



ÍSLANDBANKI HF.

RULES OF PROCEDURE FOR THE NOMINATION COMMITTEE

1 ROLE AND OBJECTIVE

- 1.1 The role of the Nomination Committee (the “**Committee**”) is to nominate candidates to serve at the Board of Directors (the “**Board**”) of Íslandsbanki hf. (the “**Bank**”). The Committee operates on the basis of Article 4.4 of the Bank’s Articles of Association and Article 53 of the Act on Financial Undertakings No. 161/2002.
- 1.2 The Committee’s objective is
- to create a platform to provide information on candidates to the Board;
 - to assess the eligibility of individual candidates to fulfil their roles;
 - to ensure that the group nominated to serve on the Board has sufficient breadth as regards knowledge, experience and background based on the policies, needs and operations of the Bank; and
 - to carry out other tasks provided in Article 53 of the Act on Financial Undertakings No. 161/2002 and ensure that nominations for election to the Board of Directors are in accordance with the provisions of the applicable law and the Bank’s Articles of Association.

2 COMMITTEE COMPOSITION AND ELECTION

- 2.1 The provisions of the Bank’s Articles of Association and the Article 53 of the Act on Financial Undertakings No. 161/2002 apply to the election and composition of the Nomination Committee.
- 2.2 The Bank’s Board of Directors is tasked with finalising an agreement with the Nomination Committee and providing it with facilities to carry out its work. The Nomination Committee’s Report shall detail the cost of its work.

3 RESPONSIBILITIES

- 3.1 The Committee shall put forth a proposal for candidates to serve at the Board of Directors at the Bank’s Annual General Meeting, or other shareholders’ meetings where Board election is on the agenda.
- 3.2 The Nomination Committee inter alia takes into account the nominations of shareholders, provided that the relevant shareholder has notified the Nomination Committee of his nominations with reasonable notice, which is no later than 30 business days prior to an Annual General Meeting and 20 business days prior to an extraordinary shareholder meeting, unless a meeting has been called within a shorter period.
- 3.3 The Committee shall request proposals from shareholders for candidates to serve on the Bank’s Board of Directors via a notice to the stock exchange. The notice shall include clear instructions on how shareholders may submit their proposals and how individuals may submit their candidacy, including the relevant deadline for submissions. These instructions are also to be published on the Bank’s website.

- 3.4 The Committee shall then propose to the shareholders, the candidates to serve on the Board of Directors. ~~The Committee shall and~~ publish its proposal along with other declarations of candidacy alongside the convocation to ~~the an Annual shareholders General Meeting. If Board elections are on the agenda at an extraordinary shareholders' meeting, the Committee shall publish its proposal ten days before the meeting, at the latest.~~ The proposal shall also contain which candidate shall serve as the Chairman. ~~The Committee's proposal of candidates shall be sent to all shareholders or made publicly available.~~
- 3.5 Proposals of the Committee shall include reasoning for the suitability of each candidate, with reference to these rules, the Bank's Articles of Association and other applicable rules and guidelines on the qualifications of Board members in financial undertakings.
- 3.6 In execution of its duties, the Committee shall take into consideration the interests of all shareholders of the Bank.
- 3.7 The Committee shall aim to ensure that the proposed candidates collectively possess sufficient knowledge, skill, diversity and experience necessary for the operations of the Bank as a financial undertaking. The Committee shall i.a. perform the following tasks when preparing proposals for Board candidacy:
- (a) Assess candidates, based on their qualifications, skills, experience, and knowledge considering the applicable rules on the qualifications of Board members in financial undertakings.
 - (b) Evaluate the independence of potential Board members, in accordance with the Guidelines on Corporate Governance published by the Iceland Chamber of Commerce, the Confederation of Icelandic Enterprise and Nasdaq Iceland.
 - (c) Define capabilities for board seats and assess the time commitment expected in the operations of the Board.
 - (d) Seek a diverse composition of the Bank's Board of Directors and to comply with the Bank's Articles of Association, including provisions on gender equality.
 - (e) Seek to avert situations where one individual or a small group of individuals become dominant in the decision making of the Board on the expense of the Bank as a whole.
 - (f) Prepare and submit to the relevant shareholders' meeting, the results of the suitability assessment and a formal proposal on the election of members to the Board of Directors, including a proposal for Chairman.
- 3.8 The Committee shall, at least annually, assess the structure, size, composition and performance of the Board of Directors and the CEO, i.a. based on the Board's self-assessment and interviews with individual board members and the CEO, and make recommendations for improvements to the Board as applicable. Furthermore, the Committee shall assess the knowledge, skills and experience of individual members of the Board of Directors, the Board collectively and the CEO, and report to the Board accordingly and make recommendations for improvements to the Board as applicable.
- 3.9 In performing its duties, the Committee may gather relevant information from the current Board and the Board's sub-committees. The Committee shall be independent in its work and shall have access to funds, external consultants, and other resources it may need in the performance of its duties.

- 3.10 The Committee shall assess the Bank's [Policy on the Eligibility of Directors, the CEO and Key Function Holders](#)~~policy on the suitability of the management body and managers which directly answer the CEO~~ and make recommendations for improvements to the Board as applicable.

4 MEETINGS

- 4.1 At its first meeting, the Committee shall appoint its Chairman and Secretary.
- 4.2 The Chairman shall ensure that a record of minutes is kept, and those minutes shall only be accessible to Committee members, unless the Committee decides otherwise.
- 4.3 A minimum of two Committee meetings shall be held each year, but otherwise as often as deemed necessary.
- 4.4 The Chairman shall convene meetings with sufficient notice. An alternate member must be called in whenever a committee member cannot attend a meeting, or participate in the handling of individual cases, due to absence, ineligibility or at his own request. The Committee constitutes a quorum when the majority of Committee members attend the meeting. The majority of votes decide issues at Committee meetings, but when votes are even, the Chairman's vote decides the issue. Important decisions may however not be taken unless all members of the Committee have had the chance to discuss the matter.

5 CONFIDENTIALITY

- 5.1 The Committee shall have access to relevant information and material which the Committee deems necessary in order to carry out its duties, subject to any limitations set out by law.
- 5.2 All information obtained or created by the Committee on the Bank, including information on its operations and activities, is confidential. The same applies to all other confidential information obtained, received or prepared by the Committee.
- 5.3 Any personal data shall be processed in accordance with the applicable law.
- 5.4 Professional secrecy and confidentiality survive the expiration of Committee membership.

6 RATIFICATION AND PUBLICATION

- 6.1 The Bank publish the names of the Committee members on its website no later than six months before the Bank's Annual General Meeting.
- 6.2 The Committee's proposals shall be published on the Bank's website.
- 6.3 These rules shall be published on the Bank's website.

Approved at the Annual General Meeting of Íslandsbanki hf. [21.19 March 2024](#)[2026](#).