



## RESULTS OF THE ANNUAL GENERAL MEETING OF LANDSBANKINN HF.

HELD AT

HILTON REYKJAVÍK NORDICA

18 MARCH 2015

### 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 2014, 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

The meeting approved the motion of the Board of Directors to pay shareholders a dividend amounting to ISK 1.00 per share for the accounting year 2014, which is equivalent to 80% of the year's profit. Dividends shall be paid to parties registered in the shareholders' registry on 18 March 2015 and payment will be made on 25 March 2015.

### 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 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 yearly on its implementation 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 duties.

#### **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 the 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 proposal on remuneration to the AGM. The Bank reimburses Directors domiciled outside the capitol 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 laws, without being leading.

**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 frequently 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**

The meeting approved the following motions to amend the Articles of Association:

The first sentence of the first paragraph of Article 22 of Landsbankinn's Articles of Association shall read:

*"At the Annual General Meeting, an auditor shall be elected for the Company in accordance with law."*

**5. Election of the Board of Directors.**

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

Directors:

Tryggvi Pálsson  
Danielle Pamela Neben  
Eva Sóley Guðbjörnsdóttir  
Helga Björk Eiríksdóttir  
Jóhann Hjartarson  
Jón Sigurðsson  
Kristján Th. Davíðsson

Alternates:

Árni G. Hauksson  
Tinna Laufey Ásgeirsdóttir

Tryggvi Pálsson was elected Chairman of the Board of Directors.

**6. Election of the auditor**

The AGM elected Ríkisendurskoðun as the Company's auditor for the 2015 financial year.

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

The AGM agreed that remuneration to Directors for the next term of office shall be ISK 350,000 per month, paid in accordance with salaries paid to bank employees. Remuneration to the Chairman of the Board shall be ISK 600,000; remuneration to the Vice-chairman of the Board ISK 425,000 per month. Remuneration to Directors appointed to a sub-committee of the Board, cf. Article 8 of the Rules of Procedure of the Board of Directors shall be ISK 100,000 per month for each committee to which a Director is appointed. Remuneration to alternates shall be ISK 175,000 for each Board meeting attended yet never higher than set monthly remuneration to Directors.

**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. The minimum and maximum amounts Landsbankinn hf. is authorised to pay for each share shall be 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 Annual General Meeting of Landsbankinn hf. 2016. Allocation by Landsbankinn hf. of own shares purchased based on this authorisation is subject to approval of a shareholders' meeting.