



## Meeting announcement Shareholders' meeting – Arion Bank hf.

A shareholders' meeting of Arion Bank hf., Id. No. 581008-0150, will be held at the Bank's headquarters at Borgartun 19, 105 Reykjavik, at 16.00 Icelandic time on 5 September 2018. The meeting will be conducted in Icelandic, but translation services into English will be available.

### Agenda:

**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**

### Explanatory notes to agenda items No 2 and 3:

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

The Board of Directors of Arion Bank has decided that an election of one new member to the Board of Directors shall take place at the shareholders' meeting. The new member of the Board of Directors shall 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. 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 five days prior to the commencement of the shareholders' meeting, in accordance with the Articles of Association of the Bank. Notifications must be sent to [shareholders@arionbanki.is](mailto:shareholders@arionbanki.is) by 16:00 Icelandic time on 31 August 2018. Notifications from candidates will be published on the Bank's website [www.arionbanki.is/gm](http://www.arionbanki.is/gm) no later than two



days before the shareholders' meeting and will be made available at the Bank's headquarters from the same time.

**The election of two members to serve on the Nomination Committee:**

In accordance with 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 individuals who intend to stand for election as members of the Nomination Committee must give notice of their candidacy in writing no later than five days prior to the commencement of the shareholders' meeting. Notifications must be sent to [shareholders@arionbanki.is](mailto:shareholders@arionbanki.is) by 16:00 Icelandic time on 31 August 2018. The applicable arrangement for 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](http://www.arionbanki.is/gm) no later than two days before the shareholders' meeting and will be made available at the Bank's headquarters from the same time.

**General Information:**

The final agenda, meeting announcement, proposals and other documents for the shareholders' meeting can be found on the Bank's website, [www.arionbanki.is/gm](http://www.arionbanki.is/gm), no later than 15 August 2018 and will be accessible at the Bank's headquarters from the same time. An English translation of the meeting material will be accessible to shareholders at the Bank's headquarters as well as on the Bank's website [www.arionbanki.is/gm](http://www.arionbanki.is/gm). Should there be discrepancy between the English and the Icelandic version, the latter prevails.

Each shareholder is entitled to have a specific matter dealt with at the meeting if he so requests in writing or by electronic means no later than ten days prior to the shareholders' meeting, no later than 16:00 Icelandic time, 26 August 2018. A rationale or a draft resolution shall be enclosed with such a request. The request shall be sent to the Board of Directors by an email to [shareholders@arionbanki.is](mailto:shareholders@arionbanki.is).

Each share of the Bank carries one vote except treasury shares. Notice is also drawn to a restriction of voting rights of certain shareholders of the Bank according to FME's decisions dated 22 September 2017, see also communication by Arion Bank on the issue on 22 June 2018 on Nasdaq Iceland and Sweden.

Shareholders who do not intend to attend the shareholders' meeting in person can vote on items on the agenda electronically. More detailed information on the electronic voting can be found on the Bank's website [www.arionbanki.is/gm](http://www.arionbanki.is/gm). Special attention is drawn to the fact that it may take up to five working days to receive a password. Therefore shareholders are urged to apply for a password in a timely manner.

Shareholders may authorize a representative to attend shareholders' meetings on their behalf and vote on their behalf. The representative shall submit a written or electronic dated power of attorney at the beginning of the meeting. A form of a power of attorney will be available on the Bank's website.



Shareholders or the representatives of shareholders are asked to present themselves when arriving to the meeting (please bring ID).

**Notice to holders of Swedish Depository Receipts (“SDRs”):**

Holders of SDRs who wish to attend or vote by proxy at the shareholders’ meeting must:

- I. be registered in the register kept by Euroclear Sweden AB (“Euroclear”) by 5:00 p.m. (CET) on 31 August 2018;
- II. notify Skandinaviska Enskilda Banken AB (publ) (“SEB”) of their intention to attend the shareholders’ meeting no later than 12:00 noon (CET) on 31 August 2018; or
- III. send an original signed proxy form to SEB so as to arrive at SEB no later than 12:00 noon (CET) on 31 August 2018.

Please note that requirement I. above must be fulfilled when the SDR holder chooses to attend the shareholders’ meeting as well as when the SDR holders chooses to vote by using the proxy form.

Requirement I: SDRs are only registered in the name of the SDR holder in the register kept by Euroclear. SDR holders registered in the name of a nominee must have their SDRs registered in their own names in the register at Euroclear to be entitled to attend and/or vote (by an authorized attorney or in person or by proxy form) at the shareholders’ meeting. SDR holders who hold the SDRs through a nominee must therefore request their nominee to make a temporary owner registration (so-called voting-right registration) in good time before the voting record date August 31, 2018 if they wish to attend and/or vote.

Requirement II: SDR holders who are directly registered in the register at Euroclear, or whose SDRs have been voting-right registered by 5:00 p.m. (CET) on 31 August 2018 and who wish to attend (by an authorized attorney or in person) at the shareholders’ meeting must notify SEB of their intention to attend the shareholders’ meeting no later than 31 August 2018 at 12:00 noon (CET).

Notice of the intention to attend the shareholders’ meeting should be made to SEB, by mailing to the address; SEB, Issuer Agent Department, AB3, SE-106 40 Stockholm, by e-mailing [issuedepartment@seb.se](mailto:issuedepartment@seb.se), by phone +46-8-763 55 60 or by faxing +46-8-763 62 50. Please state your name, phone number, personal number and quantity.

Requirement III: SDR holders, who wish to instruct SEB to vote by proxy form, must send their original signed proxy forms by post or courier so as to arrive at SEB, Issuer Agent Department, AB3, SE-106 40 Stockholm, no later than 12:00 noon (CET) on 31 August 2018. Proxy forms will be available on the Bank’s website [www.arionbanki.is/gm](http://www.arionbanki.is/gm).

***Temporarily restriction on transferring SDRs to shares***

Due to the differences in record dates of shares and SDRs certain restrictions on transfers will take place. During the period from end of business on 29 August up to and including 7 September 2018 a conversion to or from SDRs and shares in Arion Bank hf. will not be permitted.

*Translation*



More detailed information regarding the meeting is available on the Bank's website [www.arionbanki.is/gm](http://www.arionbanki.is/gm).

Reykjavik 14 August 2018  
The Board of Directors of Arion Bank hf.