



# Motions for the 2022 Annual General Meeting

LANDSBANKINN HF. | Reg. No. 471008 0280 | LANDSBANKINN.IS

23 March 2022



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Landsbankinn hf.

# Motions for the 2022 Annual General Meeting

23 March 2022

## 1. Annual financial statements for the past operating year, together with a report from the auditor, placed before the meeting for attestation (item no. 3 of the Agenda)

The Board of Directors of Landsbankinn moves that the AGM approve the Bank's annual financial statements for 2021.

## 2. Decision on the payment of a dividend and disposition of profit from the 2021 accounting year (item no. 4 of the Agenda)

The Board of Directors proposes to the AGM that shareholders be paid a dividend amounting to ISK 0.61 per share for the accounting year 2021 and that the payment be in two instalments. The first date of payment (ISK 0.31 per share) shall be 30 March 2022. The latter date of payment (ISK 0.30 per share) shall be 21 September 2022. The total dividend for the accounting year 2021, based on outstanding shares, amounts to ISK 14,409 million, equivalent to 50% of the year's profit.

Further, a special dividend of ISK 0.26 per share is proposed. The date of payment of the special dividend shall be 28 April 2022. The amount of the special dividend based on outstanding shares is ISK 6,141 million.

Right to the aforementioned dividend payments (record date) shall be based on the register of shareholders at end of business on the day of the AGM, 23 March 2022, unless Landsbankinn hf. receives notification of the assignment of dividend through the transfer of shares.

### *Dividend in 2022:*

	Record date	Due date for payment	ISK per share	Amount
First payment	23.03.2022	30.03.2022	0.31	ISK 7,323 m
Latter payment	23.03.2022	21.09.2022	0.30	ISK 7,086 m
Special dividend	23.03.2022	28.04.2022	0.26	ISK 6,141 m
<b>Total</b>			<b>0.87</b>	<b>ISK 20,550 m</b>

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### 3. The Board of Directors proposes a remuneration policy and submits it to the meeting for approval (item no. 5 of the Agenda)

The Board of Directors moves that the AGM approve the following remuneration policy:

#### *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 operation 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 and not leading. 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 February 2020 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 that are 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 key 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 employee numbers. 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..

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#### *Article 4 Directors' terms of employment*

Directors of the Board shall receive a set monthly salary 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. Directors shall also receive a salary for participation in the work of sub-committees of the Board. In determining the salary amount, consideration shall be had for hours spent on the job, the responsibilities borne by the Directors and the Bank's performance. Pension fund contributions shall be paid on salaries to Directors in accordance with labour market rules. The Remuneration Committee presents 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 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 policies 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 further 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 draft remuneration policies 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 Directors' and officers' (D&O) insurance*

Landsbankinn shall ensure that it has an active D&O insurance policy in place at each time, covering the Directors of the Board, the CEO and key personnel, both current and former, for their work for the Bank in accordance with the provisions of the policy in question.

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### Article 9 Information disclosure

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

This Remuneration Policy shall be published on the Bank's website.

### Article 10. Approval of the Remuneration Policy etc.

Landsbankinn's Remuneration Policy shall be 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 frequently than once yearly and any amendments submitted to a shareholders' meeting for approval.

The Remuneration Policy is guiding for the Bank and the Board of Directors. The Board of Directors shall record any deviations from the Remuneration Policy along with substantiated grounds for such deviation. Deviations shall be presented to the Bank's next AGM.

## 4. Motions to amend the Articles of Association (item no. 6 of the Agenda)

No motions to amend the Articles of Association have been submitted.

## 5. Election to the Board of Directors (item no. 7 of the Agenda)

The AGM has received a motion that the following persons be elected as Directors and Alternates, to sit on the Board of Landsbankinn hf. until its next Annual General Meeting.

#### Directors:

Helga Björk Eiríksdóttir  
Berglind Svavarsdóttir  
Elín H. Jónsdóttir  
Guðbrandur Sigurðsson  
Guðrún Blöndal  
Helgi Friðjón Arnarson  
Thorvaldur Jacobsen

#### Alternates:

Sigríður Olgeirsdóttir  
Sigurður Jón Björnsson

It is further moved that Helga Björk Eiríksdóttir be elected Chairman of the Board of Directors.

## 6. Election of the auditor (item no. 8 of the Agenda)

It is proposed that the AGM elect Ríkisendurskoðun as the company's auditor for the 2022 operating year. Ríkisendurskoðun, in accordance with its authorisation to outsource tasks, and following a tender process, nominated auditing firm PricewaterhouseCoopers ehf. as auditor of the company's annual financial statement for the operating year 2022.

## 7. Decision on remuneration to Directors of the Board for the next term of office (item no. 9 of the Agenda)

It is proposed that salaries to Directors shall be ISK 473,000 per month, that the Chairman receive ISK 824,000 per month, and the Vice-chairman receive ISK 588,000. In addition, Directors shall receive ISK 236,000 per month for membership in Board sub-committees and the chairmen of these committees shall receive an additional ISK 53,000 per month. Alternates to the Board shall receive

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a salary of ISK 236,000 for each meeting of the Board that they attend or meeting with the Financial Supervisory Authority of the Central Bank of Iceland for eligibility assessment; however, monthly compensation to Alternates shall never exceed monthly compensation to Directors. Alternates shall be compensated by ISK 472,000 per annum at a minimum..

## **8. Authorisation to purchase own shares (item no. 10 of the Agenda)**

In accordance with Article 55 of the Act on Public Limited Companies, No. 2/1995, it is proposed that the AGM agree 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 2023 AGM of Landsbankinn hf. Disposition of own shares purchased by Landsbankinn hf. based on this authorisation is subject to approval by a shareholders' meeting.

## **9. Other business**