

direct/ Landsbanki Islands (UK) - Motions Adapted at Landsbanki AGM 9 Feb 2007

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The following Motions to the Annual General Meeting (AGM) of Landsbanki Íslands hf., which was held on 9 February 2007, were adopted at the Bank's AGM::

In accordance with point 3 on the Agenda of the Annual General Meeting

Motion on the disposition of the Company's profit and payment of dividend for the 2006 operating year.

Resolution by the Annual General Meeting of Landsbanki Íslands, 9 February 2007

Allocation of Dividend and Disposition of Profit

From the bank's after-tax profit for 2006 and minority interests, which amounted to ISK 38,906 million, a dividend of ISK 4,408 million shall be paid, to be divided among shareholders in accordance with their respective holdings, with ISK 0.11 paid as dividend on each share of ISK 1 nominal value. Dividends shall be paid to those parties registered in the shareholders' registry at the end of the day of the Annual General Meeting, cf. Article 7 of the Articles of Association of Landsbanki Íslands hf. This dividend is equivalent to 11% of profit and 40% of the nominal value of the Company's equity. The remaining profit for the year, ISK 34,498 million, shall be used to increase the equity of Landsbanki Íslands hf. The dividend shall be paid without interest on 7 March 2007.

In accordance with point 4 on the Agenda of the Annual General Meeting

Motion on the composition of the Board of Directors until the Annual General Meeting in 2008

The following nominations for election to the Board of Directors of Landsbanki Íslands hf. have been received. In accordance with point 4 on the Agenda of the Annual General Meeting of Landsbanki Íslands hf., held on 9 February 2007:

Motion on the composition of the Board of Directors until the Annual General Meeting in 2008

A motion has been submitted to the Annual General Meeting of Landsbanki Íslands hf. to elect the following persons as Directors and alternates for the Board of Directors of Landsbanki Íslands hf. until its next Annual General Meeting. If a Director is unable to attend a meeting, he/she shall be replaced by the respective alternate in the order indicated.

Directors:

Björgólfur Guðmundsson, Chairman of the Board

Þór Kristjánsson, business economist

Alternates for Björgólfur Guðmundsson and Þór Kristjánsson

1st alternate: Andri Sveinsson, business economist

2nd alternate: Helga Theodórsdóttir, business economist

Kjartan Gunnarsson, lawyer

Svafa Grönfeldt, Rector

Þorgeir Baldursson, CEO

Alternates for Kjartan Gunnarsson, Svafa Grönfeldt and Þorgeir Baldursson

1st alternate: Gunnar Felixson, managing director

2nd alternate: Helga Jónsdóttir, bank officer

3rd alternate: Þorsteinn Sveinsson, forest farmer

In accordance with point 5 on the Agenda of the Annual General Meeting
Resolution by the Annual General Meeting of Landsbanki Íslands, 9 February 2007
Election of the auditors

The Annual General Meeting of Landsbanki Íslands hf. elects PricewaterhouseCoopers hf. as the company's auditors for the 2007 financial year.

In accordance with point 6 on the Agenda of the Annual General Meeting

Motion renewing the authorisation of the bank's Board of Directors to purchase own shares
Resolution by the Annual General Meeting of Landsbanki Íslands, 9 February 2007

Authorisation to purchase own shares

The Annual General Meeting of Landsbanki Íslands hf. hereby authorises the Board of Directors to decide to purchase own shares, or to accept such shares as collateral, amounting to up to 10% of its share capital. The authorisation must be exercised within 18 months of its approval by the Annual General Meeting. Pursuant to this authorisation, the bank may acquire own shares of up to ISK 1,102 million nominal value; if the Board of Directors avails itself of its authorisation to increase share capital, the nominal value provided for shall be increased in direct proportion. The purchase price of the shares shall not be higher than 10% above nor lower than 10% below the listed share price on the Iceland Stock Exchange (OMX Iceland) at the time of purchase. This authorisation shall replace an authorisation to acquire up to 10% of the Company's own share capital which was approved by the Annual General Meeting on 4 February 2006.

The CEOs are also authorised to take all further decisions on the implementation of such transactions.

In accordance with point 7 on the Agenda of the Annual General Meeting

Motions to amend Landsbanki's Articles of Association

Resolution by the Annual General Meeting of Landsbanki Íslands, 9 February 2007

Amendments to the Articles of Association of Landsbanki Íslands hf.

1. The Annual General Meeting of Landsbanki Íslands hf. hereby agrees to amend the second paragraph of Article 4 of the company's Articles of Association to read as follows: "The Company's Board of Directors is authorised to increase its share capital in stages, by up to ISK 1,200,000,000 nominal value, with subscriptions for new shares. Shareholders waive their pre-emptive rights, as provided for in Article 34 of Act No. 2/1995, on Public Limited Companies, to new shares issued in accordance with this paragraph. The Board of Directors is authorised to determine the details of the price and terms of payment for such an increase. This authorisation shall be valid until 9 February 2012. The Board of Directors may decide to have subscribers pay for the new shares in part or in full by other means than cash payment." This provision is identical to the present second paragraph of Article 4 of the Articles of Association, but since the current authorisation expires 31 March 2007, it is moved that the authorisation to the Board of Directors to increase share capital be renewed until 9 February 2012.

2. The following new point, which shall be Point 4, shall be added to Article 12 of the Articles of Association. The numbering of subsequent points shall be altered accordingly. "A proposal from the Board of Directors on a remuneration policy shall be submitted to the meeting for approval." Amendments recently adopted to the Act on Public Limited Companies, which came into effect 1 October 2006, include a new provision in Article 79 a of the Act making it mandatory for the Board of Directors of a company obliged to elect auditors to adopt a remuneration policy for the company on the salaries of and other payments made to the company's Board of Directors and executives, and that the Board's proposal for a remuneration policy be approved by the company's Annual General Meeting.

3. Following the words "annual financial statements" in the second paragraph of Article 14 of the Articles of Association, the words "report of the Board of Directors" shall be added. According to the Act on Public Limited Companies, the report from the Board of Directors is to be submitted in this manner, but the obligation is missing from the list in the Articles of Association.

4. To the second paragraph of Article 14 of the Articles of Association, the stipulation is added that information on nominations to the Board of Directors must be available at the CEOs' office two days prior to the Annual General Meeting. "Information on nominations to the Board of Directors shall be made available at the same location two days prior to the Annual General Meeting." In accordance with the legal obligations arising from the above-mentioned amendments to the Act on Public Limited Companies, a motion is made that information on nominations be available for inspection by shareholders at least two days prior to the Annual General Meeting. The provision is intended to enable shareholders to assess candidates' qualifications and make an informed decision in elections to the Board of Directors.

5. A motion is made to add the company's foreign trading name following the company's legal name. "The company's foreign trading name is Landsbanki hf."

In accordance with point 8 on the agenda of the Annual General Meeting

Proposal by the Board of Directors on employee stock options and a Remuneration Policy for Landsbanki Íslands hf. submitted for approval by the Meeting.

Landsbanki Íslands hf. places major emphasis on retaining the services of key employees and attracting capable employees, as they are a pre-requisite for the bank's continuing growth and business strength, both at home and abroad.

To this end, Landsbanki has concluded agreements with employees, enabling them to acquire shares in the bank and for this purpose has issued and renewed stock options with a strike price equivalent to the market share price on the date the option is granted and takes effect, offered credit in accordance with general lending rules to finance such acquisitions, and also offered them convertible bonds.

In implementing this strategy, employee stock options may amount, at any given time, to as much as ISK 1600 million of the bank's issued share capital. The strike price of an option shall be equivalent to the market price on the date the option is granted and takes effect.

Landsbanki's remuneration policy, as stated here below, is based on general principles for good corporate governance and long-term considerations for growth and maximising the return to the bank's shareholders.

Directors receive a fixed remuneration for their work. The remuneration paid to Directors and alternates is to be decided by Landsbanki's Annual General Meeting and paid in accordance with salaries paid to bank employees in general. Directors' remuneration shall be based on the responsibility inherent in their position, the bank's complex operating environment, the terms generally applicable for comparable work on financial markets in those countries where the bank's operations are located, and the work contribution required in each case. Directors who are members of the Audit Committee and Remuneration Committee shall receive a fixed fee determined by the bank's Annual General Meeting.

Motions concerning remuneration to the Board of Directors and its committees for the coming financial year shall be submitted to the Annual General Meeting for approval.

The CEOs' terms of employment shall be based on their contracts. Their remuneration shall reflect, for instance, the size and scope of the bank's operations, their responsibilities and the nature of their duties, as well as the remuneration generally practiced on financial markets where the bank's operations are located and the success of Landsbanki's operations.

The CEOs' remuneration may be a combination of basic salary, performance-linked benefits in cash and shares, stock options, convertible bonds, pension benefits and retirement package.

At Landsbanki's Annual General Meeting, its shareholders shall be informed of the total amount of remuneration paid to the Board of Directors and CEOs during the past year in the form of fixed salaries, the amount of performance-linked bonuses, payments in the form of shares, stock options, pre-emptive rights, payments from other companies in the Landsbanki Group and payments made upon termination of employment to persons leaving employment during the year.

In accordance with point 9 on the agenda of the Annual General Meeting

Motion on remuneration to Directors

Resolution by the Annual General Meeting of Landsbanki Íslands, 9 February 2007

Remuneration to Directors

The remuneration paid to each Director for the period extending from the Annual General Meeting 2007 to that in 2008 shall be ISK 350.000 monthly, paid in accordance with general practice for bank employees. Remuneration to the Chairman of the Board shall be triple that of the Directors and remuneration to the Vice-chairman double that of the remuneration to Directors. Remuneration to alternates shall be ISK 100.000 for each board meeting attended. In addition, those Directors who are members of the Audit Committee and Remuneration Committee shall be paid ISK 150.000 per month for their participation in

each committee and the Chairman of each committee shall receive triple that amount.

Following the Annual General Meeting, the newly elected Board of Directors met to elect Board positions. Björgólfur Guðmundsson was re-elected Chairman of the Board and Kjartan Gunnarsson was re-elected Vice-Chairman of the Board.

For further information:

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Landsbanki AGM Resolutions

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