



**RESULTS OF THE ANNUAL GENERAL MEETING OF LANDSBANKINN HF. HELD  
IN SILFURBERG, HARPA.  
22 MARCH 2017**

**1. Annual financial statements for the past operating year, together with a report from the auditor**

The meeting approved the Bank's annual financial statement for the year 2016, as well as the report from the auditor and the Board of Directors and the CEO.

**2. Decision on the payment of dividends and disposition of profit from the past accounting year 2016**

The AGM approved the motion of the Board of Directors to pay shareholders a dividend of ISK 0.55 per share for the accounting year 2016. Dividend will be paid on 29 March 2017 and is based on the register of shareholders at end of business on the day the AGM is held, 22 March 2017, unless Landsbankinn hf. receives notification of the assignment of the dividend through the transfer of shares. The amount of the dividend payment based on outstanding shares is ISK 13,002 million, the equivalent of 78% of the year's profit.

The AGM also approved a special dividend to shareholders of ISK 0.50 per share. The special dividend will be paid on 20 September 2017 and is based on the register of shareholders at end of business on the day the AGM is held, 22 March 2017, unless Landsbankinn hf. receives notification of the assignment of the dividend through the transfer of shares. The amount of the special dividend payment based on outstanding shares is ISK 11,820 million.

**Dividend in 2017**

	ISK per share	Record date	Date of payment
Dividend for 2016	0.55	22.3.2017	29.3.2017
Special dividend	0.50	22.3.2017	20.9.2017

**3. Remuneration policy proposed by the Board of Directors**

The AGM approved the following remuneration policy proposed by the Board:

**1. gr. Objective**

Landsbankinn hf. emphasises hiring and employing exceptional personnel. The aim of the remuneration policy is to make Landsbankinn a desirable workplace for qualified employees to ensure the Bank's competitiveness, continued development and acceptable profitability. The remuneration policy shall support sound operations in the long term and not encourage unreasonable risk appetite. It is the Bank's aim that the terms of employment of executives and other employees are competitive without being leading in the market. In determining terms of

employment, responsibility and performance shall be taken into account, as well as equal rights perspectives.

In accordance with Article 79 (a) of Act. No. 2/1995, on Public Limited Companies, Landsbankinn's remuneration policy shall be submitted to the AGM for approval.

#### **2. gr. Remuneration Committee**

The Remuneration Committee of Landsbankinn is comprised of three Directors. The role of the Remuneration Committee is to guide the Board of Directors and CEO in deciding on the terms of employment of key executives and to advise on the remuneration policy. The Committee shall ensure that the terms of employment of the Bank's executives are within the framework provided by the remuneration policy and report on its implementation yearly in connection with the Bank's AGM. The Committee shall monitor the developments of collective bargaining agreements, trends in salary expenses and number of employees. The Board of Directors has issued rules of procedure for the Committee, defining its role and responsibilities.

#### **3. gr. Directors' terms of employment**

Directors shall receive set monthly remuneration in accordance with the decision of the AGM each year as provided for in Article 79 of Act No. 2/1995, on Public Limited Companies. In determining the remuneration amount, consideration shall be had for hours spent on the job, the responsibilities borne by the Directors and the company's performance. The Remuneration Committee presents the Board of Directors with a substantiated proposal for remuneration to Directors in the coming operating year. The Board of Directors deliberates on the Committee's proposal and submits a final motion on remuneration to the AGM. The Bank reimburses Directors domiciled outside the capital region for travel expenses. Directors may not conclude severance agreements with the Bank.

#### **4. gr. Terms of employment of key executives**

The terms of employment of key executives shall be competitive with the terms offered managers in larger companies in the financial market and in accordance with law, without leading the market.

#### **5. gr. Varying terms**

Landsbankinn has not adopted a salary incentive system for its employees. Any move by the Board of Directors to instigate such a system must first be approved by a shareholders' meeting.

#### **6. gr. Information disclosure**

Landsbankinn lists the terms of employment of Directors and key executives in the Bank's annual report.

This remuneration policy shall be published on the Bank's website.

#### **7. gr. Approval of the remuneration policy etc.**

The remuneration policy of Landsbankinn shall be approved by its Board of Directors. Furthermore, the remuneration policy shall be submitted to the Bank's AGM for approval or rejection.

The remuneration policy may be reviewed more than once yearly and any amendments submitted to a shareholders' meeting for approval.

The remuneration policy serves as a guideline for the Bank and the Board of Directors. The Board of Directors shall enter any deviations from the remuneration policy and substantiation thereof in the minutes. Deviations shall be presented to the Bank's next AGM.

## **4. Motion to amend the Articles of Association**

No motions to amend the Articles of Association were submitted to the AGM.

## 5. Election of the Board of Directors

The following persons were elected Directors and alternates, to sit on the Board of Landsbankinn hf. until its next Annual General Meeting.

### Directors:

Helga Björk Eiríksdóttir  
Berglind Svavarsdóttir  
Einar Thór Bjarnason  
Hersir Sigurgeirsson  
Jón Guðmann Pétursson  
Magnús Pétursson  
Sigríður Benediktsdóttir

### Alternates:

Ásta Dís Óladóttir  
Samúel Guðmundsson

Helga Björk Eiríksdóttir was elected Chairman of the Board of Directors.

## 6. Election of the auditor

The AGM elected the Auditor General (*rikisendurskoðun*) as the company's auditor for the 2017 financial year. The Auditor General, in accordance with its authorisation to outsource tasks, and following a tender process, nominated auditing firm Grant Thornton Auditors ehf. as auditor of the company's annual financial statement for the operating year 2017.

## 7. A decision on remuneration to members of the Board of Directors for the next term of office

The AGM of Landsbankinn approved a motion to pay compensation of ISK 400,000 per month, to Directors, ISK 700,000 per month to the Chairman of the Board and ISK 500,000 to the Vice-chairman of the Board. In addition, Directors shall receive ISK 200,000 per month for membership on Board sub-committees and the chairmen of these committees shall receive an additional ISK 25,000 per month. Alternates to the Board shall receive ISK 200,000 for each meeting of the Board or meeting with the Financial Supervisory Authority for eligibility assessment; however, monthly compensation to alternates shall never exceed monthly compensation to Directors. Alternates shall be compensated by ISK 400,000 per annum at a minimum.

## 8. Authorisation to purchase own shares

The AGM agreed, in accordance with Article 55 of the Act on Public Limited-liability Companies, No. 2/1995, to authorise Landsbankinn hf. to acquire own shares, up to 10% of nominal value of share capital. The minimum and maximum amounts Landsbankinn hf. is authorised to pay for each share shall be the book value of individual shares, i.e. equivalent to the ratio of equity held by the Bank's shareholders to share capital, as disclosed in the most recent annual or interim financial statement published before the purchase of own shares takes place. This authorisation is valid until the AGM of Landsbankinn hf. 2018. Allocation by Landsbankinn hf. of own shares purchased based on this authorisation is subject to approval of a shareholders' meeting.