

The Annual General Meeting of Kvika banki hf. was held on 14 March 2019 at the Icelandair hotel Reykjavík Natura, Nauthólsvegi 52, 101 Reykjavík.

The main results of the meeting were the following:

1. The Consolidated Financial Statement for 2018 was approved as it was submitted. The meeting agreed to pay ISK 0.24 per share in dividends for the operating year 2018. The approved dividend payments amount to a total of ISK 442,799,114. The shares that change hands as of and including 15 March 2019 (ex-date) will be without dividend rights and the right of shareholders to dividend payments shall be based on the company's registry of shares at the end of trading on 18 March 2019, which shall be the record date. Dividends shall be paid on the due date, 26 March 2019.
2. At the meeting, a proposal from the Board of Directors regarding the company's remuneration policy was submitted, in accordance with Article 79 of Act no. 2/1995 on Public Limited Companies and it was approved.
3. The meeting approved the following proposal from the Board of directors regarding the purchase of own shares:

“The Board of Directors is authorised to buy up to 184,499,630 shares in the company; for this purpose the board may decide to i) make a formal buy-back programme, ii) make a general offer to shareholders for the company's acquisition of its own shares, e.g. with auction arrangements, provided that non-discrimination between shareholders is guaranteed in the offer to participate in this trading and/or iii) increase or strengthen market making with shares in the company so that, once other legally prescribed conditions have been met, the company can own up to 10% of the share capital in the company. This authorisation remains valid until the company's next Annual General Meeting in 2020. The payment for the purchased shares shall not be higher than the amount of the last independent transaction or highest existing purchase bid on Nasdaq Iceland, whichever is the highest. These purchases are, however, permitted if they are made by market makers, pursuant to Art. 116 of the Act on Securities Transactions or on the basis of Point 1 of Paragraph 3 of Article 115 and Paragraph 2 of Article 119 of the Securities Transactions Act and regulations deriving from Articles 118 and 131 of the same act.”

4. The following proposals from the Board of Directors regarding amendments to the Articles of Association were approved:

- (i) **It was approved to amend the provisions of Article 2.3., which shall henceforth read as follows:**

“2.3 Each share in the Company corresponds to one Icelandic króna (ISK 1) in nominal value. The Company's share capital consists of one class of shares and each issued share carries equal rights.”

- (ii) **It was approved to amend the wording of the provisions of Article 2.4., so that it will read as follows:**

“2.4 Unless otherwise provided for in these Articles of Association, including its Temporary provisions, shareholders shall have pre-emptive rights to all increases in share capital in equal proportion to their registered holding in the Company. In other respects

the issue of such shares shall be governed by terms established by the Board in accordance with the resolution of a shareholders' meeting from time to time. "

- (iii) It was approved to amend the wording of the provisions of Article 2.5., so that they will read as follows:**

"2.5 The shares in the Company are registered electronically in a Securities Depository which operates pursuant to Act No. 131/1997, as amended. A statement from the Securities Depository concerning title to shares in the Company constitutes an adequate share register and is valid proof of title to shares in the Company. Any notices to shareholders shall be sent to the party registered at the time as the owner of the share in question in the Company's Register of Shares."

- (iv) It was approved to remove the entire provision of Article 2.8. in the current Articles of Association and to replace Art. 2.8. with a new provision that will read as follows:**

"2.8 Shareholders are not obligated to increase their shareholdings in the company or to accept their shares being redeemed, except as provided by law."

- (v) It was approved to add a new provision to Article 2.9. of the company's Articles of Association:**

"2.9 No restrictions are placed on transactions with shares in the Company. Qualifying holdings are subject to limitations under the Act on Financial Undertakings. Shares in the Company may be assigned or pledged unless otherwise provided by law. Registration of lien and change in ownership and their implementation are subject to applicable legislation on electronic registration of title to securities."

- (vi) It was approved to amend a provision in Article 3.5. of the Articles of Association of the Company which shall henceforth read as follows:**

"3.5 Shareholders' meetings shall be convened by a notice to each shareholder by a letter or an e-mail or by a notice in a daily newspaper..

Shareholders' meetings shall be convened with at least three weeks' notice and no more than four weeks' notice.

A meeting of the Company's shareholders may be held at a location other than the Company's head office."

- (vii) It was approved to amend the provisions of Article 3.6. of the Articles of Association of the Company which shall henceforth read as follows:**

"3.6 Three weeks (21 days) prior to the shareholders's meeting and on the date of the meeting the following information shall be accessible to shareholders on the Company's website: the meeting announcement, the total number of shares and votes as of the date the meeting was announced, documents to be presented to the shareholders' meeting, motions and/or explanatory notes from the Company's Board of Directors or its committees, as the case maybe, regarding each item on the draft agenda for the shareholders's meeting.

Each shareholder is entitled to have a specific matter submitted to a convened shareholders' meeting, if he makes a written or electronic request for such to the Board of Directors with sufficient notice to allow the matter to be placed on the agenda of the meeting, however, no later than 10 days prior to the meeting. The request must be

accompanied by grounds for the same or a draft resolution for the Board of Directors. Information on such request must be published on the Company's website no later than three days prior to the meeting together with the proposal and, as the case may be, the revised meeting agenda.

Matters which are not included in the agenda of a shareholders' meeting shall not be subjected to a final decision except with the consent of all shareholders in the Company; however a resolution thereon may be passed for the guidance of the Company's Board of Directors."

- (viii) It was approved to amend the provisions of Par.2 of Article 3.8 of the Articles of Association of the Company which shall henceforth read as follows:**

"3.8 At shareholders' meetings, each króna of share capital shall carry one vote. Decisions at shareholders' meetings shall be made by a simple majority vote unless otherwise provided in these Articles or statutory law. Proposals are dismissed if they receive equal votes.

Shareholders shall have an opportunity to cast their votes either by written ballot or electronically on issues on the agenda of the shareholders' meeting. The meeting announcement must state how voting is to be carried out."

- (ix) It was approved to amend the provisions of Article 6.1. of the Company's Articles of Association by removing Par. 2. and replacing it with a new paragraph, which shall read as follows:**

"6.1 The fiscal year of the Company shall be the calendar year. An annual financial statement of the Company shall be prepared each fiscal year in compliance with the provisions of statutory law.

An auditor or auditing firm shall be elected for a term of at least one year and no longer than 10 years at the Annual General Meeting of the Company."

- (x) It was approved to remove the entire Temporary Provisions II in the current Articles of Association and to replace them with new Temporary Provisions II, which shall read as follows:**

"The Board of Directors of the Company is authorised, until the Company's Annual General Meeting in 2020, to issue warrants for 100.000.000 new shares in the Company. The Board of Directors is furthermore authorised for five years, until 14 March 2024, to increase the Company's share capital in relation to subscription for new shares on the basis of the warrants. The Board of Directors has discretion over who the warrants are issued to. Neither shareholders, nor any others, have pre-emptive rights to the warrants or to new shares issued based on this authorisation. The Board of Directors determines the price and other terms of the warrants. Warrants issued on the basis of this authorisation shall be sold at real value based on a valuation from an independent expert."

- (xi) It was approved to amend items A and B in Temporary Provisions IV in the Company's Articles of Association so that the Board of Director's stipulated authorisation to issue new share capital will be extended to 31 December 2022.**

(xii) **There was an agreement to amend item C in Temporary Provisions IV in the Articles of Association of the Company so that the maximum of issued but unused subscription rights will be 30.0% instead of 33.3%.**

(xiii) **Other matters:**

Finally, some minor adjustments were made to the English translation of some of the provisions of the Articles of Association, but according to Article 9.3. the Icelandic version of the Articles of Association prevails over the English translation. The above adjustments were therefore not put to any special shareholders' vote.

5. The election of the board was conducted. The following full members were elected to the Board of Directors:

- Guðjón Reynisson
- Guðmundur Örn Þórðarson
- Inga Björg Hjaltadóttir
- Hrönn Sveinsdóttir
- Kristín Pétursdóttir

The following alternate members were elected:

- Kristín Guðmundsdóttir
- Albert Þór Jónsson

6. The Annual General Meeting approved the following resolution:

“The Board of Directors of Kvika banki hf. is called upon to examine the pros and cons of the Company appointing a nominations committee and to elicit the views of shareholders on this issue and produce a proposal, if considered appropriate.”

7. The Annual General Meeting appointed the Deloitte ehf. auditing company as the Company's auditor for 2019. Deloitte ehf. has been the Company's auditing company since the Annual General Meeting of 2016.

8. It was approved that the chairperson's fee for the Company's next operating year shall be ISK 850,000 per month and other board members ISK 425,000 per month. It was also approved that the fee of alternate members of the board shall be ISK 212,500 for each board meeting attended, but never higher than the fee of the full member within a given month. The payment to each alternate member shall be no less than 425,000 per annum. Finally, it was approved that the chairpersons of sub-committees of the board shall be paid ISK 200,000 a month and other committee members ISK 150,000 a month.

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