented the report of the Board of Directors on the operations, activities and financial situation of the Bank in the last financial year.

The chair announced that 129 shareholders or their representatives attended the meeting, with a total 918,389,309 votes, representing 65,54% of share capital in Arion Bank hf.

2. Approval of the Bank's annual financial statements and consolidated accounts for the last financial year

Benedikt Gíslason, CEO of Arion Bank hf., presented the Bank's annual financial statements for the last financial year.

At the end of the CEO's speech the chair gave the shareholders the opportunity to comment on the Bank's annual financial statements and the report of the Board of Directors.

No questions or comments were received.

The following proposal had been presented to the meeting:

The Board of Directors proposes that the Annual Financial Statements and consolidated accounts for the year 2024 will be approved.

The proposal was put to the vote and approved by all votes cast.

3. Decision on payment of a dividend

The chair presented the following proposal of the Board:

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 16 billion, taking into account own shares held by the Bank.

If approved by the shareholders, the Bank's shares traded on and after 13 March 2025 (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 14 March 2025 (Record date).

The payment date of the dividend will be 20 March 2025.

The chair gave the shareholders the opportunity to discuss this matter. No comments or queries were received.

The proposal was put to the vote and approved by all votes cast.

4. Election of the Bank's Board of Directors, Chairman of the Board and Vice-Chairman

The chair said that by law and according to the Bank's Articles of Association, the Bank's board of directors must be elected at an annual general meeting. According to the Bank's Articles of Association the Board of Directors should have 5-8 members and the Alternate Board should have up to three members, and the chair informed the people attending the meeting that the Board of Directors had decided that the election would be such that the Board of Directors would have five members and the Alternate Board two members.

The chair noted that according to 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.

The following persons announced they wished to stand for election to the Board of Directors:

- Gunnar Sturluson
- Kristín Pétersdóttir
- Marianne Gjertsen Ebbesen
- Paul Horner
- Steinunn Kristín Þórðardóttir

The chair said that information on candidates, which must be provided in accordance with Article 63 a. of the Act on Public Limited Companies, i.e. name, 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 included in the Nomination Committee's proposals, which had been published on the Bank's website.

The chair said that the Nomination Committee proposed in its report that the above candidates be elected to the Board of Directors.

The chair announced that since no other candidacies had been announced, the above people were duly elected to the Board of Directors without an election.

Next was the election of the Alternate Board of Directors.

The chair said that according to the Bank's Articles of Association, prospective candidates to the Alternate Board of Directors should announce their candidacies no later than five days before the annual general meeting.

The following persons announced they wished to stand for election to the Alternate Board of Directors:

- Einar Hugi Bjarnason
- Sigurbjörg Ólafsdóttir

The chair said that the Nomination Committee proposed in its report, that Einar and Sigurbjörg be elected to the Alternate Board of Directors.



The chair announced that since no other candidacies had been announced, the above people were duly elected to the Alternate Board of Directors without an election.

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

- Gunnar Sturluson
- Kristín Pétursdóttir
- Marianne Gjertsen Ebbesen
- Paul Horner
- Steinunn Kristín Þórðardóttir

and the Alternate Directors are:

- Einar Hugi Bjarnason
- Sigurbjörg Ólafsdóttir

Next was the election of the Chairman of the Board of Directors.

The chair announced that the Nomination Committee had proposed that Paul Horner be re-elected as Chairman of the Board. Next was the election of the Chairman from the elected members of the Board of Directors. Paul Horner was re-elected as Chairman of the Board of Directors.

Finally, there was the election of the Vice Chairman of the Board of Directors.

The chair announced that the Nomination Committee had proposed that Kristín Pétursdóttir be re-elected as Vice Chairman. Next was the election of the Vice Chairman from among the newly elected members of the Board of Directors, excluding the Chairman. Kristín Pétursdóttir was re-elected as Vice Chairman of the Board of Directors.

5. Election of an auditing firm

The chair presented the following proposal of the Board:

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.

The chair gave the shareholders the opportunity to discuss this matter. No comments or queries were received.

The proposal was put to the vote and approved with the required majority of votes.

6. Decision on remuneration to the Board of Directors and compensation to members of the Board's sub-committees

The chair announced that the following Board proposal had been made on remuneration to the Board of Directors, members of Board sub-committees and alternate Directors:

The monthly salary of Board members be ISK 600,000, the monthly salary of the Vice-Chairman be ISK 900,000 and the monthly salary of the Chairman be ISK 1,200,000. Board members residing outside of Iceland will receive a further ISK 387,500 for each Board meeting they attend in person.

In addition, it will be permitted to pay those Board members who serve on the Board's sub-committees a maximum of ISK 250,000 a month for each committee and the chairmen of Board sub-committees ISK 375,000 a month.



Alternate Directors shall receive a payment of ISK 600,000 per year. In addition, alternate Directors shall be paid ISK 300,000 for each meeting attended but cannot exceed ISK 600,000 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 2025 AGM.

The chair addressed that in the Board's report with the proposal referred to the Bank's Nomination Committee's report, as the proposal was based on the Nomination Committee's proposals. The chair briefly outlined the report of the Nomination Committee regarding the proposal.

The shareholders were given the opportunity to comment on the proposal, but no one wished to discuss the matter. Votes were then cast on the proposal, which was approved by all votes cast.

7. Decision on remuneration to members of the Bank's Nomination Committee

The chair announced that the following proposal had been made by the Board:

The Board proposes that remuneration to members of the Bank's Nomination Committee shall be fixed hourly rate of ISK 29,250.

The chair gave the shareholders the opportunity to discuss this proposal. No one wished to discuss the matter. The proposal was then put to the vote. The proposal was approved by all votes cast.

8. Election of two members of the Bank's Nomination Committee

The chair explained to shareholders that under this item on the agenda, two members of the Bank's Nomination Committee were due to be elected. The chair explained that according to the Bank's Articles of Association and the rules of the Nomination Committee, the Bank's shareholders should be given the opportunity to elect two of the three members of the Nomination Committee. The third committee member shall be the Chairman of the Board of Directors or another Board member appointed by the Board.

The chair announced the names of the candidates to shareholders, which were the following:

- Auður Bjarnadóttir
- Júlíus Þorfinnsson

The chair announced that since no other nominations had been received, the above were duly elected to the Nomination Committee.

9. Election of one member of the Bank's Audit Committee

The Board of Directors had proposed that Heimir Þorsteinsson, ID. no. 200670-3889, be elected to the Bank's Audit Committee. It was noted that Heimir had been a member of the committee the past few years.

The chair read the Board's explanatory note with the proposal.

The chair gave shareholders the opportunity to discuss the proposal. No one wished to discuss the matter. The proposal was put to the vote and approved by all votes cast.

10. Proposal to authorise the Board of Directors to implement a share option plan

The chair presented the following proposal:

The Board of Directors of Arion Bank proposes that the AGM authorises the Board of Directors to implement a share option plan in accordance with Article 10 of the Income Tax Act No.



90/2003, authorising the Bank to enter into share option agreements with the Bank's and its subsidiaries' employees on the purchase of shares in the Bank for an amount of up to ISK 1,500,000 market value purchase price per year for five years.

The chair mentioned that according to the explanatory note on the proposal, a five-year share option scheme pursuant to Article 10 of the Icelandic Income Tax Act had been in place, in accordance with the Bank's AGM approval from 2020, and had been successful. As this current scheme was set to expire in 2026, it was proposed that the Board be authorised to implement a new five-year share option plan when the current share option scheme would expire. It was envisaged that permanent employees of the Bank be given the option of buying shares in the Bank for an amount of up to ISK 1,500,000 a year, cf. provisions of Article 10 of the Income Tax Act.

A comment was submitted through the Lumi system inquiring whether the share option plan applied to all employees. The chair responded to the comment and clarified that the provision applied to all permanent employees of the Arion Bank group which had worked for a required period for the group. Another comment was submitted, stating that this was a good proposal. No other comments were received.

The proposal was then put to the vote and approved by all votes cast.

11. Proposal to amend the Bank's Remuneration Policy

The chair presented the following Board's proposal to amend the Bank's Remuneration Policy:

The Board of Directors proposes that the Remuneration Policy be amended. Firstly, it is proposed to add a detailed reference to laws and regulations on which the Remuneration Policy is founded. Secondly, it is proposed that the Remuneration Policy be amended to allow for fixed annual supplemental payments for employees in internal control functions. It is proposed that the supplemental payments shall not exceed 10% of the employees annual salary and be formalised through an addendum to employment contracts valid for a specified period. Thirdly, amendments to chapter VIII regarding the remuneration policy's consistency with integration of sustainability risks are proposed to include information on the metric of the Bank's bonus system, which pertains to a third-party rating service's assessment of sustainability risk, as well as simplifying the section.

The chair noted that a copy of an updated Bank's Remuneration Policy had been made available on the bank's website prior to the meeting. The chair then proceeded to read the Board's explanatory note with the proposal.

The chair gave shareholders the opportunity to comment on the proposal.

Then the proposal was put to a vote. The proposal was approved and passed with the required majority of votes.

12. Proposal to reduce share capital by cancelling the Bank's own shares and a corresponding amendment to the Articles of Association

The chair announced that a proposal had been made to reduce share capital by cancelling the Bank's own shares. The Board's proposal was as follows:

The Annual General Meeting of Arion Bank hf., held on 12 March 2025, resolves to reduce the Bank's share capital by ISK 93,423,078 nominal value, from ISK 1,513,423,078 to ISK 1,420,000,000 nominal value, by cancelling 93,423,078 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 1,420,000,000.00 one billion four hundred and twenty million Icelandic kronur.



The chair read the Board's explanatory note with the proposal. The chair then gave shareholders the opportunity to comment on the proposal. No questions or comments were received.

The proposal was then put to the vote. The proposal was passed with the required majority of votes.

13. Authorisation of issuance of Additional Tier 1 notes and a corresponding amendment to the Articles of Association

The chair introduced the Board's proposal to amend the Bank's Articles of Association to authorise the Board to issue convertible notes, meeting Additional Tier 1 requirements, until the year 2030. The chair stated that the explanatory note accompanying the proposal indicated that it was intended to renew the authorisation granted by the Annual General Meeting in 2021, as now set out in Articles 3.6 and 3.4 of the Bank's Articles of Association. The proposal sought to amend Article 3.6 by converting it to Article 3.3 of the Articles of Association. Additionally, Article 3.4 was to be amended to extend the authorisation set out therein until the year 2030.

The proposal was as follows:

The Board of Directors proposes that the Annual General Meeting approves following amendment to the Articles of Association to renew the authorisation to issue convertible notes that meet the additional tier 1 requirements until year 2030.

Articles 3.3 and 3.4 will, if approved, read as follows:

"With reference to a Shareholders Resolution dated 16 March 2021 (the "2021 Shareholders Resolution"), on 24 September 2024, convertible notes (the "Notes") that meet the additional tier 1 requirements according to Article 51 and 52 of Regulation (EU) on Prudential Requirements for Credit Institutions and Investment Firms, No. 575/2013 (CRR), in the total initial amount of USD 125,000,000 were issued and listed on the Luxembourg Stock Exchange. The Notes are perpetual, subordinated convertible notes and are issued under the EUR 3,000,000,000 EMTN Programme of the Company. The Board of Directors is authorised to issue new shares in the Company in order to fulfil the Company's obligations under the Notes. The amount of the Notes and conditions for conversion is set so that the total number of shares which may be issued upon conversion of the Notes (the "Conversion Shares"), by virtue of this authorisation, may not exceed 172,176,309 shares. The maximum number of Conversion Shares which may be issued upon conversion of the Notes may be increased pursuant to the terms and conditions of the Notes, including in the event of any discounted share issue, bonus issue, discounted rights issue, any other issue of securities to shareholders as a class or issue of other convertible securities, conversion of convertibles other than the Notes, share split, mergers, acquisitions, dividend distributions or similar corporate events (including the Company's dissolution by way of merger or division). The Notes are convertible into Conversion Shares in accordance with the terms and conditions of the Notes if a Capital Adequacy Event (as defined in the terms and conditions of the Notes) occurs at any time while they are outstanding. The Conversion Shares shall upon conversion be deemed as fully paid and have the same rights and obligations as other shares in the Company in accordance with these Articles of Association. With reference to the 2021 Shareholders Resolution, the shareholders of the Company have waived any preferential rights with respect to subscription of the Conversion Shares.

By a shareholders resolution of the Annual General meeting of the Company on 12 March 2025, the Board of Directors is authorised, for the period until the annual general meeting in 2030, on one or several occasions, with deviation from any shareholders preferential rights, to issue convertible notes for the maximum amount of ISK 20,000,000,000 or equivalent amount in other currencies (the "New Notes") that meet Additional Tier 1 requirements according to Article 51 and 52 of Regulation (EU) on Prudential Requirements for Credit Institutions and Investment Firms, No. 575/2013 (CRR). The New Notes shall be perpetual (without a maturity date), subordinated and convertible into shares in the Company. Final loan amounts and conditions for conversion shall be set so that the total number of shares which may be issued upon conversion of the New Notes (the "New Conversion Shares"), by virtue of this authorisation, may not exceed 600,000,000 shares. The maximum number of New Conversion Shares which may be issued upon conversion may however be increased pursuant to the terms and



conditions of the New Notes e.g. in the event of any discounted share issue, bonus issue, discounted rights issue, any other issue of securities to shareholders as a class or issue of other convertible securities, conversion of convertibles other than the New Notes, share split, mergers, acquisitions, cash or non-cash dividend or similar corporate events (including the Company's dissolution by way of merger or division). The New Notes shall be convertible into Conversion Shares in accordance with the terms and conditions of the New Notes. The New Notes will not be convertible at the option of the holders. The New Conversion Shares shall upon conversion be deemed as fully paid and have the same rights and obligations as other shares in the Company in accordance with these Articles of Association. By the shareholders resolution, the shareholders of the Company waive any preferential rights with respect to subscription of the New Conversion Shares. The Board of Directors shall resolve on all other terms and conditions for issuance according to this authorisation."

The chair gave the shareholders the opportunity to discuss this proposal. No questions or comments were received.

The proposal was then put to the vote. The proposal was approved with the required majority of votes.

14. Proposal to renew the Bank's authorisation to purchase own shares and a corresponding amendment to the Articles of Association

The chair announced that a proposal had been made to renew the Board'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 12 March 2025 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 2026 or 12 September 2026, 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."

The chair read the Board's explanatory note with the proposal. The chair gave the shareholders the opportunity to discuss this proposal. No questions or comments were received.

The proposal was then put to the vote. The proposal was approved with the required majority of votes.

15. Proposal to amend the Bank's Articles of Association

The chair stated that the following proposals to amend the Bank's Articles of Association were made to the Annual General Meeting:



The Board of Directors of Arion Bank proposes that the Annual General Meeting of Arion Bank approves the following amendments to the Bank's Articles of Association:

(a) *That Article 17.3 be amended to read as follows:*

"Those individuals who intend to stand for election as directors must give notice of their candidacy in writing to the Board of Directors no later than fourteen (14) days prior to the commencement of the shareholders' meeting at which the election is to take place. In their notification candidates must provide details on their name, Id. No., address, principal employment, other directorships held, education, experience and holding in the Company. Disclosure shall also be made of interest connections with the Company's principal customers and competitors, as well as with shareholders holding more than 10% in the Company. Same applies to those individuals who intend to stand for election for the Company's Nomination Committee."

(b) *That Article 3.3 be removed.*

(c) *That Article 3.5 and Annex II be removed.*

The chair read the Board's explanatory note with the proposal. The chair noted that a draft of updated Articles of Association had been made available on the Bank's website prior to the meeting.

The chair then gave shareholders the opportunity to discuss these proposals. No comments or queries were received.

The chair proposed that the proposals be put to a vote collectively. No objections were raised. The proposals were then put to the vote. The proposals were approved with the required majority of votes.

16. Proposal to amend the Rules of Procedure for the Bank's Nomination Committee

The chair introduced the Board's proposal concerning the Rules of Procedure for the Bank's Nomination Committee:

(a) *That at Article 3(3) be amended to read as follows:*

"Based on shareholders' proposals and submissions of candidacy, the Committee shall propose to the shareholders candidates to serve on the Board of Directors and publish its proposal along with other declarations of candidacy at least 10 days prior to the Annual General Meeting or other shareholder meetings where Board election is on the agenda. In its proposal for candidates, the Committee shall propose which candidate shall serve as the Chairman and the Vice Chairman of the Board of Directors of the Bank. The Committee shall also propose to the Annual General Meeting the remuneration payable to the members of the Board of Directors. The Committee's proposal of candidates and remuneration shall be sent to all shareholders or made publicly available."

The chair announced that the Board of Directors had proposed to amend the above-mentioned proposal. The chair proceeded to clearly outline the amendment and its contents. Additionally, the chair read the Board's explanatory memorandum accompanying the amendment proposal. The proposed amendment was as follows:

(a) *That at Article 3(3) be amended to read as follows:*

"Based on shareholders' proposals and submissions of candidacy, the Committee shall propose to the shareholders candidates to serve on the Board of Directors and publish its proposal at least 21 days prior to the Annual General Meeting or other shareholder meetings where Board election is on the agenda. The Committee shall arrange for details of all candidates for Board election to be published no later than 10 days prior to such meeting. Following expiry of the deadline for Board candidacy, the Committee is authorised to update its proposal on Board candidates and publish its final proposal



together with the list of Board candidates. In its proposal for candidates, the Committee shall propose which candidate shall serve as the Chairman and the Vice Chairman of the Board of Directors of the Bank. The Committee shall also propose to the Annual General Meeting the remuneration payable to the members of the Board of Directors. The Committee's proposal of candidates and remuneration shall be sent to all shareholders or made publicly available.“

The chair suggested that a vote would first be cast on the proposed amendment of the Board. Should the amendment proposal be approved, the Board's initial proposal would not be voted on. The chair then gave shareholders the opportunity to discuss the amendment proposal. No comments or queries were received.

The amendment proposal was approved with the required majority of votes.

17. Other business

The chair gave the Board of Directors and representatives of the shareholder the opportunity to raise further questions or to comment.

No comments or questions were received, and no other matters were raised.

The people attending the meeting were then given the opportunity hear the minutes read out aloud if they wished. No shareholder asked for the minutes to be read aloud, and the chair and secretary were asked to complete the minutes.

Paul Horner, newly re-elected Chairman of the Board of Directors, addressed the meeting and thanked the shareholders for their trust. He welcomed Marianne, newly elected Board member, to the Board and expressed his gratitude to Liv Fiksdal, the retiring Board member, for the cooperation.

No further business was discussed, and the meeting was adjourned at 5:47 p.m.