

Vatryggingafelag Islands hf.  
Armuli 3  
108 Reykjavik  
Iceland

5 March 2018

Attention: Svanhildur Nanna Vigfusdottir, Chairman  
Attention: Helgi Bjarnason, CEO

Dear Members of the Board:

Eaton Vance Management is the investment manager of several portfolios owning 101,282,080 shares of Vatryggingafelag Islands hf.<sup>1</sup>

We respectfully submit the following proposal to be considered during the Annual General Meeting on 22 March.

Vatryggingafelag Islands's Annual General Meeting agrees to establish a nomination committee for the Company. The Annual General Meeting agrees to give the Board the authority to establish and appoint the nomination committee in accordance with Iceland Chamber of Commerce Guidelines on Corporate Governance.

Aðalfundur Vatryggingafelag Islands hf. samþykkir að félagið skuli skipa tilnefningarnefnd. Aðalfundur felur stjórn Vatryggingafelag Islands að setja á laggirnar og skipa tilnefningarnefnd í samræmi við leiðbeiningar Viðskiptaráðs Ísland um stjórnarhætti fyrirtækja.

On behalf of Eaton Vance Management,



Patrick M. Campbell, CFA  
Vice President  
Portfolio Manager



Marshall L. Stocker, PhD, CFA  
Vice President  
Portfolio Manager  
Global Macro Equity Strategist

<sup>1</sup>As of 31 December 2017