

MINUTES OF A SHAREHOLDERS' MEETING OF ARION BANK HF

A shareholders' meeting of Arion Bank hf. was held at the Bank's headquarters at Borgartun 19, 105 Reykjavik on 5 September 2018 at 16:00.

1. Opening the meeting

Eva Cederbalk, chairman of the Board of Directors of the Bank, began the meeting by welcoming those present and calling the meeting to order. Eva noted that the meeting would be held in Icelandic apart from her opening remarks. Eva then proposed that Ólafur Haraldsson, Supreme Court Attorney, would be elected as chair and this was approved.

The chair proposed that Þóra M. Hjaltested, attorney at Arion Bank hf., would be elected as secretary to the meeting and this was approved. The secretary took over the duties of recording the minutes.

The chair noted that 68 shareholders or their representatives were present at the meeting. The chair also informed the shareholders that 12 holders of Swedish Depositary Receipts (SDRs) registered in Euroclear Sweden, had granted the chair a proxy to vote on their behalf according to their instructions. One shareholder of the Bank had voted electronically. These shareholders owned 1,243,082,009 shares, equivalent to 68.5% of the Bank's share capital.

The chair went over the summons to the meeting. He 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 meeting announcement had been published on the Bank's website and in the information system of Nasdaq Iceland and Sweden on 14 August 2018. It had also been published in an Icelandic newspaper on 15 August 2018 and a Swedish newspaper on 17 August 2018. Proposals to the shareholders' meeting along with explanatory notes had also been published on the Bank's website and 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 motions and agenda had been submitted for discussion at the meeting:

- 1. Proposal to pay dividend to the Bank's shareholders**
- 2. Changes to the Board of Directors**
Election of one new member to the Board of Directors to serve until the Bank's next Annual General Meeting
- 3. The election of two members to serve on the Nomination Committee**
- 4. Proposal on the remuneration to the members of the Nomination Committee**
- 5. Proposal to amend the Articles of Association**
 - a. It is proposed that the temporary provision of the Articles of Association which contains exemptions from certain provisions of the Articles on the time-frame for summoning of shareholders' meetings will be erased. According to the provision, it became null and void when the Bank's shares were admitted to trading on Nasdaq Iceland.**

- b. It is proposed that Addendum no 1 to the Articles of Association will be erased from the Articles of Association. The Addendum was added to the Articles of Association following a shareholders' meeting held on 12 February 2018 and contains authorization for the Bank to purchase a certain amount of its own shares. The authorization was exercised in February 2018.**

6. Other business

2. Proposal to pay dividend to the Bank's shareholders

The chair introduced the Board of Directors' proposal that a dividend of ISK 10,000,000,000.00 would be paid to the Bank's shareholders. The chair explained that at the Annual General Meeting of Arion Bank hf. 2018 the shareholders agreed that no dividend would be paid for the time being but it was noted that the Bank's Board of Directors had the authority to propose that the Bank would pay dividend or other disbursement of equity at an extraordinary shareholders' meeting at a later stage, prior to the Annual General Meeting of Arion Bank hf. 2019. The chair further explained that the Bank's CET1 ratio was 23.1% on 30 June 2018. A dividend of ISK 10,000,000,000.00 would lower the Bank's CET1 ratio to 21.8%, which would be well above capital requirements.

Thereafter, the chair put the below proposal up for resolution:

The Board of Directors proposes that a dividend of 10,000,000,000.00 ISK will be paid to the Bank's shareholders. The dividend will be equal to 5 ISK per share.

If approved by shareholders, the Bank's shares traded on and after 6 September 2018 (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 7 September 2018 (Record date).

The payment date of the dividend will be 28 September 2018.

The chair then invited the shareholders to express their views on the above proposal. No shareholder wished to speak up.

The meeting then voted on the proposal.

The proposal was approved unanimously.

3. Changes to the Board of Directors

The chair introduced item no. 2 on the agenda of the meeting, changes to the Board of Directors. The chair explained that the Board of Directors had decided that an election of one new member to the Board of Directors should take place at the shareholders' meeting. The new member of the Board of Directors should serve until the next Annual General Meeting and 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.

Translation

The chair informed the shareholders that one candidate was standing for election, Benedikt Gíslason, ID-No. 280374-4269.

The chair noted that information on the candidate as provided for in Article 63 (a) of the Act on Public Limited Companies, i.e. name, ID-No, address, information on main occupation, directorships or board positions, education, experience as well as interest links with the principal business parties and competitors of the Bank had been published on the Bank's website and made available to shareholders at the Bank's headquarters. Furthermore, the Board of Directors had assessed the candidate's independence as provided for in the Rules of Procedure for the Board of Directors. The assessment of the Board of Directors had been made available to shareholders of the Bank.

The chair stated that as there were no other candidates to the Board of Directors, Benedikt Gíslason would be elected to the Board of Directors and serve until the next Annual General Meeting.

The Board of Directors consists of the following members:

- Brynjólfur Bjarnason, ID-No. 180746-3909
- Eva Cederbalk, ID-No. 310752-3049
- Herdís Dröfn Fjeldsted, ID-No. 210971-4329
- Máns Höglund, ID-No. 240551-2259
- Steinunn Kristín Þórðardóttir, ID-No. 090472-4379
- Benedikt Gíslason, ID-No. 280374-4269

4. The election of two members to serve on the Nomination Committee

The chair explained that according to item no. 3 of the agenda the election of two members to serve on the Nomination Committee should take place at the shareholders' meeting. The chair noted that according to the Bank's Articles of Association and the Rules of Procedure for the Nomination Committee the shareholders shall vote 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 chair then introduced the following candidates that were standing for election:

- Christopher Felix Johannes Guth, born in 1979
- Keith Magliana, born in 1974
- Þórður S. Óskarsson, ID-No. 241150-4299

The chair noted that information on the candidates, i.e. name, ID-No., address, information on main occupation, directorships or board positions, education, experience as well as interest links with the principal business parties and competitors of the Bank had been published on the Bank's website and made available to shareholders at the Bank's headquarters. Furthermore, the Board of Directors had assessed the candidates' independence. The assessment of the Board of Directors had been made available to shareholders of the 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. According to the Rules of Procedure for the Nomination Committee the applicable arrangement for voting of the Board of Directors should apply to the voting of members of the Nomination Committee.

Translation

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, which were the following:

- Christopher Felix Johannes Gut received 829,300,685 votes.
- Keith Magliana received 852,249,968 votes.
- Þórður S. Óskarsson received 44,872,326 votes.

Christopher Felix Johannes Gut and Keith Magliana were elected as members of the Nomination Committee.

5. Proposal on the remuneration to the members on the Nomination Committee

The chair introduced the Board of Directors' proposal on the remuneration to the members on the Nomination Committee. According to the Committee's Rules of Procedure the Annual General Meeting shall decide the remuneration of the Nomination Committee. As Nomination Committee had not been established at the time of the Annual General Meeting in March 2018 a decision on the remuneration was not taken.

Thereafter, the chair put the below proposal up for resolution:

It is proposed that members of the Nomination Committee, including the chairman of the Committee, will receive ISK 150,000 for each Committee meeting attended, up to maximum of ISK 150,000 in case of more than one meeting a month and maximum of ISK 900,000 per calendar year.

The chairman then invited the shareholders to express their views on the above proposal. No shareholder wished to speak up.

The meeting then voted on the proposal. The chair noted that the shareholder that had voted electronically had voted against the proposal.

The proposal was approved by majority of votes.

6. Proposal to amend the Articles of Association

The chair introduced the Board of Directors' proposal for amendments to the Bank's Articles of Association.

Translation

Firstly it was proposed that the Temporary provision of the Bank's Articles of Association would be removed from the Articles of Association. The chair explained that the Temporary provision contained exemptions from provisions of the Bank's Articles of Association regarding the time-frame for summoning of shareholders' meetings. According to the provision it became null and void when the Bank's shares were admitted to trading on Nasdaq Iceland. Therefore it was proposed that the Temporary provision would be erased from the Bank's Articles of Association.

The chair then put the below proposal up for resolution:

It is proposed that the Temporary provision of the Bank's Articles of Association will be erased from the Articles of Association.

The chairman then invited the shareholders to express their views on the above proposal. No shareholder wished to speak up.

The meeting then voted on the proposal.

The proposal was approved unanimously.

Secondly it was proposed that Addendum no 1 to the Bank's Articles of Association would be erased from the Articles of Association. The chair explained that the Addendum was added to the Bank's Articles of Association following a shareholders' meeting held on 12 February 2018 and contains authorization for the Bank to purchase a certain amount of its own shares. The authorization was exercised in February 2018.

The chair put the below proposal up for resolution:

It is proposed that Addendum no 1 to the Bank's Articles of Association will be erased from the Articles of Association.

The chairman then invited the shareholders to express their views on the above proposal. No shareholder wished to speak up.

The meeting then voted on the proposal.

The proposal was approved unanimously.

7. Other business

The chair asked whether the shareholders wished to raise any other business. They did not wish to do so.

The approval of the meeting was sought for the secretary and chair of the meeting to complete the minutes of the meeting, which was given. It was also approved that the minutes would not be read aloud at the end of the meeting pursuant to Article 90 (5) of the Act no 2/1995 respecting Public Limited Companies and Article 11.9 of the Bank's Articles of Association.

Translation

The chair informed the shareholders that the minutes of the meeting along with an English translation would be made available on the Bank's website www.arionbanki.is/gm and at the Bank's headquarters no later than 15 days after the meeting.

No further business was discussed and the meeting was adjourned by the chair at 16:57.

Þóra M. Hjaltested,
Secretary

Ólafur Haraldsson, Supreme Court Attorney
Chair