



Meeting announcement

Annual General Meeting – Arion Bank

The Annual General Meeting of Arion Bank hf., ID-No. 581008-0150, will be held by electronic means, on 16 March 2021 at 16:00. The meeting will be conducted in Icelandic, but translation services into English will be available.

The meeting's agenda is as follows:

- 1. The Report of the Board of Directors on the Bank's operations during the last financial year**
- 2. Approval of the Bank's annual financial statements**
- 3. Decision on payment of a dividend**

It is proposed that a dividend of approximately ISK 2,990,000,000.00 will be paid to the Bank's shareholders. The dividend will be equal to ISK 1.74 per share.

- 4. Election of the Bank's Board of Directors**
- 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. Proposal concerning the Rules of Procedure for the Nomination Committee and a corresponding amendment to the Articles of Association as to the appointment of the Nomination Committee**

The Board of Directors proposes that the amended Rules of Procedure for the Bank's Nomination Committee be approved. The amended rules substantially change the manner in which Nomination Committee members will be appointed, including that no member of the Nomination Committee is appointed by an Annual General Meeting. For further details, please see the Bank's website, www.arionbanki.is/gm.

The Board of Directors further proposes that if the amended Rules of Procedure will be approved, Article 13.2 in the Bank's Articles of Association be amended, so that the approval of the Nomination Committee's Rules of Procedure will be an agenda item, replacing the appointment of two members to the Nomination Committee.

If approved, agenda items 8 and 9 will not be addressed at the meeting.

- 8. Decision on remuneration to members of the Bank's Nomination Committee**
- 9. Appointment of two members of the Bank's Nomination Committee**
- 10. Proposal from the Board of Directors concerning the Bank's Remuneration Policy**
- 11. Proposal to authorise the Board of Directors to approve an amendment to the share option plan**
- 12. Proposal to reduce share capital by cancelling the Bank's own shares and a corresponding amendment to the Articles of Association**

According to the proposal, the Bank's share capital will be reduced by a nominal value of ISK 30,000,000, i.e. from a nominal value of ISK 1,730,000,000 to ISK 1,700,000,000 by cancelling shares owned by the Bank.

If approved, the proposal entails a change to Article 4.1 of the Articles of Association, which will read as follows: "The Company's share capital is ISK 1,700,000,000 – one billion seven hundred million Icelandic kronur."



13. Proposal to renew the authorisation to purchase own shares and a corresponding amendment to the Articles of Association

If the proposal is approved, the temporary authorisation to the Board of Directors to purchase up to 10% of the Bank's share capital will be renewed and shall remain in effect until the Bank's AGM in 2022 or 15 September 2022, whichever occurs first. 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 Bank. The repurchase of shares is subject to prior approval by the Financial Supervisory Authority of the Central Bank of Iceland.

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

The Bank's Annual General Meeting in 2019 authorised the Board of Directors to issue convertible notes that meet Additional Tier 1 requirements according to Article 84 b of the Act on Financial Undertakings, No. 161/2002. The authorisation was valid until the Annual General Meeting in 2020.

On the one hand, the proposed rewording of Article 4.8 is made to reflect the fact that the relevant convertible notes have already been issued. On the other, a new Art. 4.9. will authorise the Board of Directors to issue new convertible notes, in line with conditions set out therein, for the maximum amount of ISK 20,000,000,000 or equivalent amount in other currencies, valid for the period until the Annual General Meeting in 2025.

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

It is proposed that the Annual General Meeting approve new Articles of Association for the Company. The new Articles of Association are intended simplify the current Articles of Association, make structural changes and improve internal coherence. Additionally, proposed changes include expressions and wording which is restated from legal statutes. This will limit the risk of discrepancy with legal acts and the need to approve minor amendments should small wording changes be made to existing statutes.

The proposed amendments represent only minimal material changes. On the Bank's website, www.arionbanki.is/gm, is a document that provides an overview of the intended changes to the Bank's Articles of Association, as well as a clean version of the new Articles of Association (also reflecting the amendments to the Articles of Association proposed by item 5 (agenda item 9) and items 9-11 (agenda items 12-14)).

16. Other business

Explanatory notes to agenda items no 4 and 9:

Election of the Bank's Board of Directors

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. Individuals who intend to stand for election as a member of the Board of Directors must give notice of their candidacy in writing no later than five days prior to the commencement of the Annual General meeting, in accordance with the Articles of Association of the Bank. Notifications must be sent to nominationcommittee@arionbanki.is by 16:00 Icelandic time on 11 March 2021.

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 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 Annual General meeting. They will be made available at the Bank's headquarters at 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 of the Nomination Committee, the Annual General Meeting 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 Annual General meeting. Notifications must be sent to shareholders@arionbanki.is by 16:00 Icelandic time on 11 March 2021. 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 two days before the Annual General meeting and will be made available at the Bank's headquarters at the same time.

Please note that if the proposal under agenda item 7 is approved, voting on members to serve on the Nomination Committee will not take place.

General Information:

The final agenda, proposals, the financial statement for the year 2020 and other documents for the Annual General Meeting are available on the Bank's website, www.arionbanki.is/gm and are accessible at the Bank's headquarters. 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/she so requests in writing or by electronic means no later than ten days prior to the Annual General Meeting, i.e. no later than 16:00 Icelandic time, 6 March 2021. Such a request shall include an explanatory note or a draft resolution. The request shall be sent to the Board of Directors by email to shareholders@arionbanki.is.

At the Annual General Meeting, each share of the Bank carries one vote except treasury shares.

The Annual General Meeting will only be conducted by electronic means, using the Lumi AGM web solution. Please note that a stable internet connection is required. Shareholders can access the Lumi AGM web solution via a web browser in a computer or a smartphone/tablet. It's recommended to use a computer and that the latest version of a web browser is installed (Chrome, Safari, Edge or Firefox). Shareholders will be able to submit questions that may arise during the meeting, in writing using the Lumi AGM web solution.

Shareholders may authorise a representative to attend the Annual General Meeting and vote on their behalf. Shareholders alone are responsible to who they give power of attorney to or share their login credentials with. The required form of a power of attorney will be available on the Bank's website www.arionbanki.is/gm. A power of attorney is valid only for attendance at one shareholders' meeting unless otherwise clearly stated in the contents of the power of attorney. In any case, a power of attorney is never deemed tovalid for more than one year.

Shareholders who intent to attend the Annual General Meeting, or where applicable, vote prior to the meeting need to apply in due time for the necessary login credentials on www.smartagm.com. Shareholders, who also are legal entities or who intend to authorise a representative to attend the Annual General Meeting, are instructed to make sure that the person applying for login credentials is legally authorised to do so. More detailed information on how shareholders can receive their login credentials, process of electronic voting using Lumi AGM, rules on electronic voting and other relevant details can be found on the Bank's website, www.arionbanki.is/gm. In order to ensure the timely processing of shareholders' request to receive login credentials, shareholders shall request access through the website www.smartagm.com no later than five days prior to the meeting, i.e. no later than 11 March 2021 at 16:00 Icelandic time and before the same deadline submit written questions regarding the agenda and/or submitted documents they want answered at the meeting to shareholders@arionbanki.is.

Notice to holders of Swedish Depository Receipts ("SDRs"):

Holders of SDRs who wish to attend by electronic means or vote by proxy at the Annual General Meeting must be registered in the register kept by Euroclear Sweden AB ("Euroclear") by 5:00 p.m. (CET) on 11 March 2021 and perform either of the following:

- I. Notify Skandinaviska Enskilda Banken AB (publ) ("SEB") of their intention to attend the Annual General Meeting by electronic means no later than 11 March 2021; or



II. send an original signed proxy form to SEB so as to arrive at SEB no later than 11 March 2021.

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 by electronic means or vote by proxy form at the Annual General Meeting. SDR holders who hold the SDRs through a nominee must therefore ask their nominee to make a temporary owner registration (so-called voting-right registration) in good time before the voting record date 11 March 2021 if they wish to attend by electronic means and/or vote by proxy form.

Requirement I: 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 11 March 2021 and who wish to attend by electronic means at the Annual General Meeting must notify SEB of their intention to attend the Annual General Meeting no later than 11 March 2021.

Notice of the intention to attend the Annual General Meeting by electronic means should be made to SEB, by mailing the notification of attendance form to the address; SEB, Issuer Agent, AB3, SE-106 40 Stockholm, by e-mailing iadarion@seb.se, by phone +46-8-763 55 60 or by faxing +46-8-763 62 50. Please send a completed SDR Holders Notice of Attendance.

Requirement II: SDR holders who wish to instruct SEB to vote by proxy form must send their original signed proxy forms **by post so as to arrive** at SEB, Issuer Agent, AB3, SE-106 40 Stockholm, delivery address for courier deliveries (e.g. DHL Express): Råsta Strandväg 5 169 79 Solna, **no later than 11 March 2021**. Notifications and Proxy forms will be available on the Bank's website www.arionbanki.is/gm.

For the avoidance of doubt, SDR holders who wish to receive login credentials in order to participate and vote electronically at the Annual General Meeting should **not** apply through the website www.smartagm.com, but rather by notifying SEB of their intention to attend by electronic means, c.f. I. above.

Temporary restriction on transferring SDRs to shares

During the period from end of business on 11 March 2021 up to and including 18 March 2021 a conversion to or from SDRs and shares in Arion Bank will not be permitted.

More detailed information regarding the meeting is available on the Bank's website www.arionbanki.is/gm.

Reykjavík, 19 February 2021
Board of Directors of Arion Bank