



RESULTS OF THE ANNUAL GENERAL MEETING OF LANDSBANKINN HF.

GRAND HOTEL REYKJAVÍK

4 April 2019

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

The annual financial statements for 2018 were approved.

2. Decision on the payment of dividends and disposition of profit from the past accounting year 2018

The AGM approved the motion of the Board of Directors to pay shareholders a dividend amounting to ISK 0.42 per share for the 2018 financial year and to pay the dividend in two instalments. The first date of payment (ISK 0.21 per share) shall be 10 April 2019. The latter date of payment (ISK 0.21 per share) shall be 2 October 2019. Both payments shall be based on the register of shareholders at end of business on the day the AGM is held, 4 April 2019, unless Landsbankinn hf. receives notification of the assignment of dividend through the transfer of shares. The total amount of the dividend payments based on outstanding shares is ISK 9,922 million, the equivalent of 51.5% of the year's profit.

Dividends in 2019

	ISK per share	Record date	Date of payment	Amount
First payment	0.21	4.4.2019	10.4.2019	ISK 4,961 m
Latter payment	0.21	4.4.2019	2.10.2019	ISK 4,961 m
Total	0.42			9.922 million

3. Remuneration policy proposed by the Board of Directors

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

Article 1 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. A remuneration policy incorporates objectives on confidence in the Bank's management and operation, that the Bank leads the field in good governance and social responsibility, that its interests are always protected, not least its reputation and credibility, and that it operates in accordance with the principles, values and business ethics that properly apply to a publicly-owned bank.

The remuneration policy shall support sound operations in the long term and not encourage unreasonable risk-taking. It is the Bank's aim that the terms of employment of executives and other employees are competitive yet moderate 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.

Article 2 Remuneration

The State Ownership Policy for Financial Undertakings from July 2017 states that a remuneration policy shall be *competitive yet moderate and not leading*.

Competitive remuneration here means that the Bank shall be able to attract and retain qualified personnel and that the Bank can be competitive as regards human resources without offering the highest wages.

The point about wages not being leading means that wage developments in a wider context shall be taken into account, as well as the impact on wage developments in general. Remuneration that falls in the top bracket offered in the labour market, while not the highest, is considered leading.

Moderation involves careful and considered wage decisions that do not promote a great or growing wage gap, having regard for responsibility, duties and performance. Natural regard shall also be had for the terms offered by companies majority-owned by the State to employees in similar job positions. Major salary changes over a short period are to be avoided. Rather, wages should be raised regularly and in line with general wage development. The arrangement of wages and other benefits shall be as simple and transparent as possible.

Article 3 Remuneration Committee

The Bank's Remuneration Committee is comprised of three Directors of the Board. The role of the Remuneration Committee is to guide the Board of Directors and CEO in determining the terms of employment of key executives. 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 conclusions of the report shall be included in the Bank's annual report. The Committee shall monitor the developments of collective bargaining agreements, trends in salary expenses and number of employees. The Board of Directors shall set rules of procedure for the Committee, further providing for its role, and publish the rules on the Bank's website.

Article 4 Directors' terms of employment

Directors of the Board 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 Bank'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 proposal 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.

Article 5 Remuneration to the CEO and executives

Remuneration to the CEO and executives of the Bank shall be competitive yet moderate and not leading, cf. Article 2 of this remuneration policy.

Agreements with the CEO and the Bank's key employees shall not include severance pay in excess of provisions in employment contracts, collective bargaining agreements and legal provisions. The contractual notice period of the CEO and key employees shall not exceed twelve months, having regard for duties and responsibilities.

Article 6 Remuneration policy of subsidiaries etc.

The Board of Directors of the Bank shall encourage subsidiaries to adopt remuneration policies that are competitive yet moderate and not leading.

The Board of Directors shall promote the clear inclusion of the remuneration guidelines set forth in Article 2 of this remuneration policy.

The CEO shall submit to the Board of Directors of the Bank a draft remuneration policy for subsidiaries, as well as a proposal for remuneration to directors of their boards.

Article 7 Varying terms

The Bank shall not conclude or authorise agreements that provide for performance-linked payments, i.e. not authorise agreements that provide for remuneration based on performance which is not included in regular terms of employment, whereby the final amount or scope of payment cannot be determined in advance.

Any move by the Board of Directors to instigate a bonus system within the Group must first be approved by a shareholders' meeting.

Article 8 Information disclosure

The Bank shall disclose the terms of remuneration to Directors of the Board, CEO and individual key employees in its annual report.

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

Article 9 Approval of the remuneration policy etc.

The remuneration policy of Landsbankinn is approved by its Board of Directors. The remuneration policy shall be submitted to the Bank's AGM for approval, rejection or amendment, in accordance with Article 79 (a) of Act. No. 2/1995, on Public Limited Companies.

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 record any deviations from the remuneration policy along with the substantiated grounds for such deviation. Deviations shall be presented to the Bank's next AGM.

4. Motions 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
Guðbrandur Sigurðsson
Hersir Sigurgeirsson
Sigríður Benediktsdóttir
Thorvaldur Jacobsen

Alternates:

Guðrún Blöndal
Sigurður Jón Björnsson

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

6. Election of the auditor

The AGM elected Ríkisendurskoðun as the company's auditor for the 2019 financial year. Ríkisendurskoðun, 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 2019.

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

A motion was approved setting remuneration to members of the Board of Directors at ISK 420,000 per month, that the Chairman receive ISK 735,000 per month and the Vice-chairman receive ISK 525,000. In addition, Directors shall receive ISK 210,000 per month for membership on Board sub-committees and the chairmen of these committees shall receive an additional ISK 30,000 per month. Alternates to the Board shall receive ISK 210,000 for each meeting of the Board that they attend 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 420,000 per annum at a minimum.

8. Authorisation to purchase own shares

In accordance with Art. 55 of the Act on Public Limited Companies, No. 2/1995, the AGM agreed to authorise Landsbankinn hf. to acquire up to 10% of the nominal value of the Bank's share capital. The minimum and maximum amounts Landsbankinn hf. is authorised to pay for each share shall be equivalent to its book value, i.e. ratio of shareholder equity to share capital, as disclosed in the most recent annual or interim financial statements published before the purchase of own shares takes place. This authorisation is valid until the 2020 AGM of Landsbankinn hf. Allocation by Landsbankinn hf. of own shares purchased based on this authorisation is subject to approval of a shareholders' meeting.

9. Motion from a shareholder, cf. the first paragraph of Article 97 of Act No. 2/1995

A shareholder in Landsbankinn, with reference to the first paragraph of Article 97 of Act No. 2/1995, on Public Limited Companies, submitted a motion to the AGM that certain of the Bank's business dealings with specified companies should be investigated.

The proposal was not approved.