

Vátryggingafélag Íslands hf.
Ármúli 3
108 Reykjavík

Reykjavík, 16 March 2018

Amendment proposal at the Annual General Meeting of Vátryggingafélag Íslands 2018 relating to a nomination committee

Eaton Vance Management has submitted the following proposal for discussion at the Annual General Meeting of the Company:

„Vátryggingafélag Íslands'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“.

Gildi Pension Fund supports the view that it could be beneficial to further explore the possibility to establish a nomination committee within the Company. Gildi is however of the opinion that shareholders should approve the final setup of the nomination committee and that shareholders appoint committee members by vote if such proposal is accepted. The following amendment proposal is accordingly submitted:

“The Annual General Meeting of Vátryggingafélag Íslands hf. concludes to direct it to the Board of Directors to prepare the establishment of a nomination committee within the Company in accordance with the Corporate Governance Guidelines, issued by the Iceland Chamber of Commerce, Nasdaq Iceland and SA – Business Iceland. A proposal prepared by the Board of Directors on the setup and rules of the nomination committee shall be submitted for approval by a shareholder meeting to be held in the year 2018. Members of the nomination committee shall generally be appointed by a shareholder meeting through vote, except if the shareholder meeting approves that the Board of Directors appoint one Board Member to the committee.”

If this amendment proposal would be accepted the Board of Directors could call for a shareholder meeting later this year where the agenda would be to determine, on the basis of a further defined proposal, whether a nomination committee should be established. If such a proposal would be accepted it would be advisable that the existence and work of the committee would benefit the shareholders at the Annual General Meeting in 2019.

Sincerely,
Gildi Pension Fund

Árni Guðmundsson, managing director

ENGLISH TRANSLATION OF THE ORIGINAL ICELANDIC TEXT WHICH PREVAILS.