

Main Results of the Annual General Meeting of Vátryggingafélag Íslands hf., held on March 20, 2019

The following proposals were adopted at the Annual General Meeting of Vátryggingafélag Ísland hf. (VÍS) on March 20, 2019.

Item 2

Proposal to approve the Company's annual consolidated annual financial statements

The AGM approved the Company's annual consolidated financial statements for the year 2018.

Item 3

Proposal on the disposal of the Company's profits

It was agreed at the AGM that the Company would pay shareholders a dividend of ISK 1.07 per share for the year 2018. The total dividend payment is around ISK 2,044 million. The declaration date is March 20, 2019, meaning that shareholders of record at the end of March 22, 2019 (the date of record) are entitled to receive a dividend. The ex-dividend date, i.e. the date on which the stock of the Company starts trading without the right to receive a dividend, is therefore March 21, 2019, and dividends will be paid on March 29, 2019 (the payment date).

Item 4

Proposal on a remuneration policy and compensation system

The AGM adopted a proposal for a remuneration policy in the form presented by the Board of Directors in advance of the meeting. The remuneration policy accompanies this notice.

Item 5

Proposal to reduce share capital in connection with repurchases of own shares in accordance with share repurchase program

"The VÍS AGM held on March 20, 2019 agrees to decrease the Company's share capital from ISK 1,952,642,307 in nominal value to ISK 1,910,042,307 in nominal value, through the cancellation of own shares in the nominal value of ISK 42,600,000. The proposal is adopted subject to the approval of the Icelandic Financial Supervisory Authority, as required by EU Regulation No 2015/35, see Article 51 of Regulation No 585/2017, and the approval of the Icelandic Register of Companies. After obtaining the approval of the Financial Supervisory Authority, the Board of Directors shall be entitled to update the Company's Articles of Association in accordance with the reduction in share capital."

Item 6

Proposal to amend the Company's Articles of Association

The AGM approved the following amendments to the Company's Articles of Association:

Proposal I: The Board of Directors of the Company shall be entitled, subject to the prior approval of the Icelandic Financial Supervisory Authority, to update Article 3 of the Company's Articles of Association in accordance with the approved reduction in share capital, so that Article 3 will read as follows:

"The share capital of the Company is ISK 1,910,042,307 - one billion nine hundred and ten million forty-two thousand and three hundred and seven Icelandic krónur - divided into an equal number of shares."

Proposal II: The AGM approved an amendment to Article 12 of the Company's Articles of Association such that the third paragraph will now allow shareholders' meetings to be convened by an advertisement in the news system of the Iceland Stock Exchange (currently reads: "by electronic means").

Accordingly, the fourth paragraph was amended so that shareholders will now be required to give notice of their wish to have matters placed on the agenda of a shareholders' meeting at least 10 days prior to the meeting, and wording was added providing that the Company must publish the materials to be presented at a shareholders' meeting, including financial statements and the report of the Board of Directors, the auditor's report, any resolution proposals by the Board of Directors or, as the case may be, comments from competent bodies within the Company, proposal on a remuneration policy, and information on the total number of shares and votes on the date on which the meeting is convened, at least three weeks prior to the meeting. At the same time, the fifth paragraph was amended so that the final agenda and list of proposals must now be published one week prior to the shareholders' meeting. Accordingly, the third and fourth paragraphs of Article 12 now read as follows:

"The Board of Directors shall convene shareholders' meetings by an advertisement in newspapers or by an advertisement in the news system of the Iceland Stock Exchange.

The announcement of the meeting shall list the items of business to be discussed at the shareholders' meeting. If a motion to amend the Company's Articles of Association is to be considered at the meeting, the main substance of the motion shall be stated in the meeting announcement. However, the materials to be presented at the shareholders' meeting, such as financial statements and the report of the Board of Directors, the auditor's report, resolution proposals by the Board of Directors or, as the case may be, comments from competent bodies within the Company, proposal on a remuneration policy, and information on the total number of shares and votes on the date on which the meeting is convened, shall be published at least three weeks prior to the meeting. Each shareholder is entitled to have a specific matter dealt with at a shareholders' meeting if a written or electronic request for such is submitted to the Board of Directors with at least 10 days' notice.

The final agenda and list of motions shall be sent out one week prior to the shareholders' meeting."

Proposal III: It was agreed to add to point 7 of Article 13 a provision specifying that one of the functions of a shareholders' meeting is to set the fees to be paid to sub-committees of the Board of Directors. Accordingly, point 7 of Article 13 now reads:

"7. A decision shall be taken on the fees to be paid to the Board of Directors, sub-committees of the Board of Directors and the Nomination Committee."

Proposal IV: It was agreed to revise Article 15a, which covers the Company's Nomination Committee, in conjunction with the revision of the rules of procedure for the Nomination Committee. Accordingly, Article 15a now reads:

"The Company shall have a Nomination Committee. The Nomination Committee shall have the role of preparing elections to the Board of Directors of the Company and shall advise shareholders on the election of Board members at the Annual General Meeting or, as the case may be, shareholders' meetings where the election of Board members is on the agenda.

The objective of the Committee is to provide shareholders with enough information so that they can take an informed decision on the election of Directors.

The Committee shall be composed of three members, elected at a shareholders' meeting. A special shareholders' meeting may be held to elect a Nomination Committee, such meeting to be held at least six months prior to the Annual General Meeting.

The majority of the members shall be independent of the Company and those charged with its day-to-day management. The assessment of the members' independence shall be based on the same criteria as that used for assessing the independence of members of the Board of Directors. Moreover, at least one Committee member shall be independent of shareholders who hold a qualifying holding in the Company, either by themselves or in partnership with others.

Board members, senior managers and other employees are not permitted to sit on the Committee.

Prospective candidates for seats on the Nomination Committee shall notify the Board of Directors of their candidacy no later than five days before the start of the shareholders' meeting on an appropriate form. The Board of Directors shall review notifications of candidacy and grant to the parties in question, in a verifiable manner, an opportunity to remedy any defects in their announcements within a set deadline. Information on candidates to the Nomination Committee shall be laid open for inspection by shareholders at the office of the Company no later than two days before a shareholders' meeting.

Rules of procedure for the Nomination Committee shall be approved at a shareholders' meeting."

Proposal V: It was agreed to amend the fourth paragraph of Article 19 so that candidacies must now be announced with at least five days' advance notice (14 days previously). Accordingly, the fourth paragraph of Article 13 now reads as follows:

"Prospective candidates for seats on the Board of Directors shall notify the Nomination Committee of their candidacy no later than five days before the start of the shareholders' meeting on an appropriate form. The Nomination Committee shall review notifications of candidacy and grant to the parties in question, in a verifiable manner, an opportunity to remedy any defects in their announcements within a set deadline. Information on candidates to the Board of Directors shall be laid open for inspection by shareholders at the office of the Company no later than two days before a shareholders' meeting."

The Company's updated Articles of Association accompany this notice.

Item 7

Proposal to amend the rules of procedure for the Nomination Committee

The rules of procedure of the Nomination Committee were approved in the form presented at the meeting.

Item 8

Decision on fees to be paid to the Board of Directors, sub-committees of the Board of Directors and the Nomination Committee

It was agreed that the monthly fee for members of the Board of Directors should be set at ISK 410,000 and double that amount for the Chairman. Alternate members of the Board are to be paid a one-time fee of ISK 410,000 at the beginning of the operating year and an additional ISK 115,000 for each meeting attended.

The fee for members of sub-committees and the Nomination Committee is set at ISK 95,000 for each formal committee meeting and double that amount for committee chairmen.

However, fees shall not be paid for more than 9 meetings per year of the Audit Committee, 7 meetings per year of the Risk Committee, 5 meetings per year of the Compensation Committee, and 7 meetings of the Nomination Committee for each election to the Board of Directors.

Item 9

Election of the Board of Directors

The following persons were elected to the Company's Board of Directors for the ensuing operating year without challengers:

Board Members

Gestur Breiðfjörð Gestsson
Marta Guðrún Blöndal
Svanhildur Nanna Vigfúsdóttir
Valdimar Svavarsson
Vilhjálmur Egilsson

Alternate Members:

Sveinn Friðrik Sveinsson
Valgerður Halldórsdóttir

The Board of Directors has already met and allocated tasks among themselves. The Chairman of the Board is Valdimar Svavarsson and the Vice-Chairman of the Board is Vilhjálmur Egilsson.

Item 10

Election of an auditor

The AGM elected PricewaterhouseCoopers ehf. to serve as the auditor of VÍS for the next five years, in accordance with the fourth paragraph of Article 70 of Act No. 100/2016 on Insurance Activities.

Item 11

Election of the Nomination Committee

The following persons were elected to the Company's Nomination Committee for the ensuing operating year without challengers:

Engilbert Hafsteinsson
Gunnar Egill Egilsson
Sandra Hlíf Ocares

Item 12

Proposal on an authorisation for the Company to repurchase shares

The following motion by shareholder K2B fjárfestingar to amend the proposal of the Board of Directors was approved:

"The Board of Directors of the Company shall be authorised to purchase, over the next 12 months, shares in the Company for the purpose of i) making a market in the Company, ii) instituting a formal repurchase program and/or iii)

making an offer to shareholders generally for the repurchase of their shares, e.g. by means of a tender offer, provided that the principle of equal treatment of shareholders is observed in issuing such offer, so that the Company together with its subsidiaries will own, subject to fulfilment of all relevant legal requirements, up to 10% of its share capital. The authorisation to repurchase shares for the purpose of reducing the amount of outstanding shares is subject to the approval of the Icelandic Financial Supervisory Authority. The price paid for repurchased shares shall not exceed the price paid in the most recent independent transaction or the highest independent quoted price in the Iceland Stock Exchange, whichever is higher. However, such purchases are permitted if carried out by a market maker in accordance with Article 116 of the Act on Securities Transactions and regulations issued under Articles 118 and 131 of the said Act. This authorisation shall be valid until the next Annual General Meeting to be held in 2020, and in any event not beyond March 31, 2020. Previous authorisations to repurchase shares shall be cancelled on the approval of this authorisation."