

**MINUTES OF A SHAREHOLDERS' MEETING
OF VÁTRYGGINGAFÉLAGS ÍSLANDS HF.**

On Thursday 20 September 2018, at 4 pm, a shareholders' meeting of Vátryggingafélag Íslands hf., Reg. No. 690689-2009 (VÍS), was held at the company's head office at Ármúli 3, 108 Reykjavík.

Helga Hlín Hákonardóttir, Chairman of the Board, opened the meeting and welcomed those attending. Gunnar Sturluson, attorney at law, was elected to chair the meeting and Bjarki Thorsson, lawyer, as secretary.

A total of 22 shareholders or their proxies were in attendance at the meeting, representing in total 804.081.218 votes or 41.27% of the share capital in the company.

The meeting chairman ascertained whether the meeting was lawful. He declared that the meeting had been lawfully convened and declared it was lawful to deal with the issues on its agenda.

The following members of the Board of Directors were present at the meeting: Helga Hlín Hákonardóttir, Gestur Breiðfjörð Gestsson og Valdimar Svavarsson. Helgi Bjarnason, CEO of the company, was also in attendance.

The agenda of the meeting was as follows:

1. Motion to amend the Company's Articles of Association.
2. Proposed Procedures for the Nomination Committee.
3. Motion on remuneration of Nomination Committee members.
4. Election of a Nomination Committee.
5. Other business, raised in the prescribed manner

The meeting then proceeded with the business on its agenda:

1 Motion to amend the Company's Articles of Association.

Helga Hlín Hákonardóttir, Chairman of the Board introduced the proposed amendments of the Company's Articles of Association.

The following motion to amend the Company's Articles of Association was presented by the Board of Directors:

„I.

A new Art. 15 a and heading shall be added following Art. 15, which shall read as follows:

Nomination Committee

A Nomination Committee shall operate within the Company. The Nomination Committee shall nominate candidates to sit on the Company's Board of Directors prior to its Annual General Meeting and shareholders' meetings where elections of Directors are on the Agenda.

The Nomination Committee shall have an advisory role, including:

- a. inviting candidates to apply to serve as directors of the Company;*
- 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.*

The number of Committee members shall be three to five, elected at the Company's Annual General Meeting. A special shareholders' meeting may be held to elect a Nomination Committee; such a shareholders' meeting shall not be held later than six months before the Annual General Meeting.

The majority of the Committee shall be independent of the Company and its management. The same considerations shall serve as the basis for evaluating the independence of Committee members as apply for assessing the independence of directors. In addition, at least one Committee member must be independent of shareholders in the Company with a qualifying holding in the Company, either singly or in collaboration with others.

The Company's directors may hold a seat on the Nomination Committee but may not comprise a majority of the Committee. 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 candidature no less than five days prior to the shareholders' meeting on a form for the purpose. 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' inspection 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.

II.

The following new Point 5 shall be added to the first paragraph of Art. 13 and the numbers of other Points will change accordingly:

Election of a Nomination Committee.

Point 6 (which will become Point 7) shall read as follows:

A decision on remuneration to directors and members of the Nomination Committee.

III.

The second paragraph of Art. 19 shall be worded as follows:

A shareholders' meeting shall elect the Board of Directors by proportional voting from those persons who have given notice of their candidacy to the Nomination Committee as provided for in the fourth paragraph of Art. 19 of these Articles of Association. The term of office of the Board shall be until the next Annual General Meeting. Election to the Board of Directors shall generally be by ballot if more persons are nominated than are to be elected.

IV.

The fourth paragraph of Art. 19 shall be worded as follows:

Persons who intend to stand for election shall notify the Nomination Committee of their candidature no less than fourteen days prior to the shareholders' meeting on a form for the purpose. The Nomination Committee 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 Board of Directors, together with the proposal of the Nomination Committee, shall be available for shareholders' inspection at the Company's office no later than two days prior to the shareholders' meeting.

V.

The following amendments shall be made to the fifth paragraph of Art. 19:

The words "incumbent Board of Directors" in the first sentence shall be replaced by: Nomination Committee.

A new final sentence shall be added which shall read as follows:

In applying this provision regard must be had for provisions of Art. 15 a as appropriate."

The chairman then invited shareholders to open discussion on the motion.

Haukur Hafsteinsson from Lífeyrissjóður Starfsmanna Ríkisins addressed the meeting and voiced support for the motion. However, he noted his opinion that the members of the Nomination Committee should be three rather than five and further that only one member of the Board of Directors should sit on the Nomination Committee.

Svandís Ríkarðsdóttir from B-deild LSS, Lífeyrissjóður starfsmanna Kópavogs, Lífeyrissjóður starfsmanna Reykjavíkurborgar and Brú lífeyrissjóður addressed the meeting and welcomed the establishment of a Nomination Committee, however she stated that the shareholders she represented could not support the motion as it had been presented to the meeting, citing the same concerns as Haukur Hafsteinsson.

Fannar Ólafsson from Óskabein ehf. addressed the meeting and directed his questions at Haukur Hafsteinsson and Svandís Ríkarðsdóttir. He wanted to hear their opinions on why the establishment of Nomination Committee would be better than the current practices. Svandís and Haukur addressed the meeting and answered Fannar.

Helga Hlín Hauksdóttir Chairman of the Board also addressed the meeting and expressed the purpose of the Board of Directors with the motion.

Thereupon, the chairman put the motion to vote and it was approved by a sufficient number of shareholders.

2 Proposed Procedures for a Nomination Committee.

The following motion for Procedures for the Nomination Committee was presented by the Board of Directors:

„Art. 1. Objective and function

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.* 3

Art. 5. Meetings

5.1. 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.

5.2. 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."

The chairman then invited shareholders to open discussion on the motion. No one requested to speak.

Thereupon, the chairman put the motion to vote and it was unanimously approved by the shareholders.

3 Motion on remuneration of Nomination Committee members

The following motion for the remuneration of Nomination Committee members was presented by the Board of Directors:

"It is moved that the remuneration for Nomination Committee membership will be ISK 95,000 for each meeting and double that amount for the Chairman."

The chairman then invited shareholders to open discussion on the motion. No one requested to speak.

Thereupon, the chairman put the motion to vote and it was unanimously approved by the shareholders.

4 Election of the Nomination Committee

The following parties are candidates for the Nomination Committee of the Company:

Engilbert Hafsteinsson ID no.: 120576-5349

Gunnar Egill Egilsson ID no: 120179-4389

Helga Hlín Hákonardóttir ID no: 180472-3719

Sandra Hlíf Ocares ID no: 130980-5469

Svanhildur Nanna Vigfúsdóttir ID no: 250278-5209

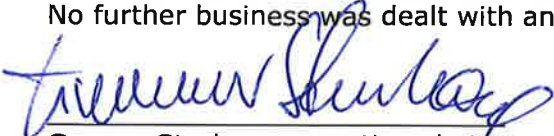
The chairman of the meeting declared that, as there were no other candidates for the Nomination Committee, the above were rightfully elected members of the Nomination Committee.

5 Other matters legally raised

No further motions had been submitted to the meeting and the meeting chairman opened the floor for discussion.

No one requested to speak.

The meeting chairman and secretary were authorised to finalise the minutes of the meeting. The minutes were read aloud at the end of the meeting for those who requested. No further business was dealt with and the meeting was adjourned at 16:40 pm.



Gunnar Sturluson, meeting chairman



Bjarki Thorsson, meeting secretary

Meeting documents:

Ballot

Agenda of the Meeting

Motions submitted by the Board of Directors

Proposed procedures for the Nomination Committee

Information on candidates to the Nomination Committee