

Vátryggingafélag Íslands hf.: Results of a Shareholders' Meeting held Thursday, September 20, 2018

At the Shareholders' Meeting of Vátryggingafélag Íslands hf. (VÍS), held on September 20th 2018, the following proposals were approved:

Proposal to amend the Articles of Association of the Company:

The following amendments to the Articles of Association of the Company were approved at the Shareholders' Meeting:

15. Art. a. Nomination Committee

The Company shall have in place a Nomination Committee. The Nomination Committee shall appoint candidates for the Board of Directors of the Company prior to its Annual General Meeting and Shareholders' Meeting, where Board election is on the Agenda.

The Nomination Committee shall have an advisory role on the following matters:

- a. Request proposals for candidates to serve on the Board of Directors of the Company.*
- b. Evaluate the legitimacy of submitted proposals.*
- c. Assess potential directors based on their qualifications, experience and knowledge.*
- d. Assess the independence of potential directors.*
- e. Evaluate the optimal composition of the Board, where, among other things, gender ratio shall be reckoned with.*
- f. Make a reasoned proposal for the composition of the Board.*

The number of Committee members shall be 3-5, elected at the Company's Annual General Meeting. A special Shareholders' Meeting may be held to elect a Nomination Committee, however such a meeting shall not be held later than 6 months prior to the Annual General Meeting.

The majority of the Committee shall be independent of the Company and its current management. In assessing the independence of members of the Committee, the same considerations shall serve when assessing the independence of Board members. At least one Committee member shall be independent of shareholders in the Company with a qualifying holding in the Company, singly or in collaboration with others.

The Company's directors may hold a seat on the Nomination Committee but they may not comprise a majority of it, nor may they serve as the Committee chairman. This applies equally to the Chairman of the Board and other directors. Company managers or other employees may not hold a seat on the Committee.

Persons who intend to stand for election to the Nomination Committee shall notify the Board of Directors of their candidacy no less than five days prior to the Shareholders' Meeting on a given form. The Board of Directors shall review the notifications of candidacies and verifiably provide the persons concerned with an opportunity of remedying any defects in the notifications within a given time limit. Information on candidates for the Nomination Committee shall be available for shareholders' review at the Company's office no later than two days prior to the Shareholders' Meeting.

The Nomination Committee's protocols shall be approved by a Shareholders' Meeting.

13. gr. Annual General Meeting

The Annual General Meeting (AGM) shall be held before the end of March each year, and shall include these topics:

1. The Company's Board of Directors explains the Company's economy and developments of the past year.
2. The Board of Directors proposes to process the audited annual accounts of the Company for the past year.
3. A decision be made on the Board's proposals on how to cover the profit or loss of the Company during the fiscal year and dividend payments. Proposals in this regard shall be submitted by the Board of Directors.
4. Election of the Board of Directors.
5. Election of the Nomination Committee.
6. Election of an Audit Firm in accordance with the Act of Insurance Activities.
7. Decision on remuneration of the Board and Nomination Committee.
8. Proposals of the Board on Remuneration Policy.
9. Other matters.

The Board of Directors shall make a brief summary and submit to the AGM information of individual shareholders' ownership and their voting rights, as well as information of changes that have occurred during the year. Comparable information shall be available on the Company's corporate group association, if applicable. If shareholders holding at least 33.33% of the share capital so require in writing at the AGM, decisions on items 2 and 3 shall be postponed to the Extraordinary General Meeting, which shall be held at the earliest one month later and no later than two months later. Further extensions can not be claimed.

Art. 19 Election of Board of Directors

The Board of Directors is comprised of five members and two alternates. Board members shall comply with the conditions stipulated in the Act on Public Limited Companies and the Act on Insurance Activities.

The AGM elects the Board by a proportional election between those persons who have announced their candidacy to the Nomination Committee in accordance with the provisions of para. 4. Art. 19 of this agreement.

The Board's term of office shall be until the next AGM. Election for the Board shall generally be in writing if more candidates stand for election to the Board than to be elected. Care should be taken to ensure the appropriate gender ratio of the Board and its alternates and that the proportion of each gender is never lower than 40%.

Those who intend to stand for election to the Board of Directors shall notify the Nomination Committee of their candidacy no less than fourteen days prior to the Shareholders' meeting on a given form. The Nomination Committee shall review the announcements of candidacy and provide persons concerned in a demonstrable way of remedying any shortcomings in the announcement within a given time limit. Information about candidates for the Board along with a proposal from the Nomination Committee regarding the composition of the Board shall be submitted for shareholders' review at the Company's office no later than two days before the shareholders' meeting.

If, five days before the Shareholders' meeting it becomes obvious that the forthcoming Board of Directors will not meet the gender ratio in accordance with para. 3. Art. 19 of this agreement, the Nomination Committee is permitted to seek individuals of the gender needed to fulfill the ratio. If candidates of that gender do not come forward two days prior to the Shareholders' meeting, the Board shall convene an Extraordinary Shareholders' Meeting 3-4 weeks after a Shareholder's Meeting and again call for candidates. Extraordinary meetings shall be held as often as necessary to achieve gender ratio in accordance to Para. 3 Art. 19 and shall the Board of Directors prevail until such gender ratio is reached.

Should gender ratio at the Board election not be reached in accordance with para. 3. Art. 19, election for the Board of Directors and its alternates shall be deemed invalid. Election to the Board shall be repeated at the same Shareholders' meeting when it is clear that the results of the election are insufficient. Should satisfactory results not be reached after a repeated election, election for the Board of Directors shall be postponed until an Extraordinary meeting is held within a month and announced separately in the same manner as Shareholders' meetings. The Company's Board of Directors holds office until a legitimate election takes place.

When implementing this provision, provisions of Art. 15 shall be observed, as appropriate.

Proposed Protocols of the Nomination Committee

The Shareholders' Meeting approved the following recommendations by the Board of Directors on the Nomination Committee's protocols:

Art. 1 Objective and role

1.1 These Protocols are adopted by virtue of a provision of [Art. 15 a] of VÍS's Articles of Association. According to this provision, a Nomination Committee shall operate within the Company in an advisory capacity which nominates candidates to sit on VÍS's Board of Directors prior to its Annual General Meeting and those shareholders' meetings where elections of directors are on the Agenda. These Protocols are adopted having regard to the Guidelines on Corporate Governance issued by the Iceland Chamber of Commerce, NASDAQ Iceland and the Confederation of Icelandic Employers.

1.2 The Nomination Committee plays an advisory role in the election of directors. The function of the Nomination Committee shall include: a) inviting candidates to apply to serve as directors of VÍS; b) assessing the legitimacy of candidates applying; c) assessing the qualifications, experience and knowledge of potential directors; d) assessing the independence of potential directors; e) assessing the optimal combination of directors for the Board, having regard among other things to the gender ratio; f) submitting a reasoned proposal for the composition of the Board.

Art. 2 Organisation

2.1 The Nomination Committee shall elect a chairman from among its members by a simple majority of votes. Neither the Company's Chairman of the Board nor other directors may serve as chairman. The Nomination Committee shall also elect a secretary for the Committee who may be nominated from outside the group of the Committee's members. In other respects, the Committee shall divide its tasks between the members.

Art. 3 Duties and Powers

3.1 The Nomination Committee operates in accordance with VÍS's Articles of Association, these Protocols and Icelandic law, having regard to the Guidelines on Corporate Governance issued by the Iceland Chamber of Commerce, NASDAQ Iceland and the Confederation of Icelandic Employers.

3.2 In carrying out its work, the Nomination Committee shall take into account the overall interests of the Company's shareholders.

3.3 In its work, the Nomination Committee shall have unrestricted access to all the data it deems necessary to perform its functions. The Nomination Committee shall also be entitled to consult with the current Board of Directors, the subcommittees of the Board, key managers, advisors of the Board of Directors on corporate governance, and individual shareholders to obtain relevant information, as appropriate.

3.4 The Nomination Committee may consult with outside advisors, who must be independent of the Company, its management and those directors who are not independent. The Nomination Committee shall confirm the independence of outside advisors.

3.5 At the Company's Annual General Meeting, the Nomination Committee shall explain how it has carried out its work and the grounds for its nominations. The Committee's reasoning shall also be made public on the Company's website.

Art. 4 Considerations in assessing candidates

4.1 In assessing candidates for the Board of Directors, the Nomination Committee must bear in mind that VÍS is an insurance company licensed to operate by the Financial Supervisory Authority under the Act on Insurance Activities, No. 100/2016, Regulations, Rules and Guidelines issued by the Financial Supervisory Authority. In addition, the Company's shares have been listed on a regulated securities market and the provisions of the Act on Securities Transactions No. 108/2017, together with Regulations, Rules and Guidelines issued by the Financial Supervisory Authority, apply to its shares. These legal sources contain a large number of rules concerning the Company's activities which directors need to be cognizant of. Furthermore, they include provisions on aspects which are to be considered in assessing the eligibility and qualifications of directors.

4.2 In other respects, the Nomination Committee shall have regard to the Guidelines on Corporate Governance issued by the Iceland Chamber of Commerce, NASDAQ Iceland and the Confederation of Icelandic Employers.

Art. 5 Meetings

5.3. The Nomination Committee shall meet as necessary. The Committee Chairman shall call meetings and direct them. The Committee secretary shall take minutes of all meetings held.

5.4. The Committee has a quorum when a majority of members attend a meeting, provided the meeting has been convened lawfully with at least three days' notice. A simple majority shall determine the outcome of all issues dealt with by the Committee. In the case of a tie, the Chairman's vote shall determine the outcome.

Art. 6 Confidentiality

6.1 Members of the Committee are subject to obligations of confidentiality concerning their work, the Company's affairs, candidates for the Board of Directors and other details they may acquire knowledge of in the course of their work and which should remain secret in accordance with law, VÍS's Articles of Association or the nature of the issue. The obligation of confidentiality remains even after their work ceases.

Art. 7 Entry into force and publication

7.1. These Protocols shall enter into force at once.

7.2. These Protocols shall be published on VÍS's website.

Proposed commissions committee members in nomination committee

The Shareholders' meeting agreed that a fee for membership in the Nomination Committee should be ISK. 95,000 for each meeting and a double fee for the Chairman.

Appointed for the Nomination Committee

The Nomination Committee of the Company for the following year was chosen without election and is appointed by:

Engilbert Hafsteinsson
Gunnar Egill Egilsson

Helga Hlín Hákonardóttir
Sandra Hlíf Ocares
Svanhildur Nanna Vigfúsdóttir