



Translation from Icelandic

Íslandsbanki hf. Annual General Meeting

17 March 2022

Íslandsbanki hf. (the Bank) held its Annual General Meeting at Gullteigur conference room, Grand Hótel, Reykjavík, Sigtúni 28, 105 Reykjavík, on Thursday 17 March 2022 at 16:00 hrs local time. Electronic participation was available. Voting at the meeting was conducted entirely electronically. The meeting was conducted in Icelandic while translation services into English were available.

Meeting called to order

Íslandsbanki Chairman of the Board, Hallgrímur Snorrason, called the meeting to order and welcomed guests to the Bank's 2021 Annual General Meeting.

a) Election of meeting chairman

Hallgrímur proposed that Áslaug Árnadóttir, attorney at law, be elected to chair the meeting. No other proposals were made, and Áslaug took the podium.

b) Election of meeting secretary

The meeting chairman proposed that Dagmar Clausen Þórðardóttir, executive director at Íslandsbanki's legal department, be elected meeting secretary. No other proposals were made, and Dagmar began her work.

c) Validity of the meeting

The meeting chairman went over the summons to the meeting. The summons to this annual general meeting had been published 23 February 2022 as an announcement in the Nasdaq Stock Exchange announcement system and on the Bank's website. The summons to the meeting had also been published in two daily newspapers in Iceland (Fréttablaðið and Morgunblaðið) on 24 February 2022. The summons to the meeting was given with sufficient notice pursuant to Article 88 a. of the Public Limited Companies Act and the provisions of the Bank's Articles of Association. Proposals to the meeting were also published in the Nasdaq Stock Exchange announcement system and on the Bank's website.

The chair declared the meeting to be properly constituted to discuss the items on the agenda.

d) Execution of meeting and voting arrangements

The meeting chairman then briefly discussed the execution of the meeting and the voting arrangements, that electronic participation was available, and that voting was to be conducted electronically, solely via the Lumi electronic voting system. It was also noted that shareholders had the option of submitting questions and comments



digitally via the system. The meeting chairman also noted that shareholders present at the meeting would be given the opportunity to speak under specific agenda items by signalling the meeting chairman once the floor has been opened for comments.

The meeting chairman stated that according to the information she had on the Lumi system, it meets the requirements of the Public Limited Companies Act on electronic voting at shareholders' meeting, and the Bank's Articles of Association, as it guarantees the rights of shareholders to attend a shareholders' meeting, speak at the meeting and cast votes. Moreover, the system enables the Bank to confirm which shareholders attend the meeting and what their voting rights are, and the system also keeps a record of the result of voting.

The meeting chairman reported that, in accordance with Article 84(4) of the Public Limited Companies Act, the Board of Directors has provided a summary of shareholders' shareholdings and voting rights which is available on the Bank's website.

Agenda

The agenda of the meeting was as follows:

1. The report of the Board of Directors on the Bank's operations and activities for the preceding year of operation;
2. Approval of the Bank's annual financial statements for the preceding year of operation;
3. Decision on payment of a dividend;
4. Election of the Bank's Board of Directors, alternate directors and the Chairman of the Board;
5. Election of an auditor;
6. Decision on the remuneration to the Board of Directors and compensation to the members of the Board's sub-committees;
7. Board proposal for the Bank's Remuneration Policy;
8. Board proposal for the Bank's Nomination Committees' Rules of Procedure;
9. Board proposal on the authorisation to purchase own shares and a corresponding amendment to the Bank's Articles of Association;
10. Other matters.

The meeting chairman proposed that discussions on agenda items 1 and 2, the Board report and the audited annual accounts, be merged into one agenda item.

The proposal was approved unanimously.

1. Board report on the Bank's activities in 2021

Chairman of the Board of Directors of Íslandsbanki, Hallgrímur Snorrason, presented the report of the Board of Directors on the operations of the Bank in 2021.



2. Approval of the Bank's annual financial statements for 2021

Birna Einarsdóttir, the CEO of Íslandsbanki presented the Bank's annual financial statements for the preceding year of operation.

The meeting chairman informed the meeting that owners of shares with a nominal value of ISK 1.633.130.646 were in attendance at the meeting, in total representing 81,66% of the share capital in the Bank.

The meeting chairman opened the floor for comments on the report of the Board of Directors and the annual financial statements. No one wished to address the meeting.

The meeting chairman presented the following proposal had been presented to the meeting:

The Board of Directors proposes the approval of the Bank's Annual Financial Statements for the year 2021.

The proposal was put to the vote and approved with the required majority.

3. Decision on payment of dividend

The meeting chairman presented the following proposal by the Bank's Board of Directors:

The Board of Directors proposes that ISK 11,9 billion will be paid in dividends to shareholders for the 2021 financial year. The Bank's dividend payout is approximately 50% of after-tax profits, and in line with the Bank's long-term dividend payout ratio target of approximately 50%. The Board of Directors may convene a special shareholder meeting later in the year where a proposal regarding payment of dividends of profit for previous fiscal years could be suggested. If the proposal is approved by the shareholders, the Bank's shares traded on and after 18 March 2022 (Exdate) 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 21 March 2022 (Record date). The payment date of the dividend will be 28 March 2022.

The chairman of the meeting opened the floor for discussion. No one wished to address the meeting. The proposal was put to the vote and approved with the required majority.

4. Election of the Bank's Board of Directors, alternate directors and the Chairman of the Board

The chairman of the meeting informed the meeting that according to the relevant law and the Bank's Articles of Association, the Board of Directors is elected at an Annual General Meeting, and it shall consist of seven members and two alternates. The Chairman of the Board shall as well be elected separately at the Annual General Meeting.

The meeting chairman reported that, in accordance with the Bank's Articles of Association, the Bank operates a Nomination Committee whose role is to nominate individuals to the



Bank's Board of Directors at the Bank's Annual General Meeting. Moreover, Icelandic State Financial Investments (ISFI) operates a Selection Committee which, on behalf of the State, nominates candidates for the supervisory boards or boards of directors of banks or undertakings that are managed by ISFI.

The Bank's Nomination Committee had invited those interested to submit their candidacies to the Board of Directors of Íslandsbanki to the Committee before 16:00 (GMT) on 21 February. The general notice to declare candidacy to the board of directors expired 12 March 2022 and no further notices of candidacy were received. The nomination committee published its proposal and report on candidates on 3 March 2022 on Nasdaq Iceland Exchange and the Bank's website.

ISFI nominated candidates for election to the Board in proportion to the State's shareholding in the Bank at the time the election is held. ISFI had nominated the following four members and one alternate, to the board of directors:

- Anna Þórðardóttir, member of the board of directors
- Frosti Ólafsson, member of the board of directors
- Guðrún Þorgeirsdóttir, member of the board of directors
- Heiðrún Jónsdóttir, member of the board of directors
- Herdís Gunnarsdóttir, alternate member of the board of directors

The Nomination Committee of Íslandsbanki recommended that, in addition to those nominated by ISFI, the following three individuals be elected to the Íslandsbanki Board of Directors and one alternate:

- Finnur Árnason, member of the board of directors
- Ari Daniélsson, member of the board of directors
- Tanya Zharov, member of the board of directors
- Páll Grétar Steingrímsson, alternate member of the board of directors

Moreover, Finnur Árnason was nominated by the Nomination Committee as chairman of the board of directors.

The meeting chairman stated that since no further notices of candidacies were received the above-mentioned members of the Board, and the Chairman of the Board, were elected by acclamation.

5. Election of an audit firm

The meeting chairman presented the following proposal by the Board of Directors of Íslandsbanki concerning the election of an external auditing firm:

"It is proposed that the AGM of the Bank elects Ernst & Young as the Bank's auditing firm."



The chairman of the meeting opened the floor for discussion. No one wished to address the meeting. The proposal was put to the vote and approved with the required majority.

6. Decision on the remuneration of Board of Directors and alternates for the coming electoral term

The meeting chairman presented the following proposal concerning remuneration to Board members and alternates for the upcoming term:

“It is proposed that the AGM of the Bank resolves to pay remuneration to members of the Board of Directors for their services on the Board of Directors in the amount of ISK 473,000 per month and to the Chairman of the Board ISK 824,000 per month, and to the Vice-Chairman of the Board ISK 588,000 per month. In addition to that each Board member shall be paid compensation in the amount of ISK 236,000 per month for services on sub-committees of the board. In addition to this the chairmen of sub-committees shall be paid ISK 53,000 per month.

Alternate members of the Board of Directors shall be paid remuneration in the amount of ISK 236,000 for each meeting they attend and meetings with the Financial Supervisory Authority on the Fit and Proper Assessment of Managing Directors and Directors of Financial Undertakings but never higher than the monthly remuneration to members of the Board. Remuneration to each alternate member of the Board shall be at least ISK 472,000 per annum.”

The chairman of the meeting opened the floor for discussion. No one wished to address the meeting. The proposal was put to the vote and approved with the required majority.

7. Board Proposal for the Bank’s Remuneration policy

The meeting chairman introduced the proposal of the Board of Directors that the Annual General Meeting approve the Bank’s Remuneration Policy unchanged.

The meeting chairman also presented the following proposal from ESE79 ehf.:

The shareholders’ meeting agrees that no stock purchase plan will be introduced for shares in the Bank. The Bank will formulate a policy of compensating all of its employees on terms commensurate with the responsibilities and pressures accompanying their work, and stock purchase plans are not and will not be part of those terms of employment.

Comments on the proposal: It will strengthen the Bank’s position vis-à-vis the public and shareholders alike if the Bank sets clear boundaries between the interests of employees, shareholders, and customers from the outset. Over time, stock purchase plans have been shown to be a corrupt arrangement that leads to conflicts of interests, and the enormous profits that managers have been able to gain from them has been controversial. Adopting this proposal will achieve consensus and solidarity with the general public in Iceland, who are opposed to stock purchase plans.

The chairman of the meeting opened the floor for discussion. No one wished to address the meeting.



The chairman of the meeting stated that the proposal from Eise79 ehf. would be voted on first. The proposal was put to the vote and was rejected.

Next, the Bank's Board of Directors proposal that the Annual General Meeting approve the Bank's Remuneration Policy unchanged was put to the vote. The proposal was approved with the required majority.

8. Board proposal for the Bank's Nomination Committees' Rules of Procedure

The meeting chairman introduced the proposal of the Board of Directors that the Annual General Meeting approve the Bank's Nomination Committees' Rules of Procedure unchanged.

The chairman of the meeting opened the floor for discussion. No one wished to address the meeting. The proposal was put to the vote and approved with the required majority.

Gildi Pension Fund abstained from voting on the Bank's Nomination Committees' Rules of Procedure.

9. Board proposal on the authorisation to purchase own shares and a corresponding amendment to the Bank's Articles of Association

Jón Guðni Ómarsson, the Bank's Chief Financial Officer, took the floor and presented the following proposal of the Board of Directors on the authorisation to purchase own shares and a corresponding amendment to the Bank's Articles of Association:

"The Annual General Meeting of Íslandsbanki hf. held on 17 March 2022 authorises the Board of Directors, based on Article 55 of the Company Act no. 2/1995, to acquire on behalf of the Bank up to 10% of issued share capital of the Bank. 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 e.g. through auction where equal treatment of shareholders is ensured or by other means the Board of Directors deems favourable for the Bank and its shareholders. The repurchase of shares under this authorisation is conditional upon the prior approval of the Financial Supervisory Authority of the Central Bank of Iceland in accordance with paragraph 3 (a) of Article 84 of the Act on Financial Undertakings no 161/2002.

This authorisation shall remain in effect until the Bank's Annual General Meeting in 2023 or 15 September 2023, whichever occurs first."

The chairman of the meeting presented that the following amendments had been received to the above-mentioned proposals of the Board of Directors from Gildi Pension Fund (text featuring strikethrough to be deleted; underlined text to be added):

"The Annual General Meeting of Íslandsbanki hf. held on 17 March 2022 authorises the Board of Directors, based on Article 55 of the Company Act no. 2/1995, to acquire on behalf of the Bank up to 10% of issued share capital of the Bank. 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 e.g. ~~through auction~~ where equal treatment of shareholders is ensured, e.g. through auction ~~or by other means the Board of Directors deems favourable for the Bank and its shareholders.~~ The repurchase of shares under this authorisation is conditional upon the prior approval of the Financial Supervisory Authority of the Central Bank of Iceland in



accordance with paragraph 3 (a) of Article 84 of the Act on Financial Undertakings no 161/2002.

This authorisation shall remain in effect until the Bank's Annual General Meeting in 2023 or 15 September 2023, whichever occurs first."

The chairman of the meeting opened the floor for discussion. No one wished to address the meeting.

First, Gildi Pension Fund's proposal was put to the vote. The proposal was rejected.

Next, the proposal of the Board of Directors on the authorisation to purchase own shares and a corresponding amendment to the Bank's Articles of Association was put to the vote. The proposal was approved with the required majority.

10. Other business

The chairman of the meeting opened the floor for discussion.

The Annual General Meeting approved the meeting chairman's request to permit the meeting chairman and meeting secretary to prepare the Meeting Minutes after the meeting, as the minutes will be published on the Bank's website.

There was no further discussion, and the meeting was adjourned at 17:17.

Meeting Chairman

Áslaug Árnadóttir, hrl.

Meeting secretary

Dagmar Clausen Þórðardóttir

This is an English translation. The original Icelandic text, as published on the Bank's website (www.islandsbanki.is), is the authoritative text. Should there be discrepancy between this translation and the authoritative text, the latter prevails.