

The Annual General Meeting of Kvika banki hf. was held on 26 March 2020 at Hilton Reykjavík Nordica, 2nd floor Suðurlandsbraut 2, 108 Reykjavík.

The main results of the meeting were the following:

1. The Consolidated Financial Statement for 2019 was approved as it was submitted. The meeting agreed that no dividend will be paid to shareholders in 2020 and that the profit for the year 2019 be added to the Company's equity.
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 Annual General Meeting of Kvika banki hf., held on 26 March 2020, agrees to authorise the Board of Directors, on the basis of Art. 55 of the Act on Public Limited Companies, No. 2/1995, to purchase on behalf of the Company up to 10% of its sharecapital. This authorization shall be utilised for the purpose of: i) establishing a formal buy-back programme; ii) making a general offer to shareholders for the Company to purchase own shares, for example, through an auction arrangement, provided that shareholders are given equal opportunity to participate in such transactions; and/or iii) to expand or reinforce marketmaking in the Company's shares, so that the Company may own, provided other statutory requirements are satisfied, up to 10% of the Company's share capital. The implementation of a buyback programme on the basis of this authorisation is subject to the prior approval of the Financial Supervision Division of the Central Bank of Iceland, in accordance with subparagraph a of Paragraph 3 of Art. 84 of the Act on Financial Undertakings, No. 161/2002, having been granted. This authorisation shall be valid until the Company's Annual General Meeting of 2021. The price paid for purchased shares shall not exceed the last selling price in independent trading or the highest available independent bid on NASDAQ Iceland, whichever is higher. Such purchases are, however, authorised if concluded by a marketmaker, as referred to in Art. 116 of the Act on Securities Transactions, or on the basis of Point 1 of the third paragraph of Art. 115 and the second paragraph of Art. 119 of the Act on Securities Transactions and Regulations adopted with reference to Articles 118 and 131 of the same Act.”

4. The meeting approved the following proposal from the Board of Directors regarding reduction of share capital:

“The Annual General Meeting of Kvika banki hf., on 26 March 2020, agrees to reduce the Company's share capital by ISK 50 million nominal value, or the equivalent of 50 million shares, from ISK 2,014,759,097 to ISK 1,964,759,097 nominal value. The reduction will be carried out by cancelling own shares held by the Bank in the above-mentioned amount, provided legislative requirements are satisfied.”

The corresponding proposed amendment to Art. 2.1 of the Company's Articles of Association was also approved, so that it will read as follows:

“The total share capital of the Company is ISK 1,964,759,097. There are no restrictions on shareholders' rights to dispose of their shares in the Company.”

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

(i) **It was approved to amend the provisions of Article 1.3, so that it will read as follows:**

“The Company’s domicile shall be in Reykjavík.”

(ii) **It was approved to amend the provisions of Article 3.3, so that it will read as follows:**

“The agenda of the Annual General Meeting shall include the following items of business:

- 1) the report from the Company's Board of Directors on activities during the past operating year;*
- 2) the Company's annual financial statements for the past operating year shall be submitted for approval; in tandem with processing the annual financial statements, a decision shall be taken as to how any profit or loss by the Company during the financial year shall be dealt with;*
- 3) election of the Company's directors and alternates;*
- 4) the Company's remuneration policy;*
- 5) determination of compensation to directors;*
- 6) other business.”*

(iii) **It was approved to amend Temporary Provision II to the Articles of Associations in a way that unused authorization of the Board of Directors to issue warrants, which now extends to 54,000,000 new shares, together with the corresponding authorization to increase share capital, be extended by one year.**

6. The election of the board was concluded. The following members were elected to the Board of Directors:

- Guðjón Reynisson
- Guðmundur Örn Þórðarson
- Inga Björg Hjaltadóttir
- Hrönn Sveinsdóttir
- Sigurður Hannesson

The following alternate members were elected:

- Albert Þór Jónsson
- Jóhanna Harpa Árnadóttir

7. The Annual General Meeting appointed Deloitte ehf. as the Company’s auditor for the 2020 financial year.

8. Considering recent events in the society the Board of Directors decided to withdraw its proposal to increase remunerations to the members of the Board of Directors, the alternate directors and sub committee members.

It was approved that the remunerations to the members of the Board of Directors, the alternate directors and sub committee members will remain the same as approved at the last annual general meeting, that is: Remuneration to the Chairman of the Board for the Company's next operating year be ISK 850,000 per month and remuneration to other directors ISK 425,000 per month. It was approved that the remuneration of alternate directors be ISK 212,500 for each Board meeting attended, but never higher than the remuneration to a director within a single month. Each alternate shall be paid a minimum of ISK 425,000 annually. Finally, it was approved that the chairmen of the subcommittees be paid ISK 200,000 per month and other committee members ISK 150,000 per month.