

# Corporate Governance Statement of Arion bank for 2020



Good corporate governance helps to foster open and honest relations between the Board of Directors, shareholders, customers and other stakeholders, such as the Bank's employees and the general public. Corporate governance also provides the foundations for responsible management and decision-making, with the objective of generating lasting value. The Board of Directors places great importance on good corporate governance and re-evaluates its governance practices regularly on the basis of recognized guidelines on corporate governance.

The Corporate Governance Statement of Arion Bank hf. (Arion Bank or the Bank) is based on the legislation, regulations and recognized guidelines which are in force at the time the Bank's financial statement is adopted by the Board of Directors.

## Excellence in corporate governance

Arion Bank was recognized as a company which has achieved excellence in corporate governance following a formal assessment based on the Icelandic Guidelines on Corporate Governance issued by the Icelandic Chamber of Commerce, SA – Business Iceland and Nasdaq Iceland, initially in December 2015 and again in April 2019. This recognition was granted following an in-depth assessment by an independent party of corporate

governance at the Bank, including governance by the Board of Directors, sub-committees and management, performed by KPMG ehf. The recognition applies for three years at a time.

## Compliance with guidelines on good corporate governance

When it comes to governance arrangements, Arion Bank applies the EBA Guidelines on Internal Governance (EBA/GL/2017/11), in line with requirements found in Regulation (EU) 1093/2010 and Act 24/2017, on European Financial Supervision. The Guidelines are available on the website of the Financial Supervisory Authority of the Central Bank of Iceland.

Furthermore, according to the Financial Undertakings Act No. 161/2002 Arion Bank is obliged to comply with recognized guidelines on corporate governance. The Bank complies with the fifth edition of the Icelandic Guidelines on Corporate Governance issued by Iceland Chamber of Commerce, SA – Business Iceland and Nasdaq Iceland, published in May 2015 and viewable on the website [www.leidbeiningar.is](http://www.leidbeiningar.is). According to the guidelines a company shall state whether it has deviated from the guidelines, if so, which parts and also explain why it has done so. The Bank complies with the guidelines with two deviations:



Article 5.1.2. states that the rules of procedure of sub-committees of the Board shall be posted on the Bank's website. The rules of the Board Credit Committee have not been published on the Bank's website with respect to their nature.

The final sub-paragraph of article 5.4.5 states that the role of a remuneration committee shall include taking an independent stance on the effect of wages on the Company's risk exposure and risk management, in cooperation with the Company's Audit Committee. In line with, inter alia, the EBA Guidelines on Internal Governance and article 78(3) of the Act on Financial Undertakings, this role falls to the Board's Remuneration Committee in cooperation with the Board's Risk Committee.

The role of the Nomination Committee at Arion Bank is to promote good corporate governance and to facilitate informed decision-making by shareholders when selecting Board members to ensure that Board members have wide and versatile qualifications and experience. The Committee has an advisory role regarding the election of Board members and makes a proposal on their remuneration. At the Bank's annual general meeting on 17 March 2020, two members of the Nomination Committee were appointed, Sam Taylor and Júlíus Þorfinnsson. According to the Rules of Procedure for the Nomination Committee, the third member of the Committee shall be the Chairman of the Board of Directors or another Board Member appointed by the Board.

### Legal framework for the Bank's operation

Arion Bank is a financial institution which operates in accordance with the Financial Undertakings Act No. 161/2002. Acts of law which also apply to the Bank's operations include e.g. the Securities Transactions Act No. 108/2007, Act on Undertakings for Collective Investment in Transferable Securities (UCITS), Investment Funds and Professional Investment Funds No. 128/2011, Act on Payment Services No. 120/2011, Act on Measures Against Money Laundering and Terrorist Financing No. 140/2018, Act on Consumer Mortgages No. 118/2016, Consumer Loans Act No. 33/2013, Competition Act No. 44/2005 and Public Limited Companies Act No. 2/1995.

Arion Bank is a strongly capitalized bank, the purpose of which is to excel by offering smart and reliable financial solutions which create future value for our customers, shareholders and society as a whole. The Bank is listed on Nasdaq Iceland and Nasdaq Sweden. The Bank has also issued financial instruments which have been admitted for trading on regulated securities markets in Iceland and Luxembourg. The Bank is therefore subject

to the disclosure requirements of issuers pursuant to the Securities Transactions Act and the rules of the relevant stock exchanges.

The Financial Supervisory Authority of the Central Bank of Iceland (FSA) supervises the operations of Arion Bank in accordance with the provisions of Act No. 87/1998 on the Official Supervision of Financial Operations. Further information on the FSA and an overview of the legal and regulatory framework applicable to the Bank, as well as FSA guidelines and guidelines issued by European Financial Supervisory institutions, can be seen on the FSA's website, [www.cb.is/financial-supervision/](http://www.cb.is/financial-supervision/).

Numerous other pieces of legislation apply to the operations of financial undertakings.

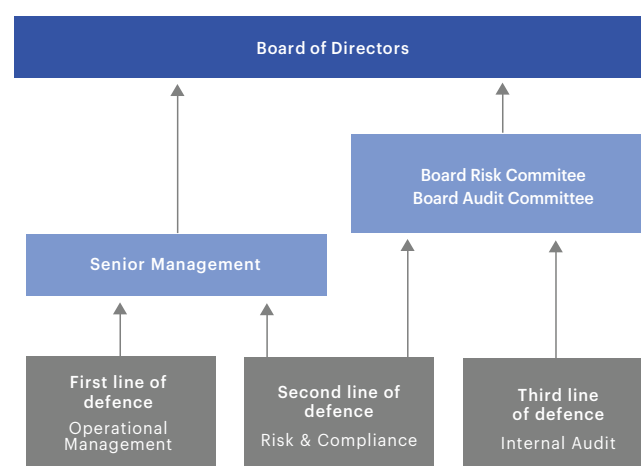
### Internal controls, auditing and accounting

#### Internal control

Internal control at Arion Bank is organized into three lines of defense with the aim of ensuring effectiveness, defining responsibility and coordinating risk management. This structure is also designed to foster a sense of risk awareness and responsibility among all employees of the Bank.

The set-up distinguishes between the following roles:

- People who bear responsibility for risk and manage risk
- People who monitor and check internal controls
- People who perform independent surveys of the effectiveness of internal controls



The first line of defence is made up of people who have day-to-day supervision of operations and its organization. They are responsible for establishing and maintaining effective internal controls and managing risk in day-to-day operations. This involves identifying and evaluating



risk and putting in place appropriate countermeasures to reduce risk. The first line of defense is responsible for supervising the implementation of internal rules and processes in compliance with the law, regulations and the Bank's strategy and it must ensure that all actions are in compliance with established procedures and that corrective action is taken if any deficiencies are detected.

The second line of defense is set up to ensure that the first line of defense has established adequate internal controls which work as intended. Risk Management and Compliance are the main participants in the second line of defense, although other units may also be assigned specific monitoring roles.

The third line of defense is Internal Audit, which keeps the Board and management informed of the quality of corporate governance, risk management and internal controls, including by performing independent and objective audits.

### Compliance

Compliance is an independent control function which reports directly to the CEO and works in accordance with a special charter from the Board.

The main role of Compliance is to ensure that the Bank has in place proactive measures to reduce the risk of rules being breached in the course of its activities. Compliance is also responsible for coordinating the Bank's measures against money laundering and terrorist financing to reduce the risk of the Bank's services being used for illegal purposes. Furthermore, the Compliance Officer has the role of the Bank's Data Protection Officer. The Bank has adopted a data protection statement which can be seen on the Bank's website.

The duties of Compliance are carried out under a risk-based compliance plan approved by the Board of Directors, including a monitoring and training schedule for employees which addresses the laws and rules under which the Bank operates. Compliance provides the Board of Directors with a quarterly report on its activities.

Further information can be found on the Bank's website.

### Risk Management

A central feature of the activities of all financial companies is carefully calculated risk-taking according to a predetermined strategy. Arion Bank thus takes risk compatible with its risk appetite, which is regularly reviewed and approved by the Board of Directors. The Bank's risk appetite, set by the Board, is translated into exposure limits and targets that are monitored by Risk Management. The Board is responsible for Arion Bank's internal capital adequacy assessment process, the main objective of which is to ensure that Arion Bank

understands its risk profile and has systems in place to assess, quantify and monitor its total risk exposure.

The Bank's Risk Management division is headed by the Chief Risk Officer. It is independent and centralized and reports directly to the CEO and operates in accordance with a special charter from the Board. Risk Management comprises three departments whose role is to analyze, monitor and regularly report to the CEO and Board of Directors on the risks faced by the Bank.

Further information on risk management and capital management is contained in the Bank's annual report and the Bank's risk report.

### Internal Audit

The Internal Auditor is appointed by the Board of Directors and reports directly to the Board. The Board sets the Internal Auditor a charter which sets out the responsibilities associated with the position and the scope of the work. The role of the Internal Auditor is to provide independent and objective assurance and advice designed to add value and improve the Bank's operations. The scope of the audit is the Bank, its subsidiaries and pension funds serviced by Arion Bank.

### Accounting and auditing

The Bank's Finance division is responsible for preparing the accounts and this is done in accordance with the International Financial Reporting Standards (IFRS). The Bank publishes its financial statement on a quarterly basis and management statements are generally submitted to the Board ten times a year. The Board Audit Committee examines the annual financial statement and interim financial statements, while the external auditors review and audit the accounts twice a year. The Board Audit Committee gives its opinion on the accounts to the Board of Directors, which then approves and endorses the accounts.

### Cornerstones and code of ethics

Arion Bank's cornerstones is the name used to describe the Bank's core values. The cornerstones are designed to provide guidance when making decisions and in everything else employees say and do. They refer to the Bank's role, attitude and conduct. Arion Bank's cornerstones are; we find solutions, we make a difference, we get things done, and, we say what we mean.

The management and employees of Arion Bank are conscious of the fact that the Bank's activities affect different stakeholders and society at large. The Bank's code of ethics is designed to serve as a key to responsible decision-making at Arion Bank. The code of ethics is approved by the Board of Directors.



## Sustainability

Arion Bank's sustainability policy bears the title Together we make good things happen and signifies that the Bank wants to act as a role model in responsible and profitable business practices, taking into account the environment, the economy and the society in which we live and work.

Arion Bank shows its commitment to sustainable banking by making a difference to our customers and performing our role as a financial institution conscientiously and responsibly. Arion Bank takes an active role in our society and its development. Financial institutions are one of the pillars of society and our role is to help our customers, both individuals and companies, reach their goals. We place great importance on doing things fairly with the interests of our customers, employees, investors and the community at heart.

Arion Bank has been a partner of Festa, the Icelandic Center for Corporate Social Responsibility, for several years and since 2014 has been a signatory to the CEO Statement of Support for the Women's Empowerment Principles (UN Women and UN Global Compact). In 2015 the Bank signed the City of Reykjavík and Festa's Declaration on Climate Change and has published its environmental accounts since 2016. Arion Bank has been a signatory to the UN Global Compact, the UN's initiative to encourage businesses to adopt sustainable and socially responsible practices, since the end of 2016. The Bank has also complied with the UN's Principles for Responsible Banking (UN PRI) since the end of 2017. In September 2019 the Bank became a signatory to the UN Principles for Responsible Banking (UN PRB), the goal of which is to align banking with international goals and commitments such as the UN Sustainable Development Goals and the Paris Climate Agreement.

Arion Bank's activities are governed by the provisions of the Annual Accounts Act on non-financial reporting, which, among other things, apply to the status and influence of the company in respect of environmental, social and human resources issues. Non-financial reporting in the annual report is based on the Global Reporting Initiative, GRI Core and the ESG reporting guide for the Nasdaq Nordic and Baltic exchanges.

The Board of Directors has adopted an environment and climate policy. Under the policy the Bank focuses its attention on financing projects on sustainable development and green infrastructure, require that suppliers take into account the environmental and climate impact of their activities and reduce its own greenhouse gas emissions by 40% by 2030.

Further information on sustainability at Arion Bank can be found in the Bank's 2021 Annual Report. Further information can be found on the Bank's website.

## Board of Directors and committees

The main duty of the Board of Directors of Arion Bank is to manage the Bank between shareholders' meetings according to applicable laws, regulations and articles of association. The Board tends to those operations of the Bank which are not considered part of the day-to-day business, i.e. it makes decisions on issues which are unusual or of a significant nature. One of the Board's main duties is to supervise the Bank's activities. The Board's work, duties and role are defined in detail in the rules of procedure of the Board of Directors, which have been established on the basis of Article 54 of the Financial Undertakings Act, Article 70 of the Public Limited Companies Act No. 2/1995, FSA Guidelines No. 1/2010, and the articles of association of the Bank. The rules of procedure of the Board of Directors can be found on the Bank's website.

The Board of Directors appoints a Chief Executive Officer who is responsible for the day-to-day operations in accordance with a strategy set out by the Board. The Board of Directors and the Chief Executive Officer shall carry out their duties with integrity and ensure that the Bank is run in a sound and reasonable manner in the interests of the customers, the community, the shareholders and the Bank itself, cf. Article 1 (1) of the Financial Undertakings Act. The Chief Executive Officer shall ensure that the Board receives sufficient support to carry out its duties.

The Board of Directors is generally elected for a term of one year at the Bank's annual general meeting. At Arion Bank's annual general meeting on 17 March 2020, seven Directors and three Alternates were elected to the Board of Directors.

The elected Board Directors have diverse backgrounds and extensive skills, experience and expertise. When electing the Board care is taken to ensure at least 40% representation of each gender among directors and alternates. Currently the Board consists of four men and three women.

Information on the independence of Directors is published on the Bank's website before the annual general meeting or a shareholders' meeting where a Board member is to be elected. The minutes of the annual general meeting and shareholders' meetings are also published on the Bank's website.

The Board of Directors meets at least ten times a year. In 2020 the Board met on 12 occasions. The Chairman of the Board is responsible for ensuring that the Board performs its role in an efficient and organized manner. The Chairman chairs Board meetings and ensures that there is enough time allocated to the discussion of important issues and that strategy issues are discussed



thoroughly. The Chairman is not permitted to undertake any other work for the Bank unless part of the normal duties of the Chairman.

According to the Board's Rules of Procedure the Board is permitted to establish committees to discuss particular areas of the Bank's operations. No later than one month following the annual general meeting the Board appoints members to each of its sub-committees and assesses whether it is necessary to appoint external members to certain committees in order to bring in a greater level of expertise. One of the committee members in the Board Audit Committee, Heimir Þorsteinsson, is not a Board member and is independent of the Bank and its shareholders. The Board sub-committees are as follows:

- **Board Audit Committee (BAC):** The BAC's main role is to contribute to the high-quality statutory auditing of the Bank and monitor the effectiveness of the Bank's internal quality control, risk management systems and internal audit function, with regard to the Bank's financial reporting. The Committee met seven times in 2020.
- **Board Risk Committee (BRIC):** The Committee's main role is, inter alia, to evaluate the Bank's risk policy and risk appetite and to have a thorough knowledge of the risk assessments and methods used to manage risk employed by the Bank. Committee members should have the qualifications and experience necessary to be able to discharge their duties including forming the

Bank's risk policy and risk appetite. The Committee met 12 times in 2020 and a joint meeting was held with the Board Remuneration Committee.

- **Board Credit Committee (BCC):** Its main task is to attend to credit issues which exceed the credit limits of its sub-committees. The Committee met 13 times in 2019.
- **Board Remuneration Committee (BRC):** The Committee's main role is to prepare a remuneration policy for the Bank on an annual basis. It also advises the Board on remuneration to the CEO, Managing Directors, the Compliance Officer and the Chief Internal Auditor, and on the Bank's incentive scheme and other work-related payments. The Bank's remuneration policy shall be examined and approved by a shareholders' meeting annually. The Committee met four times in 2019 and a joint meeting was held with the Board Risk Committee.
- **Board Tech Committee (BTC):** In late 2020, the Board setup a temporary, ad hoc, tech committee, whose main role is to advise the Board of Directors and the Bank's Senior Management on the Bank's near to medium term development of the Bank's IT function, including IT strategy.

Sub-committees regularly inform the Board of their activities. Furthermore, the Board has access to all material used by the sub-committees and their minutes.

Below is an overview of the attendance of individual Directors and committee member.

Director	Period	Board (12)	BAC (7)	BRIC (12)	BCC (13)	BRC (5)	BTC (1)
Brynjólfur Bjarnason	1 Jan–31 Dec	12	-	-	13	5	-
Herdís D. Fjeldsted <sup>1</sup>	1 Jan–31 Dec	4	2	-	-	2	-
Gunnar Sturluson <sup>2</sup>	1 Jan–31 Dec	12	5 <sup>2</sup>	-	13	-	-
Liv Fiksdahl	1 Jan–31 Dec	12	-	-	-	4	1
Renier Lemmens	1 Jan–31 Dec	12	7	12	-	-	1
Paul Horner <sup>3</sup>	1 Jan–31 Dec	12	-	12	7 <sup>3</sup>	-	-
Steinunn Kr. Þórðardóttir	1 Jan–31 Dec	12	-	12	13	-	-
Ólafur Ö. Svansson	1 Jan–31 Dec	-	-	-	-	-	-
Sigurbjörg Á. Jónsdóttir <sup>4</sup>	1 Jan–31 Dec	8	5	-	-	3	-
Þróstur Ríkharðsson	1 Jan–31 Dec	-	-	-	-	-	-
Heimir Þorsteinsson <sup>5</sup>	1 Jan–31 Dec	-	7	-	-	-	-

The Board carries out an annual performance appraisal, at which it assesses its work, the necessary number of Board Directors, the Board composition with respect to experience and skills, working procedures and methods, the performance of the CEO, their achievements and the work of the subcommittees with respect to the aforementioned. This appraisal was last performed by the Board during the period October 2020 to January 2021.

<sup>1</sup> Herdís D. Fjeldsted temporarily left the Board when she took over as interim CEO of Valitor.

<sup>2</sup> Gunnar Sturluson was appointed to the BAC in May 2020. He has attended all BAC meetings since joining the Committee.

<sup>3</sup> Paul Horner was appointed to the BCC in May 2020. He has attended all BCC meetings since joining the Committee.

<sup>4</sup> Sigurbjörg Á. Jónsdóttir, alternate Director, has taken a temporary seat on the BAC and BRC in Herdís D. Fjeldsted's absence.

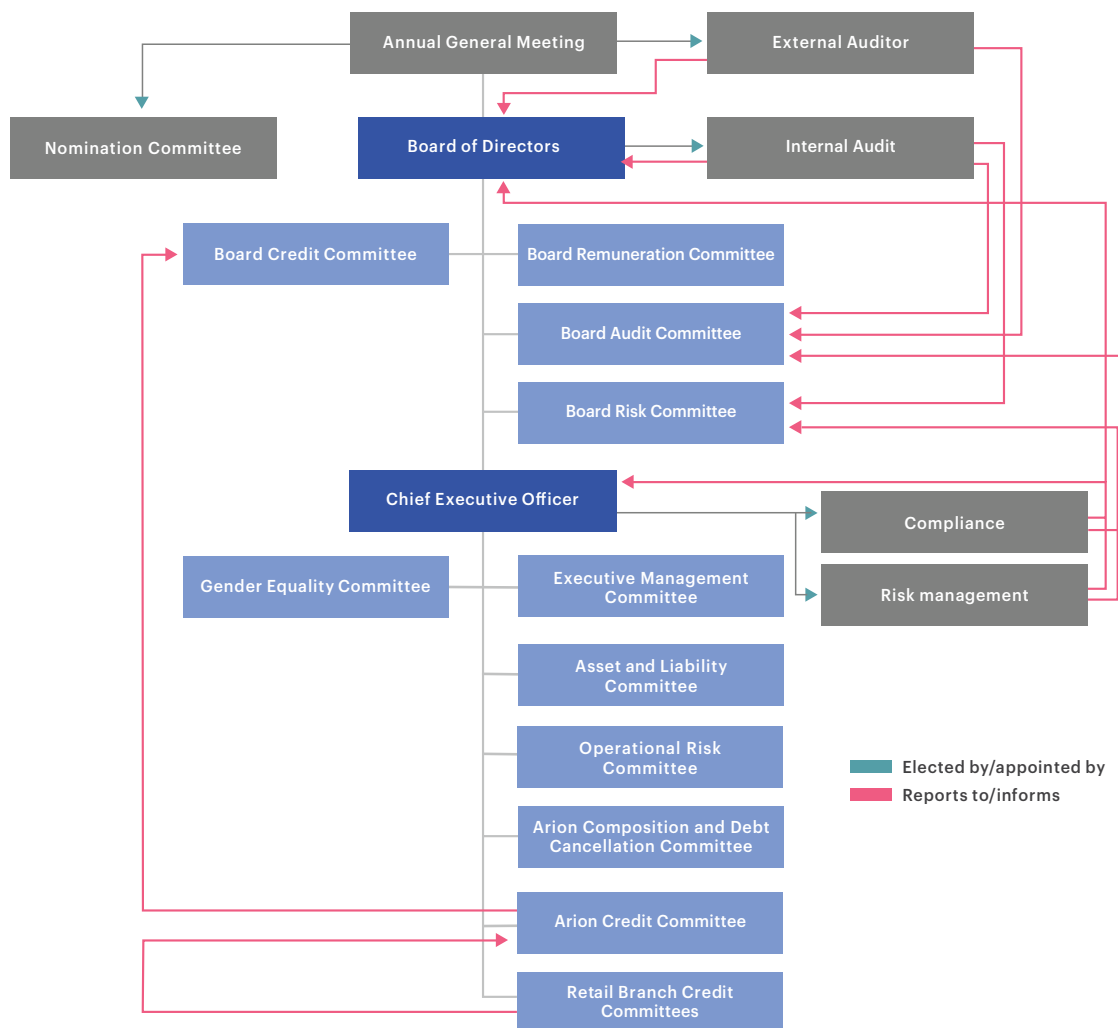
<sup>5</sup> Heimir Þorsteinsson is certified public accountant and appointed as an external member of the BAC.



## The Board of Directors of Arion bank

Brynjólfur Bjarnason  
 Herdís Dröfn Fjeldsted  
 Gunnar Sturluson  
 Liv Fiksdahl  
 Paul Horner  
 Renier Lemmens  
 Steinunn Kristín Þórðardóttir

## Arion Bank governance overview





### **Brynjólfur Bjarnason, Chairman**

Brynjólfur was born in 1946. He was first elected as a Director at a shareholders' meeting on 20 November 2014. He is not a shareholder of Arion Bank and is an independent Director. Brynjólfur is the Chairman of the Board, Chairman of the Board Remuneration Committee and Chairman of the Board Credit Committee. Brynjólfur graduated with an MBA from the University of Minnesota in 1973 and a cand. oecon. degree in business studies from the University of Iceland in 1971.

Brynjólfur previously worked as the managing director of the Enterprise Investment Fund and as the CEO of Skipti, Síminn and Grandi hf. He has also worked as managing director of the publisher AB bókaútgáfa and was head of the economics department of VSÍ. Brynjólfur has broad experience as a director and has served on numerous boards and been chairman of several of them.

Brynjólfur is an Alternate on the Board of Fergusson ehf. and a board member of Marinvest ehf. and ISAL hf.



### **Herdís Dröfn Fjeldsted**

Herdís was born in 1971. She was first elected as a Director at Arion Bank's annual general meeting on 15 March 2018. She is not a shareholder in Arion Bank and is an independent Director. Herdís is Vice Chairman of the Board, Chairman of the Board Audit Committee and a member of the Board Remuneration Committee. Herdís temporarily took over as CEO of Valitor in March but was appointed to the position on a permanent basis in November 2020. Sigurbjörg Á. Jónsdóttir, alternate Director, has temporarily taken Herdís's seat on the Board.

Herdís graduated with a BSc in business administration with an emphasis on international marketing from the Technical University of Iceland in 2004 and a Master's degree in corporate finance from Reykjavik University in 2011. Herdís is also a certified stockbroker.

Herdís was the CEO of The Icelandic Enterprise Investment Fund (Framtaks-sjóður Íslands - FSÍ) from 2014 and before that worked as an investment manager at FSÍ. Before joining The Icelandic Enterprise Investment Fund, Herdís worked as a senior investment analyst at Thule Investments. Herdís has served on numerous boards of directors, e.g. as the Chairman of VÍS hf., Chairman of Icelandic Group, Vice-Chairman of Promens and as a board member of Invent Farma, Medicopack A/S, Icelandair Group and Copeinca AS. Herdís is also a member of Exedra. Today, Herdís is a board member at The Icelandic-Canadian Chamber of Commerce.



### **Gunnar Sturluson**

Gunnar was born in 1967. He was first elected as a Director at a shareholders' meeting on 9 August 2019. He is not a shareholder of Arion Bank and is an independent Director. Gunnar is a member of the Board Credit Committee and was also appointed to the Board Audit Committee in May 2020, which he briefly chaired following Herdís D. Fjeldsted's interim appointment as CEO of Valitor and subsequent absence from Board activities.

Gunnar graduated as Cand. Jur from the University of Iceland in 1992, gained an LL.M. degree in Law from the University in Amsterdam in 1995 and received a license to practice before the District Court in Iceland in 1993 and before the Supreme Court in 1999.

Gunnar practiced law at the law firm Málflutningsskrifstofan in 1992–1999 and became partner in 1995. He joined Logos Legal Services in 2000 as a partner and was managing partner in 2001–2013. Gunnar lectured in competition law in 1995–2007 at the University of Iceland, Faculty of Law.

Gunnar has held various directorships, including the board of directors at Gamma hf. in 2017–2019, chairman of the board of directors of the Icelandic National Broadcasting Service (RÚV) 2016–2017, director at the Nordic Arbitration Center, president of the International Federation of Icelandic Horse Associations, chairman of the board of directors of the Icelandic Dance Company 2013–2016 and was voted by the Icelandic parliament to serve on the National Electoral Commission in 2013–2017





### Liv Fiksdahl

Liv was born in 1965. She was first elected as a Director at Arion Bank's Annual General Meeting on 20 March 2019. She is not a shareholder of Arion Bank and is an independent Director. Liv is a member of the Board Remuneration Committee and chairs the Board Tech Committee, which was setup in December 2020.

Liv holds a degree in finance and management from Trondheim Business School (today NTNU) in 1986. In 2018, Liv completed programs at Stanford University in big data, strategic decisions and analysis, and the innovative technology leader. She has also completed an advanced management program for executives in management, innovation and technology at Massachusetts Institute of Technology.

Liv is currently a president (associated) within Financial Services at Capgemini Invent, Norway and services on the boards of Scandinavian Airlines SAS AB, Posten Norge AS and Intrum AB. Liv has held various senior roles at DNB and was part of the executive management team for 10 years, and her most recent role was as the Group EVP, CIO/COO, for IT & Operations. Liv has broad experience from DNB, and has held different positions within the bank. Before DNB she had key account roles for the corporate clients within Danske Bank/Fokus Bank, and Svenska Handelsbanken. Liv has served on numerous boards, including BankAxept, Sparebankforeningen, Doorstep, Finans Norge and Trondheim Kommune Bystyret.



### Paul Horner

Paul was born in 1962. He was first elected as a Director at a shareholders' meeting on 9 August 2019. He is not a shareholder of Arion Bank and is an independent Director. Paul was appointed to the Board Credit Committee in May 2020 and has chaired the Board Risk Committee since October 2020.

Paul graduated with M.A. Honours in music from the University of Oxford in 1983 and is an associate of the UK Chartered Institute of Bankers.

Paul held various executive and risk management roles at Barclays PLC between 1988 and 2003. In 2003 Paul joined The Royal Bank of Scotland Group and served as an executive and senior manager of Royal Bank of Scotland PLC. He also held various senior risk and general management roles until June 2019.

In 2012 to 2017, Paul was the chief risk officer of Coutts & Co Ltd. and CEO of Coutts & Co Ltd, Zurich, in 2016–2017. Paul was Director of Risk at Ulster Bank DAC, Dublin, and is presently a non-executive director at Allied Irish Banks in London and Coutts & Co Ltd. in Zurich.



### Renier Lemmens

Renier was born in 1964. He was first elected as a Director at Arion Bank's Annual General Meeting on 20 March 2019. He is not a shareholder of Arion Bank and is an independent Director. Renier has chaired the Board Audit Committee since October 2020 and is a member of the Board Risk Committee and the Board Tech Committee. Renier is also member of the board of directors of Arion Bank's subsidiary Valitor and chairman of the board risk and monitoring committee at Valitor.

Renier has an MBA from INSEAD and an MSc in computer science from Delft University of Technology.

Renier is currently professor of fintech and innovation at the London Institute of Banking and Finance and the chairman of the board of TransferGo and Divido. Renier previously worked as CEO of Viadeo SA, was partner at Ramphastos Investments, CEO EMEA at PayPal, CEO of Amodo Consumer Finance, COO of international retail & commercial banking at Barclays Bank, consumer finance officer at GE Capital and a partner at McKinsey & Company. Renier has also served on numerous boards, including Revolut, Zenith Bank Ltd., Novum Bank Ltd. as chairman, Antenna Company Ltd., Robin Mobile BV, VoiceTrust BV, Krefima NV as chairman, Arenda BV as chairman, ZA Life Assurance NV, First Caribbean International Bank and chairman and CEO of Budapest Bank.







### Steinunn Kristín Þórðardóttir

Steinunn was born in 1972. She was first elected as a Director at Arion Bank's shareholders' meeting on 30 November 2017. She is not a shareholder of Arion Bank and is an independent Director. Steinunn is a member of the Board Risk Committee, which she chaired until October 2020.

Steinunn has a Master's degree in international management from Thunderbird, Arizona and a BA in international business and politics from University of South Carolina.

Steinunn was previously a partner and CEO of Beringer Finance Norway and global head of food and seafood. She founded Akton AS, a management consulting company in Norway in 2010 where she worked as a managing director until 2015. Steinunn worked at Íslandsbanki (later Glitnir) as executive director of International Corporate Credit and later as managing director and head of the bank's UK operations. Steinunn has previously held several Directorships in Europe and was a board member of the Icelandic State Financial Investment (ISFI). Steinunn is the chairman of the board of Acton Capital AS and Akton AS and a board member of Cloud Insurance AS. She is also a board member of the Norwegian-Icelandic Chamber of Commerce. Steinunn is a member of the nomination committee of Síminn.

#### Alternate directors:

Ólafur Örn Svansson, Supreme Court attorney, Sigurbjörg Ásta Jónsdóttir, lawyer, and Þröstur Ríkhartsson, Supreme Court attorney.

More information on the Board of Directors can be found on the Bank's website.

## Communication between the shareholders and the Board of Directors

The main venue at which the Board and the Bank report information to the shareholders and propose decisions to be made is at legally convened shareholders' meetings. The Bank provides an effective and accessible arrangement for communications between shareholders and the Board of Directors between those meetings. Any information sensitive to the market will be released through a MAR press release. As part of the investor relations program, Arion Bank has also arranged quarterly meetings where the CEO, CFO and Investor Relations present the interim financial results.



### Chief Executive Officer

#### Benedikt Gíslason

Benedikt was born in 1974. Benedikt was appointed CEO on 1 July 2019.

Benedikt joined FBA (later Íslandsbanki) in 1998, held a variety of managerial positions at Straumur-Burðarás, was managing director of capital markets at FL Group and was managing director of the investment banking division of MP Bank. Benedikt worked as a senior advisor for Iceland's Ministry of Finance and Economic Affairs and was vice-chairman of a government task force on the liberalization of the capital controls between 2013 and 2016. He served on the board of directors of Kaupthing from 2016 to 2018 and was an advisor to Kaupthing on matters relating to Arion Bank. Benedikt was elected to the Board of Directors of Arion Bank in September 2018 and served on the Board until his appointment as CEO.

Benedikt gained a C.Sc. in mechanical and industrial engineering from the University of Iceland in 1998.



## Executive Committee

The Bank's Executive Committee consists of the following people and the CEO:

- Ásgeir H. Reykjalörð Gylfason, Deputy CEO and Managing Director of Corporate and Investment Banking
- Birna H. Káradóttir, General Counsel.
- Ida Brá Benediktsdóttir, Managing Director of Retail Banking
- Margrét Sveinsdóttir, Managing Director of Markets
- Stefán Pétursson, Chief Financial Officer
- Styrmir Sigurjónsson, Managing Director of Information Technology & CTO
- Úlfar F. Stefánsson, Chief Risk Officer

More information on the Executive Committee can be found on the Bank's website.

## Information on violations of laws and regulations and legal cases

Arion Bank has not been denied registration, authorization, membership or permission to conduct certain business, activity or operations. The Bank has not been subject to withdrawal, revocation or dismissal of registration, authorization, membership or permission. Information on the main legal cases relating to Arion Bank and a settlement with the Financial Supervisory Authority can be found in the notes to the annual financial statement.

*The Board of Directors annually reviews and approves the Corporate Governance Statement.*

*This Corporate Governance Statement was examined and approved at a meeting of the Board of Directors on 10 February 2021.*

