

Principal Conclusions of the Annual General Meeting of Vátryggingafélag Íslands 2018 held on Thursday, 22 March 2018

At the Annual General Meeting (AGM) of Vátryggingafélag Íslands (VÍS) on 22 March 2018, the following motions were adopted:

Motion to adopt the company's Annual Financial Statements

The AGM approved the company's Annual Financial Statements for 2017.

Motion for the disposition of the company's profit

The AGM approved payment of a dividend amounting to ISK 0.60 per share for 2017. The total value of the dividend payment is around ISK 1,322 million. The dividend is determined as of 22 March 2018 (declaration date), which means that registered shareholders as of closing on 26 March 2018 (record date) are entitled to a dividend. The ex-dividend date is therefore 23 March 2018, which is the first trading day after the declaration date and the dividend payable date is 28 March 2018.

A motion authorising a decrease in share capital through purchase of own shares

The AGM agreed to reduce the company's share capital from ISK 2,223,497,541 nominal value to ISK 2,202,642,307 nominal value and subsequently invalidate shares of ISK 20,855,234 nominal value. The motion was adopted subject to the approval of the Financial Supervisory Authority (FME), cf. EU Regulation no. 2015/35, cf. Art. 51 of Icelandic Reg. No. 585/2017, and the approval of the Registry of Companies. Once FME's approval has been obtained the company's Board of Directors shall be authorised to update the company's Articles of Association in accordance with the share capital decrease.

Motion authorising the company to acquire own shares

The AGM authorised the company's Board of Directors to purchase, over the next 18 months, own shares for the purpose of market making in the company's shares and/or to set up a formal repurchase plan. The company and its subsidiaries, having satisfied other statutory conditions, shall be able to acquire up to 10% of its share capital. Authorisation to repurchase own shares for the purpose of share capital decrease is subject to the approval of FME. 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 market maker, 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.

Motions to amend the company's Articles of Association

The AGM agreed to authorise the company's Board of Directors, after receiving FME's approval, to update Art. 3 of the company's Articles of Association to accord with the share capital reduction. Furthermore, the Meeting approved an amendment to the second paragraph of Art. 18 of the company's Articles of Association, making it no longer necessary to have the minutes of a shareholders' meeting voted on at the meeting itself. Following the amendments, Articles 3 and 18 of the company's Articles of Association shall read as follows:

“Art. 3 Share Capital

The share capital of the Company shall be ISK 2,202,642,307 - two billion two hundred and two million six hundred forty-two thousand three hundred seven Icelandic krónur - divided into an equal number of shares.”

“Art. 18 Minutes of meeting

A brief report on what takes place at shareholders' meetings shall be recorded in a special book of minutes, including especially all meeting resolutions.

The minutes shall be read aloud at the end of the meeting. Minutes shall be signed by the meeting chairman and secretary.”

Election of the Board of Directors

The company's Board of Directors of the for the coming operating year was elected unopposed. It is comprised of:

Directors

Gestur Breiðfjörð Gestsson
Helga Hlín Hákonardóttir
Jón Sigurðsson
Svanhildur Nanna Vigfúsdóttir
Valdimar Svavarsson.

Alternates

Ólöf Hildur Pálsdóttir
Sveinn Friðrik Sveinsson

The company's Board of Directors has already convened and divided its tasks between directors. The Chairman of the Board of Directors is Svanhildur Nanna Vigfúsdóttir and Deputy Chairman is Helga Hlín Hákonardóttir.

Motion for a remuneration policy and bonus scheme

The AGM adopted a proposed remuneration policy, including a framework for a bonus scheme. The remuneration policy is attached to this announcement.

Decision on compensation to Directors and subcommittees of the Board for the coming operating year

The AGM agreed on a monthly salary to directors of ISK 410,000 and double that amount for the Chairman. Alternates will receive a single payment of ISK 410,000 at the beginning of the operating year plus ISK 115,000 for each meeting they attend. The remuneration for subcommittee membership will be ISK 95,000 for each meeting and double that amount for the Chairman.

Election of auditor

The AGM elected PricewaterhouseCoopers ehf. as auditor of VÍS for the next five years, cf. the fourth paragraph of Art. 70 of the Act on Insurance Activities, No. 100/2016.

Other matters raised in lawful manner

The following motion from Gildi - Pension Fund concerning a Nomination Committee was adopted:

“The AGM of VÍS Insurance hf. resolves to entrust the Board of Directors with preparing the establishment of a Nomination Committee within the company, as provided for in the Guidelines on Corporate Governance issued by the Iceland Chamber of Commerce, NASDAQ Iceland and the Confederation of Icelandic Employers. The Board's proposal for a Nomination Committee and its protocols shall be submitted for approval to a shareholders' meeting to be held in 2018. It is assumed that members of the Nomination Committee will be elected by direct vote at a shareholders' meeting, unless a shareholders' meeting approves an arrangement whereby the Board of Directors shall appoint one director to the Committee.”

This is an English translation. The original Icelandic text, as published on VÍS's website (www.vis.is/fjarfestar), is the authoritative text. Should there be discrepancy between this translation and the authoritative text, the latter prevails.