

Corporate Governance Statement of Arion bank for 2021



Arion Bank (Arion Bank or the Bank) is an Icelandic public limited company whose shares are listed on Nasdaq Iceland and Nasdaq Stockholm. Here the Board submits its Corporate Governance Statement for 2021. Corporate governance is focused on how responsibilities are allocated among the various bodies of the Bank and how systems for decision making are constructed, in accordance with prevailing laws and regulations. Arion Bank's shareholders exercise governance principally by electing the Board of Directors, which in turn appoint the CEO and monitor the Bank's conduct of business. The CEO is responsible for the day-to-day operations of the Bank and represents the Bank in all matters concerning normal operations. The CEO must in this respect comply with the relevant legislation, the Bank's Articles of Association and the policies and instructions laid down by the Board. The CEO is responsible for the implementation of the Bank's policies.

Fundamentals to corporate governance at Arion Bank are, on the one hand, the Articles of Association which are approved by shareholders, and, on the other, policies and other documents adopted by the Board of Directors. These include the Board's Rules of Procedure, and the Rules of Procedure of the Board's Sub-Committees, and policies regarding the Bank's operations and enterprise risk management

architecture. These policies are revised every year, and whenever deemed necessary. Even more important is the Bank's corporate culture, strategy, and operational procedures. Good corporate governance and corporate culture helps to foster open and honest relations between the Board of Directors, shareholders, customers, and other stakeholders, such as the Bank's employees and the public. Corporate governance also provides the foundations for responsible management and decision-making, with the objective of generating sustainable long-term value creation. The Board of Directors places great importance on good corporate governance and re-evaluates its governance practices regularly on the basis of recognized guidelines on corporate governance.

A central part of governance for financial institutions involves managing risks which will invariably arise in operations. Risk management is described further in later in this statement, the Bank's Annual Report and in the Bank's Pillar 3 report. Establishing and maintaining effective risk management and controls constitutes a key challenge in the Bank's activity and to the Bank's overall soundness.

This Corporate Governance Statement is based on the legislation, regulations and recognized guidelines which are in force at the time the Bank's financial statement is adopted by the Board of Directors.



Excellence in corporate governance

Arion Bank has been recognized as a company which has achieved excellence in corporate governance, following a formal assessment based on the Icelandic Guidelines on Corporate Governance issued by the Icelandic Chamber of Commerce, SA – Business Iceland and Nasdaq Iceland, initially in December 2015 and again in April 2019. This recognition was granted following an in-depth assessment by an independent party of corporate governance at the Bank, including governance by the Board of Directors, Sub-Committees and management.

Compliance with guidelines on good corporate governance

When it comes to governance arrangements, Arion Bank applies the European Banking Authority (EBA) Guidelines on Internal Governance (EBA/GL/2017/11), in line with requirements found in Regulation (EU) 1093/2010 and Act 24/2017, on European Financial Supervision. EBA has published revised Guidelines on Internal Governance (EBA/GL/2021/05), which apply to the Bank's operations as of 31 December 2021. These Guidelines are available on the website of the Financial Supervisory Authority of the Central Bank of Iceland.

Furthermore, according to the Financial Undertakings Act No. 161/2002 Arion Bank is obliged to comply with recognized guidelines on corporate governance. The Bank complies with the sixth edition of the Icelandic Guidelines on Corporate Governance issued by Iceland Chamber of Commerce, SA – Business Iceland and Nasdaq Iceland, published in February 2021 and in force as of 1 July 2021. According to the guidelines a company shall state whether it has deviated from the guidelines, if so, which parts and also explain why it has done so.

The Bank complies with the guidelines with two deviations:

Article 5.1.2. states that the rules of procedure of sub-committees of the Board shall be posted on the Bank's website. The rules of the Board Credit Committee have not been published on the Bank's website with respect to their nature.

The final sub-paragraph of article 5.4.5 states that the role of a remuneration committee shall include taking an independent stance on the effect of wages on the Company's risk exposure and risk management, in cooperation with the Company's Audit Committee. In line with, *inter alia*, the EBA Guidelines on Internal Governance and article 78(3) of the Act on

Financial Undertakings, this role falls to the Board's Remuneration Committee in cooperation with the Board's Risk Committee.

The role of the Nomination Committee at Arion Bank is to promote good corporate governance and to facilitate informed decision-making by shareholders when selecting Board members to ensure that Board members have wide and versatile qualifications and experience. The Committee has an advisory role regarding the election of Board members and makes a proposal on their remuneration. At the Bank's annual general meeting on 16 March 2021, two members of the Nomination Committee were appointed, Júlíus Þorfinnsson and Vitaliy Ardislamov. According to the Rules of Procedure for the Nomination Committee, the third member of the Committee shall be the Chairman of the Board of Directors or another Board Member appointed by the Board.

Legal framework for the Bank's operation

Arion Bank is a financial institution which operates in accordance with the Financial Undertakings Act No. 161/2002. Acts of law which also apply to the Bank's operations include e.g. the Act on Markets for Financial Instruments No. 115/2021, to Act on Undertakings for Collective Investment in Transferable Securities (UCITS) No. 116/2021 and Act on Alternative Investment Fund Managers No. 45/2020, Act on Payment Services No. 114/2021, Act on Measures Against Money Laundering and Terrorist Financing No. 140/2018, Act on Consumer Mortgages No. 118/2016, Consumer Loans Act No. 33/2013, Competition Act No. 44/2005 and Public Limited Companies Act No. 2/1995.

Arion Bank is a strongly capitalized bank, the purpose of which is to excel by offering smart and reliable financial solutions which create future value for our customers, shareholders, and society as a whole. As noted, the Bank is listed on Nasdaq Iceland and Nasdaq Stockholm. The Bank has also issued financial instruments which have been admitted for trading on regulated securities markets in Iceland and Luxembourg. The Bank is, therefore, subject to the disclosure requirements of issuers pursuant to the Act on Markets for Financial Instruments and the rules of the relevant stock exchanges.

The Financial Supervisory Authority of the Central Bank of Iceland (FSA) supervises the operations of Arion Bank in accordance with the provisions of Act No. 87/1998 on the Official Supervision of Financial Operations. Further information on the FSA and an overview of the legal and regulatory framework



applicable to the Bank, as well as FSA guidelines and guidelines issued by European Financial Supervisory institutions, can be seen on the FSA's website, www.cb.is/financial-supervision/.

Numerous other pieces of legislation apply to the operations of financial undertakings.

Internal controls, auditing and accounting

Internal control

The Bank is committed to the highest standards of corporate governance and regards internal control as an integral part of its risk management system. An effective internal control system is built to mitigate risk to acceptable levels by facilitating enlightened decision making, thus supporting the Bank in achieving its objectives and enabling the creation and preservation of value.

The objective of the Bank's system of internal controls is to ensure:

- The Bank's policies, objectives and plans are achieved within set risk appetite and threshold.
- The actions of the Board of Directors, management and employees comply with the Bank's policies, standards, processes and all relevant laws and regulations.
- The Bank's assets and resources, including its people, systems, and data are adequately protected.
- Data and information published either internally or externally is accurate, reliable, and timely.
- The risks that are inherent in the Bank's operations are managed.
- Practical controls and processes have been established that require and encourage the Board, management, and employees to carry out their duties and responsibilities in an efficient and effective manner.

The key components of the internal control framework are Control Environment, Risk Assessments, Control Activities, Information and Communication, and Monitoring Activities. These components are interrelated with all operations of the Bank.

Control Environment includes the governance and management function of the Bank, as well as the attitude of senior management towards internal control and its importance. The key principles relating

to control environment include:

- Integrity and ethical values
- The attitude of senior management and tone from the top
- Organisational structure
- Assignment of authority and responsibility
- Employee skills, human resources policy and its implementation.

Risk Assessment is a process of identifying internal and external factors that can affect the objectives of the Bank and assess their impact and importance. It forms a basis for determining how risk should be managed so that risk-taking is in accordance with risk appetite.

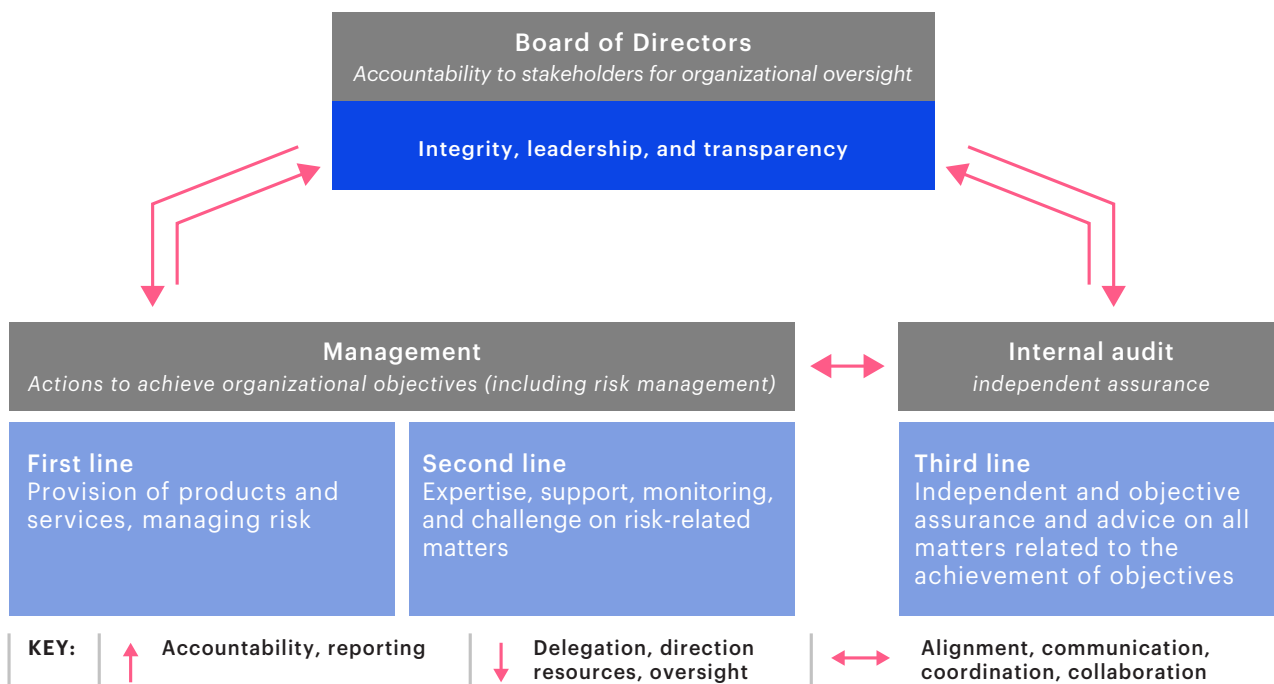
Control Activities are the actions performed at all levels within the Bank and are intended to mitigate risks to acceptable levels while achieving objectives. Information is necessary for the Bank to carry out its internal control responsibilities. Communication occurs both internally and externally and provides the Bank with relevant, quality information needed to carry out day-to-day controls. Monitoring Activities are the ongoing or separate evaluations that are used to ascertain whether each of the five components of internal controls is present and functioning.

Arion Bank looks to the Three Lines Model for organizing internal controls. All lines work together to contribute to the creation and protection of value. Alignment of activities is achieved through communication, cooperation, and collaboration. This ensures the reliability, coherence, and transparency of information needed for risk-based decision making.

The first line is made up of people who have day-to-day supervision of operations and its organization. They are responsible for establishing and maintaining effective internal controls and managing risk in day-to-day operations. This involves identifying and evaluating risk and putting in place appropriate countermeasures to reduce risk. The first line is responsible for supervising the implementation of internal rules and processes in compliance with the law, regulations and the Bank's strategy and it must ensure that all actions are in compliance with established procedures and that corrective action is taken if any deficiencies are detected.

The second line is set up to ensure that the first line has established adequate internal controls





which work as intended. Risk Management and Compliance are the main participants in the second line, although other units may also be assigned specific monitoring roles.

The third line is Internal Audit, which provides independent and objective assurance and advice on the adequacy and effectiveness of governance, risk management and controls, through systematic and disciplined processes, expertise and insight. It reports its findings to management and the Board of Directors to promote and facilitate continuous improvement.

Internal audit is accountable to the Board of Directors, as independence from management is critical to its objectivity, authority, and credibility.

Compliance

Compliance is an independent control function which reports directly to the CEO and works in accordance with a special charter from the Board.

The main role of Compliance is to ensure that the Bank has in place proactive measures to reduce the risk of rules being breached in the course of its activities. Compliance is also responsible for coordinating the Bank's measures against money laundering and terrorist financing to reduce the risk of the Bank's services being used for illegal purposes. Furthermore, the Compliance Officer has the role of the Bank's Data Protection Officer. The Bank has

adopted a data protection statement which can be seen on the Bank's website.

The duties of Compliance are carried out under a risk-based compliance plan approved by the Board of Directors, including a monitoring and training schedule for employees which addresses the laws and rules under which the Bank operates. Compliance provides the Board of Directors with a quarterly report on its activities.

Further information can be found on the Bank's website.

Risk Management

A central feature of the activities of all financial companies is carefully calculated risk-taking according to a predetermined strategy. Arion Bank thus takes risk compatible with its risk appetite, which is regularly reviewed and approved by the Board of Directors. The Bank's risk appetite, set by the Board, is translated into exposure limits and targets that are monitored by Risk Management. The Board is responsible for Arion Bank's internal capital adequacy assessment process, the main objective of which is to ensure that Arion Bank understands its risk profile and has systems in place to assess, quantify and monitor its total risk exposure.

The Bank's Risk Management division is headed by the Chief Risk Officer. It is independent and centralized



and reports directly to the CEO and operates in accordance with a special charter from the Board. Risk Management comprises three departments whose role is to analyze, monitor and regularly report to the CEO and Board of Directors on the risks faced by the Bank.

Further information on risk management and capital management is contained in the Bank's annual report and the Bank's risk report.

Internal Audit

The Internal Auditor is appointed by the Board of Directors and reports directly to the Board. The Board sets the Internal Auditor a charter which sets out the responsibilities associated with the position and the scope of the work. The role of the Internal Auditor is to provide independent and objective assurance and advice designed to add value and improve the Bank's operations. The scope of the audit is the Bank, its subsidiaries and pension funds serviced by Arion Bank.

The internal audit department will govern itself by adherence to the mandatory elements of The Institute of Internal Auditors' International Professional Practices Framework, including the Core Principles for the Professional Practice of Internal Auditing, the Code of Ethics, the International Standards for the Professional Practice of Internal Auditing, and the Definition of Internal Auditing. The chief internal auditor will report periodically to senior management, the Bank's Audit Committee and the Board of Directors regarding the internal audit department's conformance to the Code of Ethics and the Standards.

Accounting and auditing

The Bank's Finance division is responsible for preparing the accounts and this is done in accordance with the International Financial Reporting Standards (IFRS). The Bank publishes its financial statement on a quarterly basis and management statements are generally submitted to the Board ten times a year. The Board Audit Committee examines the annual financial statement and interim financial statements, while the external auditors review and audit the accounts twice a year. The Board Audit Committee gives its opinion on the accounts to the Board of Directors, which then approves and endorses the accounts.

Cornerstones and code of ethics

Arion Bank's cornerstones is the name used to describe the Bank's core values. The cornerstones are

designed to provide guidance when making decisions and in everything else employees say and do. They refer to the Bank's role, attitude, and conduct. Arion Bank's cornerstones are: We find solutions, we make a difference, we get things done, and, we say what we mean.

The management and employees of Arion Bank are conscious of the fact that the Bank's activities affect different stakeholders and society at large. The Bank's code of ethics is designed to serve as a key to responsible decision-making at Arion Bank. The code of ethics is approved by the Board of Directors.

Sustainability Risk

Sustainability risk refers to the risk of certain activities or practices compromising the ability of future generations or segments of society to meet their own needs, e.g. due to negative effects on the environment, natural or cultural resources or social conditions.

Sustainability risk is a driver of other risk types, such as credit risk and market risk. It can materialize in the short term, the medium term, and the long term. Environmental risks comprise of transition risks and physical risks and the Bank assesses both inside-out risks (the impact from the Bank's operations) and outside-in risks (impact through the Bank's credit and investment portfolios).

Climate and environmental risks are assessed in the Bank's Internal Capital Adequacy Assessment Process and considered in the Bank's stress testing program.

Arion Bank has been a partner of Festa, the Icelandic Center for Corporate Social Responsibility, for several years and since 2014 has been a signatory to the CEO Statement of Support for the Women's Empowerment Principles (UN Women and UN Global Compact). In 2015 the Bank signed the City of Reykjavik and Festa's Declaration on Climate Change and has published its environmental accounts since 2016. Arion Bank has been a signatory to the UN Global Compact, the UN's initiative to encourage businesses to adopt sustainable and socially responsible practices, since the end of 2016. The Bank has also complied with the UN's Principles for Responsible Banking (UN PRI) since the end of 2017. In September 2019 the Bank became a signatory to the UN Principles for Responsible Banking (UN PRB), the goal of which is to align banking with international goals and commitments such as the UN Sustainable Development Goals and the Paris Climate Agreement.



Arion Bank's activities are governed by the provisions of the Annual Accounts Act on non-financial reporting, which, among other things, apply to the status and influence of the company in respect of environmental, social and human resources issues. Non-financial reporting in the annual report is based on the Global Reporting Initiative, GRI Core and the ESG reporting guide for the Nasdaq Nordic and Baltic exchanges.

The Board of Directors has the ultimate responsibility for ensuring effective management of sustainability risk. The CEO establishes and maintains an appropriate formal framework for managing and mitigating sustainability risks. The framework must be in accordance with the Bank's risk appetite and regulatory requirements.

Further information on sustainability at Arion Bank can be found in the Bank's 2021 Annual Report. Further information can be found on the Bank's website.

Board of Directors and committees

The main duty of the Board of Directors of Arion Bank is to manage the Bank between shareholders' meetings according to applicable laws, regulations, and articles of association. The Board tends to those operations of the Bank which are not considered part of the day-to-day business, i.e. it makes decisions on issues which are unusual or of a significant nature. One of the Board's main duties is to supervise the Bank's activities. The Board's work, duties and role are defined in detail in the rules of procedure of the Board of Directors, which have been established on the basis of the EBA Guidelines on Internal Governance, Article 54 of the Financial Undertakings Act, Article 70 of the Public Limited Companies Act No. 2/1995, FSA Guidelines No. 1/2010, and the articles of association of the Bank. The rules of procedure of the Board of Directors can be found on the Bank's website.

The Board of Directors appoints a Chief Executive Officer who is responsible for the day-to-day operations in accordance with a strategy set out by the Board. The Board of Directors and the Chief Executive Officer shall carry out their duties with integrity and ensure that the Bank is run in a sound and reasonable manner in the interests of the customers, the community, the shareholders and the Bank itself, cf. Article 1 (1) of the Financial Undertakings Act. The Chief Executive Officer shall ensure that the Board receives sufficient support to carry out its duties.

The Board of Directors is generally elected for a term

of one year at the Bank's annual general meeting. At Arion Bank's annual general meeting on 16 March 2021, five Directors and two Alternates were elected to the Board of Directors.

The elected Board Directors have diverse backgrounds and extensive skills, experience, and expertise. When electing the Board care is taken to ensure at least 40% representation of each gender among directors and alternates. Currently the Board consists of three men and two women.

Information on the independence of Directors is published on the Bank's website before the annual general meeting or a shareholders' meeting where a Board member is to be elected. The minutes of the annual general meeting and shareholders' meetings are also published on the Bank's website.

The Board of Directors meets at least ten times a year. In 2021 the Board met on 14 occasions. The Chairman of the Board is responsible for ensuring that the Board performs its role in an efficient and organized manner. The Chairman chairs Board meetings and ensures that there is enough time allocated to the discussion of important issues and that strategy issues are discussed thoroughly. The Chairman is not permitted to undertake any other work for the Bank unless part of the normal duties of the Chairman.

According to the Board's Rules of Procedure the Board is permitted to establish committees to discuss particular areas of the Bank's operations. No later than one month following the annual general meeting the Board appoints members to each of its sub-committees and assesses whether it is necessary to appoint external members to certain committees in order to bring in a greater level of expertise. One of the committee members in the Board Audit Committee, Heimir Þorsteinsson, is not a Board member and is independent of the Bank and its shareholders. The Board sub-committees are as follows

Board Audit Committee (BAC): The BAC's main role is to contribute to the high-quality statutory auditing of the Bank and monitor the effectiveness of the Bank's internal quality control, risk management systems and internal audit function, with regard to the Bank's financial reporting. The Committee met five times in 2021.

- **Board Risk Committee (BRIC):** The Committee's main role is, inter alia, to evaluate the Bank's risk policy and risk appetite and to have a thorough knowledge of the risk assessments and methods used to manage risk employed by the Bank. Committee members should have the



qualifications and experience necessary to be able to discharge their duties including forming the Bank's risk policy and risk appetite. The Committee met eight times in 2021.

- Board Credit Committee (BCC): Its main task is to attend to credit issues which exceed the credit limits of its sub-committees. The Committee met ten times in 2021.
- Board Remuneration Committee (BRC): The Committee's main role is to prepare a remuneration policy for the Bank on an annual basis. It also advises the Board on remuneration to the CEO, Managing Directors, the Compliance Officer and the Chief Internal Auditor, and on the

Bank's incentive scheme and other work-related payments. The Bank's remuneration policy shall be examined and approved by a shareholders' meeting annually. The Committee met four times in 2021.

- Board Tech Committee (BTC): The Board has setup a temporary, *ad hoc*, tech committee, whose main role is to advise the Board of Directors and the Bank's Senior Management on the Bank's near to medium term development of the Bank's IT function, including IT strategy. The Committee met five times in 2021.

Board member		Board (14)	BAC (5)	BRIC (8)	BCC (10)	BRC (4)	BTC (5)
Brynjólfur Bjarnason	1. Jan. - 31. Des.	14	5	-	10	4	-
Paul Horner ¹	1. Jan. - 31. Des.	14	4 ¹	8	10	-	-
Gunnar Sturluson ²	1. Jan. - 31. Des.	14	5	5 ²	10	-	-
Liv Fiksdahl ³	1. Jan. - 31. Des.	14	4 ³	-	-	4	5
Renier Lemmens ⁴	1. Jan. - 31. Des.	3	1	3	-	-	2
Steinunn Kr. Þórðardóttir ^{5,6}	1. Jan. - 31. Des.	14	-	8	4 ⁵	-	3 ⁶
Sigurbjörg Á. Jónsdóttir	1. Jan. - 31. Des.	3	1	-	-	1	-
Pröstur Ríkharðsson	1. Jan. - 31. Des.	-	-	-	-	-	-
Heimir Þorsteinsson ⁷	1. Jan. - 31. Des.	-	5	-	-	-	-

Sub-committees regularly inform the Board of their activities. Furthermore, the Board has access to all material used by the sub-committees and their minutes.

Below is an overview of the attendance of individual Directors and committee member.

The Board carries out an annual performance appraisal, at which it assesses its work, the Board composition with respect to experience and skills, working procedures and methods, the performance of the CEO, their achievements and the work of the subcommittees with respect to the aforementioned. This appraisal was last performed by the Board during the period October to December 2021.

¹ Paul Horner was appointed to the BAC on 15 April 2021. He has attended all BAC meetings since his appointment.

² Gunnar Sturluson was appointed to the BRIC on 15 April 2021. He has attended all BRIC meetings since his appointment.

³ Liv Fiksdahl was appointed to the BAC on 15 April 2021. She has attended all BAC meeting since her appointment.

⁴ Renier Lemmens left the Board of Directors at the Bank's AGM in March 2021.

⁵ Steinunn Kr. Þórðardóttir was member of the BCC until 15 April 2021. She attended all BCC meeting until she left the Committee.

⁶ Steinunn Kr. Þórðardóttir was appointed to the BTC on 15 April 2021. She has attended all BAC meeting since her appointment.

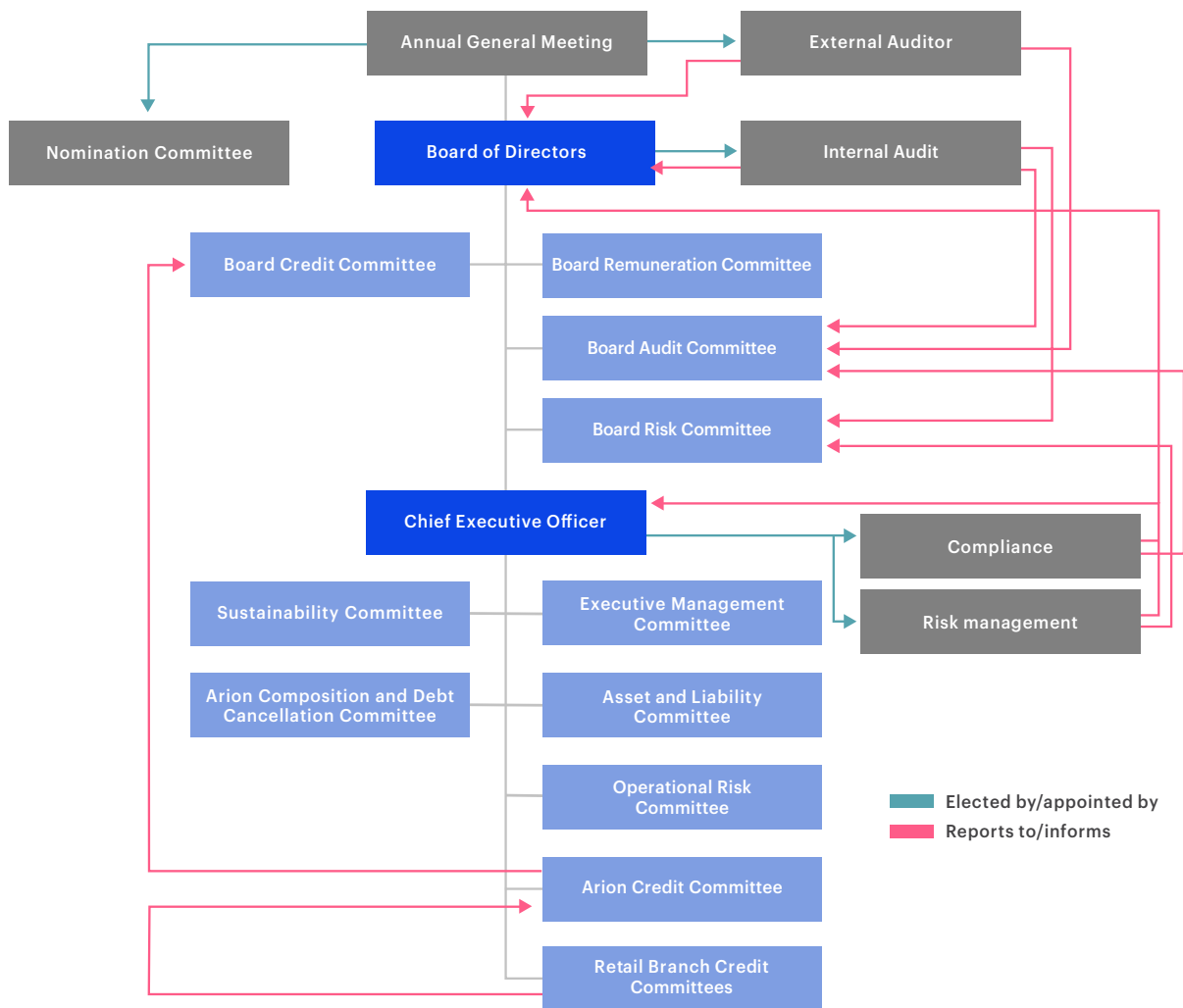
⁷ Heimir Þorsteinsson is certified public accountant and appointed as an external member of the BAC.

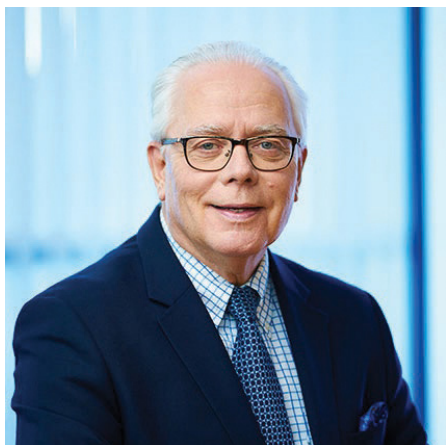


The Board of Directors of Arion bank

Brynjólfur Bjarnason
 Paul Horner
 Gunnar Sturluson
 Liv Fiksdahl
 Steinunn Kristín Þórðardóttir

ARION BANK GOVERNANCE OVERVIEW





Brynjólfur Bjarnason, Chairman

Brynjólfur was born in 1946. He was first elected as a Director at a shareholders' meeting on 20 November 2014. He is not a shareholder in Arion Bank and is an independent Director. Brynjólfur is Chairman of the Board, and sits on the Board Remuneration Committee, the Board Credit Committee and the Board Audit Committee.

Brynjólfur graduated with an MBA from the University of Minnesota in 1973 and a cand. oecon. degree in business studies from the University of Iceland in 1971.

He was managing director of the Enterprise Investment Fund from 2012 to 2014. Between 2007 and 2010 he was the chief executive officer of Skipti. Brynjólfur was chief executive officer of Síminn from 2002 to 2007 and chief executive officer of Grandi hf. from 1984 to 2002. Between 1976 and 1983 he was managing director of the publisher AB bókaútgáfa. He was also head of the economics department of VSÍ from 1973 to 1976. Brynjólfur has broad experience as a director and has served on numerous boards and been chairman of several.

Brynjólfur is an Alternate on the Board of Fergusson ehf. and a board member of Marinvest ehf. og ISAL hf.



Paul Horner

Paul was born in 1962. He is not a shareholder in Arion Bank and is an independent candidate. Paul is Vice Chairman of the Board, Chairman of the Board Credit Committee and member of the Board Risk Committee and the Board Audit Committee.

Paul graduated with M.A. Honours in music from the University of Oxford in 1983 and is an associate of the UK Chartered Institute of Bankers.

Paul has extensive experience of Risk and General Management in Retail, Commercial, Investment and Private Banking, gained across various International markets

Paul held various Executive and Risk Management roles at Barclays PLC between 1988 and 2003. In 2003 Paul joined The Royal Bank of Scotland Group and served as an Executive and Senior Manager of Royal Bank of Scotland PLC and was appointed to various senior Risk and General Management Roles until June 2019. In 2012 to 2017, Paul was the Chief Risk Officer of Coutts & Co Ltd. and CEO of Coutts & Co Ltd, Zurich, in 2016-2017. In 2018 Paul was Chief Risk Officer of Ulster Bank DAC, Dublin, and a Non-Executive Director at Coutts & Co Ltd. in Zurich from 2018-2021.

Paul serves as on the board of AIB Group P.L.C, and is member of the AIB audit committee, operational resilience committee and chairs the risk committee. He serves on the Board of LHV (UK) Ltd and as a member of its risk, audit and nominations committees. At the time of publication of this statement, subject to pending approval by the UK regulator, he will also chair the risk committee.



Gunnar Sturluson

Gunnar was born in 1967. He was first elected as a Director at a shareholders' meeting on 9 August 2019. He is not a shareholder of Arion Bank and is an independent Director. Gunnar is a member of the Board Credit Committee and Chairman of the Board Audit Committee.

Gunnar graduated as Cand. Jur from the University of Iceland in 1992, gained an LL.M. degree in Law from the University in Amsterdam in 1995 and received a license to practice before the District Court in Iceland in 1993 and before the Supreme Court in 1999.

Gunnar practiced law at the law firm Málflutningsskrifstofan in 1992-1999 and became partner in 1995. He joined Logos Legal Services in 2000 as a partner and was managing partner in 2001-2013. Gunnar lectured in competition law in 1995-2007 at the University of Iceland, Faculty of Law.

Gunnar has held various directorships, including the board of directors at Gamma hf. in 2017-2019, chairman of the board of directors of the Icelandic National Broadcasting Service (RÚV) 2016-2017, director at the Nordic Arbitration Center, president of the International Federation of Icelandic Horse Associations, chairman of the board of directors of the Icelandic Dance Company 2013-2016 and was voted by the Icelandic parliament to serve on the National Electoral Commission in 2013-2017.





Liv Fiksdahl

Liv was born in 1965. She was first elected as a Director at Arion Bank's Annual General Meeting on 20 March 2019. She is not a shareholder in Arion Bank and is an independent Director. Liv is chairman of the Board Remuneration Committee and the Board Tech Committee and member of the Board Audit Committee.

Liv holds a degree in Finance and Management from Trondheim Business School (today NTNU) in 1986. In 2018, Liv completed programs at Stanford University in Big Data, strategic decisions and analysis, and the Innovative Technology Leader. She has also completed an Advanced Management Program for executives in management, innovation and technology at Massachusetts Institute of Technology.

Liv is a Vice President (associated) within Financial Services at Capgemini Invent, Norway, and serves on the boards of Posten Norge AS and Intrum AB. Liv has held various senior roles at DNB and was part of the executive management team for 10 years, and her most recent role was as the Group EVP, CIO/COO, for IT & Operations. Liv has a broad experience from DNB and has held different positions across the value-chain within the bank. Before DNB she had Key Account roles for corporate clients within Danske Bank/Fokus Bank, and Svenska Handelsbanken. Liv has served on numerous boards, including Scandinavian Airlines SAS AB, BankAxept, Sparebankforeningen, Doorstep, Finans Norge and Trondheim Kommune Bystyret.



Steinunn Kristín Thórdardóttir

Steinunn was born in 1972. She was first elected as a Director at a shareholders' meeting on 30th November 2017. She is a shareholder in Arion Bank (her shareholding is 12000 shares) and is an independent Director. Steinunn is the chairman of the Board Risk Committee and a member of the Board Remuneration Committee and the Board Tech Committee.

Steinunn holds a master's degree in international management from Thunderbird, Arizona, and a BA in international business and politics from University of South Carolina.

Steinunn is CFO of Arundo Analytics AS in Oslo, Norway. Steinunn was previously a partner and CEO of Beringer Finance Norway in 2015-2017 and interim CEO of Beringer Finance in Iceland and global head of food and seafood in 2017. She founded Akton AS and Acton Capital AS, a management consulting and investment company in Norway, where she worked with investments and consulting in the role of a managing director. Steinunn worked at Íslandsbanki (later Glitnir) as the managing director and head of the bank's UK operation and prior to that she was an executive director heading the International Corporate Credit and Syndications.

Steinunn has previously held several directorships in Europe and was a board member of the Icelandic State Financial Investment (ISFI). Steinunn is the chairman of the board of Acton Capital AS and Akton AS and a board member of Cloud Insurance AS. She is also a board member of the Norwegian-Icelandic Chamber of Commerce. Steinunn is a member of the nomination committee of Síminn.

Alternate directors:

Sigurbjörg Ásta Jónsdóttir, lawyer, and Þröstur Ríkharrðsson, Supreme Court attorney.

More information on the Board of Directors can be found on the Bank's website.

Communication between the shareholders and the Board of Directors

The main venue at which the Board and the Bank report information to the shareholders and propose decisions to be made is at legally convened shareholders' meetings. The Bank provides an effective and accessible arrangement for communications between shareholders and the Board of Directors between those meetings. Any information sensitive to the market will be released through a MAR press release. As part of the investor relations program, Arion Bank has also arranged quarterly meetings where the CEO, CFO and Investor Relations present the interim financial results.





Chief Executive Officer **Benedikt Gíslason**

Benedikt was born in 1974. Benedikt was appointed CEO on 1 July 2019.

Benedikt joined FBA (later Íslandsbanki) in 1998, held a variety of managerial positions at Straumur-Burðarás, was managing director of capital markets at FL Group and was managing director of the investment banking division of MP Bank. Benedikt worked as a senior advisor for Iceland's Ministry of Finance and Economic Affairs and was vice-chairman of a government task force on the liberalization of the capital controls between 2013 and 2016. He served on the board of directors of Kaupthing from 2016 to 2018 and was an advisor to Kaupthing on matters relating to Arion Bank. Benedikt was elected to the Board of Directors of Arion Bank in September 2018 and served on the Board until his appointment as CEO.

Benedikt gained a C.Sc. in mechanical and industrial engineering from the University of Iceland in 1998.

Executive Committee

The Bank's Executive Committee consists of the following people and the CEO:

- Ásgeir H. Reyk fjörð Gylfason, Deputy CEO and Managing Director of Corporate and Investment Banking
- Birna H. Káradóttir, General Counsel.
- Ida Brá Benediktsdóttir, Managing Director of Retail Banking
- Margrét Sveinsdóttir, Managing Director of Markets
- Ólafur Hrafn Höskuldsson, Chief Financial Officer
- Steinunn Hlíf Sigurðardóttir, Managing Director of Customer Experience
- Styrmir Sigurjónsson, Managing Director of Information Technology & CTO
- Úlfar F. Stefánsson, Chief Risk Officer

More information on the Executive Committee can be found on the Bank's website.

Information on violations of laws and regulations and legal cases

Arion Bank has not been denied registration, authorization, membership or permission to conduct certain business, activity or operations. The Bank has not been subject to withdrawal, revocation or dismissal of registration, authorization, membership or permission. Information on the main legal cases relating to Arion Bank can be found in the notes to the annual financial statement.

The Board of Directors annually reviews and approves the Corporate Governance Statement. This Corporate Governance Statement was examined and approved at a meeting of the Board of Directors on 9 February 2022.

