

Translation from Icelandic

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Board of directors of Arion Bank
Brynjólfur Bjarnason, chairman of the board of directors
Borgartún 19
105 Reykjavík

Reykjavík, 15 March 2021

Subject: Annual general of meeting of Arion Bank, 16 March 2021 – agenda item 6

With reference to the stock market announcement on the annual general meeting of Arion Bank, the Pension Fund of Commerce (LV) requests that the following proposed amendment be discussed under item 6 of the annual general meeting which will be held on 16 March 2021.

Proposed amendment from LV:

“It is proposed that the monthly salary of Board members be ISK 490,900, the monthly salary of the Vice-Chairman be ISK 736,200 and the monthly salary of the Chairman be ISK 981,400. Board members residing outside of Iceland will be reimbursed for the cost of travelling in respect of Board meetings they attend in person, up to a maximum of ISK 300,000 per meeting.

In addition, it will be permitted to pay those Board members who serve on the Board’s sub-committees a maximum of ISK 196,300 a month for each committee and the chairmen of Board sub-committees ISK 255,000 a month. Alternate Directors shall be paid ISK 248,600 for each meeting attended, up to a maximum of ISK 490,900 a month in the case of more than one meeting a month.

For Board members residing outside of Iceland, these figures shall be paid in the equivalent amount in their respective currency, fixed at the average three-year official exchange rate prior to the date of the 2021 AGM.”

The proposed amendment from LV constitutes the following change from the current proposal:

“It is proposed that the monthly salary of Board members be ISK 490,900, the monthly salary of the Vice-Chairman be ISK 736,200 and the monthly salary of the Chairman be ISK 981,400. Board members residing outside of Iceland will be reimbursed for the cost of travelling in respect of Board meetings they attend in person, up to a maximum of ISK 300,000 per meeting.

In addition, it will be permitted to pay those Board members who serve on the Board’s sub-committees a maximum of ISK 196,300 a month for each committee and the chairmen of Board sub-committees ISK

255,000 a month. Alternate Directors shall be paid ISK 248,600 for each meeting attended, up to a maximum of ISK 490,900 a month in the case of more than one meeting a month.

For Board members residing outside of Iceland, these figures shall be paid in the equivalent amount in their respective currency, fixed at the average three-year official exchange rate prior to the date of the 2021 AGM.”

Explanatory note to the proposal:

The proposed amendment from LV concerns remuneration to Board members and the salaries of committee members. According to the proposed amendment, salaries of Board directors residing in Iceland remain unchanged from the amounts approved at the 2020 AGM, and in addition the payment of double salaries to Board members resident abroad is discontinued. The salaries of committee members will also remain unchanged from the amounts approved at the 2020 AGM. Travelling expenses of Board members resident abroad will be paid but up to a maximum of ISK 300,000 for each Board meeting.

When assessing the size of salaries of Board members LV has taken into account the normal scope and nature of the business and level of responsibility, as stated in LV’s shareholder policy. In the case of Arion Bank, a comparison is made with comparable businesses in Iceland and in light of this it is proposed that salaries of Board members remain unchanged and that there be no difference in the amount paid on account of where the Board member resides.

Under the proposal, payment will be made to reimburse Board members residing abroad the costs associated with travelling for Board meetings, but only up to a maximum of ISK 300,000 per meeting.

Yours sincerely

On behalf of the Pension Fund of Commerce

Arne Vagn Olsen

Head of Asset Management