



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 15 March 2023 at 4:00 p.m. Shareholders were also given the opportunity of attending by electronic means.

Opening the meeting

Brynjólfur Bjarnason, Chairman of the Board of Directors of Arion Bank hf., began the meeting by welcoming those 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 Hrafnhildur Árnadóttir, lawyer 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 20 February 2023. The summons to the meeting had also been published in a daily newspaper in Iceland and Sweden on 21 February 2023. 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, and 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 2022.

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 Bank's 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. Proposal to amend the Rules of Procedure for the Nomination 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. Proposals to amend the Bank's Articles of Association

14. 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

Brynjólfur Bjarnason, 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 105 shareholders or their representatives attended the meeting, with a total of 858,670,250 votes, representing 59.06% 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 2022 will be approved.

The proposal was put to the vote and approved unanimously.

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 8.5 per share will be paid to the Bank's shareholders, equal to approximately ISK 12.5 billion, taking into account own shares held by the Bank.

If approved by the shareholders, the Bank's shares traded on and after 16 March 2023 (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 17 March 2023 (Record date).

The payment date of the dividend will be 23 March 2023.



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 unanimously.

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, a 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 six 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 people announced they wished to stand for election to the Board of Directors:

- Brynjólfur Bjarnason
- Liv Fiksdahl
- Gunnar Sturluson
- Paul Horner
- Steinunn Kristín Þórðardóttir
- Kristín Pétursdóttir

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:

- Brynjólfur Bjarnason
- Liv Fiksdahl
- Gunnar Sturluson
- Paul Horner
- Steinunn Kristín Þórðardóttir
- Kristín Pétursdóttir

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 people announced they wished to stand for election to the Alternate Board of Directors:



- Sigurbjörg Ásta Jónsdóttir
- Þröstur Ríkharðsson

The chair said that the Nomination Committee proposed in its report, that both the above candidates 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 people now serve on the Board of Directors of Arion Bank:

- Brynjólfur Bjarnason
- Liv Fiksdahl
- Gunnar Sturluson
- Paul Horner
- Steinunn Kristín Þórðardóttir
- Kristín Pétursdóttir

and the Alternate Directors are:

- Sigurbjörg Ásta Jónsdóttir
- Þröstur Ríkharðsson

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

The chair announced that the Nomination Committee had proposed that Brynjólfur Bjarnason be re-elected as Chairman of the Board. Next was the election of the Chairman from the elected members of the Board of Directors. Brynjólfur Bjarnason 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 Paul Horner 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. Paul Horner 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 2021 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 unanimously.



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 550,000, the monthly salary of the Vice-Chairman be ISK 825,000 and the monthly salary of the Chairman be ISK 1,100,000. Board members residing outside of Iceland will receive a further ISK 350,000 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 225,000 a month for each committee and the chairmen of Board sub-committees ISK 337,500 a month.

Alternate Directors shall receive a payment of ISK 550,000 per year. In addition, alternate Directors shall be paid ISK 275,000 for each meeting attended.

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 2023 AGM.

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 and it was approved with a majority of votes.

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 26,500.

The chair noted that in the Board's report with the proposal refers 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 chair then 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 with a majority of votes.

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 and they were the following:

- Júlíus Þorfinnsson
- Auður Bjarnadóttir

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



9. Proposal to amend the Rules of Procedure for the Nomination Committee

The chair presented the following proposal of the Board of Directors on amending the Rules for the Nomination Committee:

The Board of Directors proposes changes to the Rules of Procedure for the Nomination Committee for the purpose of a) aligning the rules with new Article 53 of Act No. 161/2002 on Financial Undertakings and b) clarifying the procedure should a member of the Nomination Committee cease its role between shareholder meetings.

The chair noted that a copy of the Rules of Procedure of the Nomination Committee were available on the Bank's website prior to the meeting.

The chair announced that Gildi Pension Fund had sent a resolution and requested that the following position be discussed by the chair of the meeting and that the position be entered into the book of minutes of the AGM:

"In the current proposal of the board of directors it is proposed that a provision be inserted concerning the structure, role and framework of the nomination committee in accordance with Article 53 of the Financial Undertakings Act No. 161/2002. Naturally, Gildi Pension Fund supports the fact the company operates at all times in accordance with the law but nevertheless wishes to comment on the amendments being made. Gildi is of the opinion that there is no valid reason, as provided for in the new Act, that at least one in three members of the nomination committee, and never less than one, should be a member of the board of directors. In the opinion of Gildi, the experience of the last few years among listed companies in Iceland has shown the opposite, namely that it is better for board members not to have a seat in nomination committees. It is also rather unusual that under the new laws being introduced at the meeting bank nomination committees have the statutory role to assess the work of managing directors and the company's policy on hiring managing directors and certain managers. In Gildi's opinion it would be more normal for such tasks to be the responsibility of the board of directors, not the nomination committee. It should be noted that the above changes in the Icelandic legislation do not necessarily appear to have any basis in the European rules being introduced since the substance of these changes applies to companies with different administrative structures than those which are the norm in Iceland. Gildi does not believe that these changes set a good example for other listed companies. These changes are of such a nature that they perhaps necessitate a review of the aforementioned legal provisions. Gildi Pension Fund approves the current proposal but with the above reservations."

The chair then gave the shareholders or their representatives at the meeting the opportunity to comment on the proposal.

A comment was received from Lífsverk Pension Fund, stating that the fund accepts the agenda item, taking into account the resolution from Gildi Pension Fund. Lífsverk requested that the position be entered into the book of minutes of the AGM.

No other shareholders wished to discuss the matter.

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

10. Proposal to amend the Bank's Remuneration Policy

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

The Board of Directors proposes that the Remuneration Policy will be amended in accordance with current legal requirements in Article 57a, b and e of Act No. 161/2002 on Financial Undertakings.

The chair noted that a copy of the Bank's updated Remuneration Policy was made available on the Bank's website prior to the meeting.

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



The chair then announced that Gildi Pension Fund had proposed an amendment proposal regarding this agenda item. Following amendments have been proposed to Article V of the bonus scheme in the Bank's Remuneration policy (underlined text added):

"[...] The payment of the variable remuneration can be in the form of cash, shares or share-linked instruments or a combination thereof. Employees receiving variable remuneration amounting to more than 10% of the employee's annual fixed salary shall receive at least half of the variable remuneration in the form of shares or share-linked instruments as applicable, cf. Article 57b of Act No. 161/2002 on Financial Undertakings. Payments in shares and share-linked instruments are subject to deferral requirements, as applicable, according to Article 79a of Act No. 2/1995 on Public Limited Companies and Article 57b of Act No. 161/2002 on Financial Undertakings. Furthermore, cancellation and claw back provisions apply to payments in shares and share-linked instruments. If variable remuneration is paid in the form of share-linked instruments, shareholders shall be informed of the terms of such rights and the criteria for their pricing. [...]"

The chair then read Gildi's Pension Fund explanatory note to the amendment proposal.

The chair stated that the Bank's Board of Directors had decided to amend their original proposal in accordance with the amendment proposal from Gildi Pension Fund, so that the relevant paragraph in Article V of the Bank's Remuneration Policy it would be prescribed that if a variable remuneration is paid in the form of share-linked instruments, shareholders shall be informed of the terms of such rights and the criteria for their pricing. According to explanations from the Bank's Board of Directors the reason for this amendment is that this disclosure is in full accordance with the Board's policy on transparency in the Bank's remuneration issues.

The chair then proposed that the amendment proposal not to be put to the vote of the meeting separately, but that the Board's amendment proposal be put to a vote as a whole. No objections were raised.

A comment was received from Lífsverk Pension Fund stating that the fund approves agenda item 10 on the condition that it is voted on the amendment proposal from Gildi Pension Fund, otherwise the fund would abstain. The chair stated that the proposed amendment had now become a part of the Board's proposal. No other shareholder wished to discuss the matter.

Then the Board's amended proposal was put to a vote. The proposal was approved and passed with a majority of votes.

11. 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 is as follows:

The Annual General Meeting of Arion Bank hf., held on 15 March 2023, resolves to reduce the Bank's share capital by ISK 50,000,000 nominal value, from ISK 1,510,000,000 to ISK 1,460,000,000 nominal value, by cancelling 50,000,000 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 1,460,000,000.00 – one billion four hundred and sixty 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 a majority of votes.



12. 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 Annual General Meeting of Arion Bank hf. held on 15 March 2023 authorises the Board of Directors, based on Article 55 of the Company Act, No. 2/1995, to acquire on behalf of the Company 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 2024 or 15 September 2024, 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 passed with a majority of votes.

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

The chair stated that for the Annual General Meeting there were proposals to amend the Bank's Articles of Association. The proposals derive primarily from recent amendments to the Act on Financial Undertakings and Act on Public Limited Companies.

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 3.3 be amended so that the reference therein to Article 84b of Act No. 161/2002 on Financial Undertakings be replaced by a reference to Article 51 and 52 of Regulation (EU) on Prudential Requirements for Credit Institutions and Investment Firms, No. 575/2013 (CRR).*
- (b) *That Article 3.4 be amended so that the reference therein to Article 84b of Act No. 161/2002 on Financial Undertakings be replaced by a reference to Article 51 and 52 of Regulation (EU) on Prudential Requirements for Credit Institutions and Investment Firms, No. 575/2013 (CRR).*
- (c) *That Article 10.2 be amended to read as follows:*
"A shareholders' meeting must be convened with at least 21 and no more 28 days' notice, in case of Annual General Meeting no more than 42 days' notice, unless a shorter notice is permissible by law. A follow-up shareholders' meeting shall be convened in the same manner and with the same notice as other shareholders' meetings."
- (d) *That Article 10.4 be amended to read as follows:*
"Each shareholder is entitled to have a specific matter dealt with at a convened Annual General Meeting, if it makes a written or electronic request for such to the Board of Directors with sufficient notice to allow the matter to be placed on the agenda of the meeting. Such a request may be made later, however, no later than one week following



the date on which the Board's final agenda and proposals for the Annual General Meeting have been published, or 10 days prior to the meeting, whichever deadline expires later. The request must be accompanied by grounds for the same or a draft resolution for the Board of Directors. Information on such request must be published on the Company's website no later than three days prior to the meeting together with the proposal and, as the case may be, the revised meeting agenda."

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 together. No objections were raised. The proposals were then put to the vote. The proposals were passed with a majority of votes.

14. 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 chair invited the Bank's Chairman of the Board of Directors, Brynjólfur Bjarnason, to address the meeting. Brynjólfur, on the Board's behalf, thanked the people attending the meeting and welcomed Kristín Pétursdóttir to the board.

The people attending the meeting were then given the opportunity to 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.

No further business was discussed and the meeting was adjourned at 5:49 p.m.

Hrafnhildur Árnadóttir, lawyer
Secretary

Guðbjörg Helga Hjartardóttir, lawyer
Chair