



Articles of Association for Íslandsbanki hf.

21 March 2019



Article 1

The name of the Company is Íslandsbanki hf.

Article 2

The domicile and legal venue of the Company is in Kópavogur. The Company has no branches but is permitted to establish branches.

The establishment of the Company is part of the special measures authorised by Article 5 of Act No. 125/2008 on the authority for treasury disbursements due to unusual financial market circumstances etc.

Article 3

The object of the Company is to operate a commercial bank. The Company may engage in any activities permitted to financial undertakings pursuant to law at any time and any other activity normally connected with such activities.

The Company may engage in activities which are consistent with its operations and may take an ownership interest in other limited companies for such purpose.

Article 4

The share capital of the Company amounts to ISK 10,000,000,000,- -ten billion Icelandic krónur 00/100-. The share capital is divided into shares of one króna, or multiples thereof. One share certificate may be issued for the total share capital of each shareholder in the Company; the same applies to increases in share capital.

Article 5

Shares shall be numbered and issued to the name of the holder. Shares shall entitle shareholders to the full rights provided for in these Articles and the Act on public limited companies.

Article 6

Shares in the Company are subject to standard rules on financial instruments.

Article 7

The supreme authority in the affairs of the Company is in the hands of legally constituted shareholders' meetings.

Article 8

Shareholders' meetings shall be called via a general announcement with at the earliest four weeks in advance of a meeting and, at least a week before a meeting, and two weeks before a General Meeting.

Members of the Board of Directors, the Executive Director and the Bank's Auditor shall always be invited to shareholders' meetings as well as representatives of the media to the Bank's Annual General Meetings.



Article 9

The Annual General Meeting of the Company shall be held before the end of the month of April each year.

Article 10

The Agenda of the Annual General Meeting of the Company shall include the following items of business:

1. The report of the Board of Directors of the Company.
2. Confirmation of the balance sheet and profit and loss account of the Company for the preceding year of operation.
3. Decision on how the Company's profit or loss during the preceding year of operation shall be handled.
4. Elections to the Board of Directors.
5. Election of an Auditor.
6. Decision on remuneration to the members of the Board of the Company for services.
7. Approval of Remuneration Policy.
8. Any other business.

Article 11

Each share of one Icelandic króna shall carry one vote.

Shareholders may, by a written power of attorney, appoint proxies to attend shareholders' meeting on their behalf and exercise their voting rights.

Decisions at shareholders' meetings shall be taken by majority vote except as otherwise provided in these Articles or statutory law.

Article 12

Minutes shall be kept, in which the proceedings of shareholders' meetings shall be recorded.

Article 13

The fiscal year of the Company shall be the calendar year. The Board of Directors shall have completed the compilation of the Company's annual accounts no later than one month before the Annual General Meeting.

Article 14

The Board of Directors of the Company shall consist of seven members and at least two alternates. The ratio of each gender on the Board of Directors shall not be lower than 40%. A Chairman shall be elected separately, with the Board of Directors otherwise allocating tasks among themselves.



An auditing firm shall be elected at each Annual General Meeting of the Company in accordance with applicable law.

Board Members shall be elected for a term of one year.

Article 15

The signatures of five members of the Board of Directors shall bind the Company.

The Board of Directors shall assign powers of attorney on behalf of the Company.

The Board of Directors is empowered to enter the Company into commitments, including the pledging of the Company's assets, cf. paragraph 1.

The Board of Directors shall constitute a quorum if at least five members of the Board of Directors are present.

Decisions at board meetings are made by a simple majority of votes. In the event of an equality of votes, the Chairman of the Board, or the Vice Chairman in the Chairman's absence, shall cast the deciding vote.

Minutes shall be kept, in which the proceedings of board meetings shall be recorded.

Article 16

The Board of Directors shall appoint a managing director and decide on the terms of his or her employment.

The managing director has charge of the day-to-day operation of the Company and shall represent the Company in all matters relating to its normal operation. The managing director is responsible for the Company's accounts and the recruitment of staff. The managing director shall provide the members of the Board of Directors and Company auditor with any information pertaining to the operation of the Company which they may request, as required by law.

Article 17

No privileges are attached to any shares in the Company. Shareholders are not required to submit to redemption of their shares, except in the event of dissolution of the Company or lawful reduction of share capital.

Article 18

These Articles of Association may be amended at a lawfully convened Annual General Meeting or Extraordinary Shareholders' Meeting by 2/3 of cast votes, and the consent of shareholders controlling at least 2/3 of the shares in the Company represented at the meeting, provided that at least half of the shareholders are represented at the meeting and a different weight of votes is not required by these Articles or statutory law.



Article 19

Proposals for the dissolution or liquidation of the Company may be addressed at the Annual General Meeting or an Extraordinary Shareholders' Meeting, provided that such proposals are mentioned in the notice of the meeting. The consent of shareholders controlling at least 2/3 of the total shares in the Company is required for a decision to dissolve or liquidate the Company to be valid.

A shareholders' meeting which has made a valid decision to dissolve or liquidate the Company shall also decide on the disposal of assets and the payment of debts.

Article 20

Matters on which these Articles provide no directions shall be governed by the provisions of the Act on public limited companies, currently Act No. 2/1995, as subsequently amended, as well as other legal provisions which may apply.

So adopted at the Annual General Meeting of Íslandsbanki hf. in Kópavogur on
21 March 2019

Birna Einarsdóttir, CEO