



# Rules of Procedure for the Remuneration Committee of Landsbankinn hf.

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Approved edition November 2022 | Review scheduled for 2024 | Board of Directors

## **1 APPOINTMENT AND INFORMATION DISCLOSURE TO THE BOARD OF DIRECTORS**

The role of the sub-committees of the Board of Directors of Landsbankinn hf. (hereafter “Landsbankinn” or “the Bank”) is to assist the Board of Directors in carrying out its legally constituted duties. The sub-committees are appointed by the Board of Directors and operate under its authority. The sub-committees do not take independent decisions on behalf of the Bank or of the Board of Directors. The sub-committees do not influence the role or decision-making authority of the Board of Directors, of the Bank's day-to-day managers, or of committees operating within the Bank.

The Remuneration Committee (hereafter “the Committee”) is a sub-committee of the Board of Directors of Landsbankinn.

The Committee is appointed by the Board and is comprised of three Directors. The Committee shall be constituted in such a way as to enable it to exercise competent and independent judgement on remuneration policies and practices. The majority of Committee members must be independent of the Bank and its day-to-day managers. The Chairman of the Board of Directors shall sit on the Committee as its chair. The Committee divides responsibility for other tasks among its members.

The Committee Chairman shall regularly appraise the Board of Directors of the Committee's work and when individual matters before the Board have previously been discussed by the Committee. The Committee shall submit a yearly report on its work to the Board of Directors. The Committee shall advise the Board of Directors on issues specified in these Rules of Procedure.

Directors of the Board shall have access to minutes of Committee meetings through the Bank's document management system. Information and data from the Committee is to be available to Directors in good time for Board meetings, and between such meetings. All Directors shall receive the same information. Moreover, information must be available when needed and be as up-to-date and accurate as possible.

## **2 MEETINGS**

The Committee shall meet as often as necessary yet no less frequently than four times yearly.

## **3 ROLE**

The Committee's roles include the following:

- 3.1 Submit to the Board of Directors a draft remuneration policy for the salaries and terms of employment of the CEO, other senior executives and Directors of the Board, in accordance with laws, rules and good corporate governance.
- 3.2 Support the Board of Directors in overseeing implementation of the approved remuneration policy.
- 3.3 Present the Board of Directors with a substantiated proposal for salaries 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 annual general meeting.
- 3.4 Guide the Board of Directors and CEO in determining the terms of employment of key executives.
- 3.5 Deliberate on the salary and terms of employment of the CEO and submit a proposal on the matter to the Board.
- 3.6 Negotiate termination of employment agreements with the CEO, as and when necessary.
- 3.7 Ensure that salaries and other terms of employment comply with current laws, rules and best practices.
- 3.8 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 annual general meeting. The conclusions of the report shall be included in the Bank's annual report.

- 3.9. Discuss developments in collective bargaining agreements, salary expenses, breakdown of salaries, other remuneration and the number of employees.
- 3.10. Assist the Risk Committee in determining whether incentives, including bonuses, that may be provided for in the Bank's remuneration policy comply with its risk policy.
- 3.11. Monitor that Landsbankinn's human resources develop in line with the Bank's strategy, changes in its operation and external environment.
- 3.12. Submit a proposal on the salary and terms of employment of the Chief Audit Executive to the Board of Directors.
- 3.13. Oversee remuneration to the Managing Director of Risk Management and the Chief Compliance Officer.

Thus adopted at a meeting of the Board of Directors of Landsbankinn on 17 November 2022.