

# **Íslandsbanki**

# **Nomination Committee**

**Report to the Annual General  
Meeting**  
**17 March 2022**

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The Board of Directors of Íslandsbanki hf. called the Bank's Annual General Meeting on 23 February 2022. The meeting will be held on Thursday 17 March 2022 at 16:00 hrs. local time, in the Gullteigur Conference Room at Grant Hotel Reykjavík, Sigtún 28, 105 Reykjavík. Remote participation is available, and all voting at the meeting will be conducted digitally.

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 or, as applicable, at a shareholders' meeting where Board elections are on the agenda.

This report gives an account of the Committee's work during the year and its nominations for the 2022 Annual General Meeting, together with the rationale for its proposals.

### **Íslandsbanki Nomination Committee**

The Nomination Committee was established at Íslandsbanki's shareholders' meeting of 26 May 2021. Its members were appointed by the Bank's Board of Directors in September 2021.

Its objective is to create a venue for the provision of information on candidates for Board membership; assess the eligibility of individual candidates to carry out their role; ensure that the group nominated for Board membership has sufficient breadth of expertise, experience, and background based on the Bank's policies, needs, and operations; and ensure that the group is sufficiently diverse. The Committee has an advisory role in connection with the election of the Board of Directors.

The Nomination Committee comprises three members who are elected by the Board for a term of one year. According to the Committee's Rules of Procedure, the Chairman of the Íslandsbanki Board of Directors shall be one of the Committee members but shall not chair it. The other two members shall be independent of the Bank and its day-to-day management. One of them must also be independent of Bank shareholders that own qualifying holdings in the Bank, or of any group of shareholders that act in concert or own a combined qualifying holding.

Members of the Nomination Committee are as follows:

- **Helga Valfell, Chairman**  
Helga Valfell served as a member of the Board of Íslandsbanki from 2013 to 2019. She is a founder of the Icelandic investment firm Crowberry Capital, where she currently serves as CEO. Helga was deputy chairman of the board of directors of Síminn from 2018 to 2021. Previous employers include Estée Lauder UK, Merrill Lynch Europe, and the Trade Council of Iceland, where she worked with a number of export companies. Helga was a director of NSA Ventures in 2010–2016. During her tenure with the Fund, she sat on 14 start-up boards. An active entrepreneur, she has participated in founding start-up companies and previously acted as an advisor to the Icelandic Minister of Business Affairs. She has also worked as an independent consultant for a number of export companies from Iceland, the UK, and Canada. Helga has a B.A. degree from Harvard University and an MBA from London Business School.
- **Hallgrímur Snorrason, Chairman of the Íslandsbanki Board of Directors**  
Hallgrímur Snorrason first joined the Íslandsbanki Board of Directors in 2016 and has served as Chairman since 2019. He is an independent international consultant in official statistics. He served as Director-General of Statistics Iceland from 1985 to 2007

and was Deputy Managing Director of the National Economic Institute of Iceland from 1980 to 1984. He has been a board member for several companies, including Útvegsbanki Íslands, Skýrr, and Auður Capital. He has also chaired or served on a number of governmental committees, both domestically and in connection with Nordic cooperation, EFTA, the European Union, and the OECD. Hallgrímur holds a M.Sc. in Economics from the University of Lund in Sweden and a B.Sc. in Economics from the University of Edinburgh.

- **Tómas Már Sigurðsson**

Tómas Már Sigurðsson served as Vice-Chairman of the Íslandsbanki Board of Directors from 2019 to 2020. Since the beginning of 2020 he has been CEO at HS Orka, and from 2014 to 2019 he was Executive Vice President and Chief Operating Officer for Alcoa Corporation. He previously served as CEO of Alcoa Fjarðaál and Alcoa Iceland but moved to Geneva in 2011 to serve as President of Alcoa Europe and Middle East. Tómas chaired the Iceland Chamber of Commerce from 2009 to 2012 and served as a board member of the Federation of Icelandic Industries from 2005 to 2011. From 2011 to 2014, he was a member of the Executive Committees of the European Aluminium Association, Eurometaux, and the American Chamber of Commerce to the European Union. He participated in a number of boards on behalf of Alcoa Corporation and was a member of the Executive Committee of Europe Aluminium and Business Europe. Tómas sits on the board of Cargow B.V. and DTE ehf. Tómas Már holds a M.Sc. in Planning from Cornell University in the US and a B. Sc. in Civil and Environmental Engineering from the University of Iceland.

The Íslandsbanki Nomination Committee's rules of Procedure were approved in their current form at the shareholders' meeting of 26 May 2021. They can be found on the [Bank's website](#).

### **The Nomination Committee's activities**

The Committee met 14 times over the period following its establishment, including three meetings with shareholders and four meetings with candidates.

- At its first meeting, held on 15 October 2021, the Committee selected its chairman and secretary. The Chairman of Íslandsbanki's Board of Directors presented the current composition of the Board for the Committee's information. The Committee reviewed its Rules of Procedure and the procedures of the Icelandic State Financial Investments (ISFI) Selection Committee.
- At its second meeting, held on 11 January 2022, the Committee discussed how to conduct its discussions with the Bank's largest shareholders and appointments to the Board at the Bank's Annual General Meeting.
- At the third meeting, held on 19 January 2022, the Committee received information on developments and on the Chairman's communications with the director of ISFI. The Committee received access to the results of the Íslandsbanki Board of Directors' progress report. The progress report was used, among other things, as a reference in the Committee's assessment of the Board's activities and composition.
- At its fourth and fifth meetings, held on 4 and 7 February 2022, the Committee met with several of the Bank's largest domestic shareholders. At those meetings, participants expressed the view that it was preferable that the Bank's Board include a risk management expert, an expert in sustainability (environment, social, and governance

(ESG) criteria), and a member with experience of financial institution operations and the associated supervisory environment. Furthermore, shareholders emphasised that Board members must have a strong sense of ethics, an unblemished reputation, which must be examined in advance based on connections and with statements like those submitted during a conventional hiring process. Shareholders' representatives were also interested in how the Board's work had gone, how meetings were structured, how time-consuming Board activities were, and what particular expertise and experience the Nomination Committee was seeking. Shareholder representatives also stressed diversity among Board members, including diversity in gender, age, education, and qualifications.

- At the sixth and seventh meetings, held on 11 February and 23 February 2022, the Committee reviewed the candidacy declarations received to date. The Committee Chairman gave a brief review of the feedback received at meetings with shareholders and shared with members a summary she had prepared of the expertise and experience shareholders considered important. The Committee used these criteria as a reference in their evaluation of Board members' eligibility. A discussion of the criteria can be found later in this report.
- At its eighth and ninth meetings, held on 28 February and 1 March 2022, the Committee prepared a draft report on its work and prepared a draft list of nominations for Board membership for the Annual General Meeting.
- At its tenth meeting, on 2 March 2022, the Committee continued its work on the list of nominations. The Chairman reported to other Committee members on her meetings with the individuals the Committee was planning to nominate for Board membership at the Annual General Meeting.

The Committee has a dedicated e-mail address, [tilnefningarnefnd@islandsbanki.is](mailto:tilnefningarnefnd@islandsbanki.is), that shareholders and other interested parties can use to submit the names of candidates or to share other information with the Committee.

With an announcement made to the Nasdaq Iceland Exchange and an advertisement posted on the Bank's website on 4 February, the Nomination Committee invited interested parties to declare their candidacy for Board membership to the Committee by 21 February.

Neither the work of the Nomination Committee nor the deadline for submittal of applications for Board membership restricts candidates' right to declare their candidacy for Board membership at any time prior to the general deadline, which is 16:00 hrs. on 12 March 2022; i.e., five (5) days before the Annual General Meeting. Individuals who wish to declare their candidacy are requested to fill out a candidacy form, which can be found on the [Íslandsbanki website](#).

### **ISFI Selection Committee and its nominations**

Icelandic State Financial Investments (ISFI) operates a three-member Selection Committee whose task is to nominate parties on behalf of the State who are eligible to participate in the boards of directors of banks or undertakings falling under the auspices of the agency. According to a contractual agreement between Íslandsbanki and ISFI, the Bank's Nomination Committee and the ISFI Selection Committee shall ensure that when the Board of Directors is elected, the group of candidates satisfies at all times the statutory requirements on board composition, as regards both breadth of expertise and gender ratio.

ISFI shall nominate candidates for election to the Board in proportion to the State's shareholding in the Bank at the time the election is held. ISFI has nominated the persons named below, four members and one alternate, to the Board of Directors. ISFI does not nominate other individuals for election to the Board but did work with the Bank's Nomination Committee on the nomination of the Chairman of the Board. It was therefore the Nomination Committee's task to nominate three candidates and one alternate for Board membership.

- **Anna Þórðardóttir, member of the Board of Directors**

Anna Þórðardóttir (b. 1960) has been a member of the Board since 2016. She has served on the board of a number of companies and organisations, including KPMG and the Institute of State-Authorized Public Accountants. Currently she is a member of the board of the Icelandic Centre for Future Studies and chairs the Board Audit Committee of Hagar hf. Anna was employed by KPMG from 1988 to 2015, where she became a partner in 1999. While at KPMG, she was responsible for the audit of the following companies: Reitir, Hagar, 365, Baugur Group, Vodafone, Landfestar, Landey, 10-11, and Félagsbústaðir. Anna holds a cand. oecon. in Business Administration from the University of Iceland and is a Chartered Accountant. She has also studied towards a cand. mer. in Financial Studies at Handelshøjskolen in Århus, Denmark. Anna holds no shares in Íslandsbanki and is considered independent of the Bank and its major shareholders. She has no connections with the Bank's key customers or competitors.

- **Frosti Ólafsson, member of the Board of Directors**

Frosti (b. 1982) joined the Board in March 2020. He is the CEO of Olíuverzlun Íslands hf. Before joining the Board, he worked as an independent consultant, CEO of ORF Genetics, Managing Director of the Iceland Chamber of Commerce, and strategic consultant for McKinsey & Company. In his past roles, he has advised leading domestic and international companies on a wide range of topics, including strategy, operations, and governance. Frosti currently serves on the board of Controlant, Óson ehf., and entities owned by Olíuverzlun Íslands; i.e., Mjöll-Frigg ehf. and Garður ehf. He holds an MBA from London Business School and a B.Sc. in Economics from the University of Iceland and Macquarie University in Sydney, Australia. Frosti holds 0.00063% of shares in Íslandsbanki and is considered independent of the Bank and its major shareholders. He has no connections with the Bank's key customers or competitors.

- **Guðrún Þorgeirsdóttir, member of the Board of Directors**

Guðrún Þorgeirsdóttir (b. 1979) joined the Board in March 2020. She is Chief Business Development Officer at PayAnalytics. Previously, she served as Chief Financial Officer at Skeljungur. Guðrún has experience as a Chief Risk Officer and as an investment manager. An experienced board member, she has served on the boards of insurance companies, financial companies, and retail and service companies, including VÍS, Lífis, Lyfja, and Lýsing. Guðrún is an alternate member of the board of Pavonis ehf. and CEO of Tharsis ehf. She holds an MBA from HEC School of Management in France and a B.Sc. in Industrial Engineering from the University of Iceland, and is a securities broker licenced by the Icelandic Ministry of Finance and Economic Affairs. Guðrún holds no shares in Íslandsbanki and is considered independent of the Bank and its major shareholders. She has no connections with the Bank's key customers or competitors.

- **Heiðrún Jónsdóttir, member of the Board of Directors**

Heiðrún Jónsdóttir (b. 1969) joined the Board in April 2016 and has served as Vice-Chairman since March 2020. She is a District Court Attorney with Múli Legal Services. In addition to serving on the Board of Íslandsbanki, she is a member of the board of real estate firm Reginn, Royal Arctic Line, Svarmi ehf., and Múli Legal Services ehf. Previously, she was Managing Director at Eimskipafélag Íslands and Lex Legal Services, and Director of Legal and Human Resources at KEA. Her experience of board membership, dating back to 1998, includes board chairmanships at Norðlenska, Íslensk verðbréf, and Gildi Pension Fund. She has also served on the board of Síminn, Icelandair Group, Olíuverzlun Íslands, Ístak, the Icelandic Banks' Data Centre (RB), Arion verðbréfavarsla, Pekking, and the Icelandic Pension Funds Association. Heiðrún sat on the board of the Icelandic Bar Association from 2016 to 2019, serving as Deputy Chairman from 2018 to 2019. She holds a cand. jur. from the University Council and is a securities broker licensed by the Icelandic Ministry of Finance and Economic Affairs. She completed the Advanced Management Program (AMP) at IESE Business School in Barcelona. Heiðrún holds 0.00063% of shares in Íslandsbanki and is considered independent of the Bank and its major shareholders. She has no connections with the Bank's key customers or competitors.

- **Herdís Gunnarsdóttir, alternate member of the Board of Directors**

Herdís Gunnarsdóttir (b. 1968) joined the Íslandsbanki Board of Directors as an alternate member in April 2016. She took a seat on the Board in November 2020 and held that position until the Bank's Annual General Meeting in 2021. Herdís is the Director of the Icelandic Social Insurance Administration's rights division and formerly served as CEO of the Health Care Institute of South Iceland. She has broad experience as a manager in the healthcare sector and in public institutions but has also worked on independent projects in the fields of policy making and project management. She has also taught at the university level. Herdís has extensive experience of board activities, including serving on the boards of non-governmental organisations, labour unions, professional associations, and pension funds. She also has experience of European partnership, including chairing a pension fund board, and of European associations. She holds an MBA, an M.Sc. in Paediatric Nursing, and a B.Sc. in Nursing from the University of Iceland. She holds no shares in Íslandsbanki and is considered independent of the Bank and its major shareholders. She has no connections with the Bank's key customers or competitors.

### **Competency requirements and criteria set by the Nomination Committee**

In evaluating candidates, the Nomination Committee considered the eligibility requirements for Board membership pursuant to Article 52 of the Act on Financial Undertakings, no. 161/2002; the Bank's policy on the qualifications of Board members, the CEO, and key employees; and the applicable guidelines and recommendations on the qualifications of financial institutions' board members. In addition to these, the Committee considered the candidates' experience and expertise in the following areas:

- Sustainability (ESG)
- International professional experience
- Investment banking
- Commercial banking
- Risk management

- Auditing
- Legal/Supervisory
- Business experience
- Honesty and integrity

In preparing its recommendations for prospective Board members, the Committee assessed the candidates' qualifications, skills, experience, and expertise according to the current rules on qualifications of financial institutions' board members. The Committee also assessed the candidates' impartiality, in accordance with the Guidelines on Corporate Governance published by the Iceland Chamber of Commerce, the Confederation of Icelandic Employers, and Nasdaq Iceland, and estimated the amount of time that Board participation can be expected to take. The Committee also attempted to achieve diversity of Board membership and thereby comply with the Bank's Articles of Association, including the provisions on gender equality.

### **Nominations for the Íslandsbanki Board of Directors**

The Nomination Committee evaluated the candidates for Board membership, with the aim of achieving, between its own group of nominees and ISFI Selection Committee's nominees, sufficient breadth of expertise, experience, and background based on the Bank's policies, needs, and activities, and with the aim of ensuring that the group is sufficiently diverse.

All candidates submitted CVs, together with the candidacy form, which contained information enabling the evaluation of their eligibility, information on their participation in other boards of directors, their holdings in the company (either direct or through related parties), and potential connections.

The Íslandsbanki Nomination Committee recommends that, in addition to those nominated by ISFI, the following individuals be elected to the Íslandsbanki hf. Board of Directors at the Bank's Annual General Meeting on 17 March 2022.

- **Finnur Árnason, Chairman of the Board**

Finnur Árnason is an independent consultant. He is the chairman of the new Landspítali University Hospital construction project, NLSH ohf., and the chairman of Ormsson. Finnur has extensive management experience in Iceland, particularly in the retail industry. He served as CEO of Hagar for 15 years and was previously CEO of Hagkaup. He has extensive experience as a board member in companies and organisations, including the board of Olíuverzlun Íslands (Olís), Skeljungur, Húsasmiðjan, and the Faeroese retailer SMS. Finnur has also served on the board and executive board of the Confederation of Icelandic Enterprise, as well as serving on the board of the Iceland Chamber of Commerce, the Federation of Trade and Services, and Bifröst University. Finnur holds a cand. oecon. degree from the University of Iceland and an MBA from the University of Hartford in the US. Finnur owns a direct holding of 0,00063% shares in Íslandsbanki, as well as an indirect holding of 0,00063% shares through Rekavík ehf. He is considered independent of the Bank and its major shareholders. He has no connections with the Bank's key customers or competitors.

- **Ari Danielsson, member of the Board**

Ari Danielsson has been actively engaged in financial services and information technology, in Iceland and internationally, for over two decades, as both an executive and a non-executive board member. Since 2010, he has served as CEO and board member of Reviva Capital S.A., a specialised and regulated loan servicing firm headquartered in Luxembourg, servicing banks and institutional investors across the Continent. During his time with Reviva, Ari has been an active participant in the secondary market for European bank assets, with active engagements in 12 jurisdictions, including involvement in the financial reorganisation of banks, real estate companies, and investment firms. From 2006 to 2010, Ari was employed by Íslandsbanki's predecessor, leading retail bank business development, asset financing (now Ergo), and participation in the restructuring of the bank's Luxembourg subsidiary and recovery of the bank's European real estate portfolio. Ari also has extensive experience in information technology and in financial and payment intermediation infrastructure. He has participated in the boards of several companies these fields, including serving on the board of Borgun hf. from 2006 to 2008 and again from 2018 to 2021. From 2000 to 2006, he ran software company Mentis hf., which developed infrastructure solutions for the financial market. Ari has a B.Sc. in Computer Science and an MBA from Reykjavík University and has completed the International Directors Programme (IDP) from INSEAD in France. Ari owns an indirect holding of 0,00190% shares in Íslandsbanki through the holding company MFT 1 ehf. He is considered independent of the Bank and its major shareholders. He has no connections with the Bank's key customers or competitors.

- **Tanya Zharov, member of the Board**

Tanya Zharov is Deputy CEO of Alvotech. From 2016 to 2020, she was Deputy CEO of deCODE Genetics, where she was also employed from 1999 to 2007 as Corporate Counsel, leading the securities regulation and compliance team. Between her stints at deCODE, Tanya headed the legal department at Auður Capital and then Virðing, after the merger of the two companies. She was a partner and tax attorney at PricewaterhouseCoopers from 1996 to 1998. Tanya holds a cand. jur. from the University of Iceland and is a European Patent Attorney. She has served on numerous boards of directors, including at Carbon Recycling, ORF Genetics, Nasdaq OMX hf., and Iceland Funds, where she was Chairman from 2016 to 2021. From 2009 to 2019, she was a securities law instructor and examination proctor for the securities brokerage licensing programme. Tanya serves on the board of Reykjavík University and is an alternate member of the board of Sýn until the 2022 annual meeting. Tanya Zharov owns an indirect holding of 0,00007% shares in Íslandsbanki through the holding company Tölur 1 ehf. She is considered independent of the Bank and its major shareholders. She has no connections with the Bank's key customers or competitors.

- **Páll Grétar Steingrímsson, alternate member of the Board**

Páll Grétar Steingrímsson was an employee of Deloitte in 1988-2021, where he became partner in 1999. While at Deloitte, he was responsible for the audit of the following companies: Arion Bank, Stefnir, Landsnet, Sjóvá and Íslandsbanki. Páll was a member of the Board of Deloitte from 2007-2018. While with Deloitte he was responsible for service to the financial industry in Iceland from 2006 and was on the Deloitte Nordic Financial Service Executive Team from 2016 and led Audit



service. Páll was Vice Chairman for the Institute of State Authorised Public Accountants in Iceland. He is currently chairman of the Board Audit Committee of Þorbjörn hf and an alternate member of the Audit Committee for the City of Reykjavik. Páll holds a Cand Oecon. in Business Administration from the University of Iceland and is a Chartered Accountant. Páll holds no shares in Íslandsbanki and is considered independent of the Bank and its major shareholders. He has no connections with the Bank's key customers or competitors.

The Nomination Committee is of the opinion that if the Board comprises the individuals nominated by the Nomination Committee and the ISFI Selection Committee, it will have sufficient breadth of expertise, experience, and background based on the Bank's policies, needs, and activities; furthermore, it will satisfy the provisions of the law and the Bank's Articles of Association requiring that, among Board members and alternates, the proportion of both genders must be at least 40%. This group also reflects a diverse group of individuals as regards, among other things, education, professional experience and age.