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12 February 2024

**ARION BANK HF.**  
*(incorporated with limited liability in Iceland)*

**(the "Issuer")**

**NOTICE**

to the holders of the

€300,000,000 Series 2021-1 Tranche 1 0.050 per cent. Fixed Rate Covered Bonds due 5 October 2026 consolidated with €200,000,000 Series 2021-1 Tranche 2 0.050 per cent. Fixed Rate Covered Bonds due 5 October 2026 (ISIN: XS2391348740)

(the **Covered Bonds**, and the holders thereof, the **Covered Bondholders**) of the Issuer presently outstanding.

The Issuer has today given a Notice of Meeting in respect of the Covered Bonds to be held from 10.00 a.m. (London time) via teleconference on 8 March 2024 for the purpose of soliciting a consent to modify the final terms of the Covered Bonds (the **Final Terms**) through a Supplemental Agency Agreement and the deed of covenant executed by the Issuer on 16 July 2021 in favour of the holders of the Covered Bonds (the **Deed of Covenant**), to give effect to the following:

- (i) the Covered Bonds will no longer be rated by S&P Global Ratings Europe Limited (**S&P**); and
- (ii) the covenants relating to the credit ratings provided by S&P in respect of the Covered Bonds or the Issuer shall cease to apply,

all as proposed by the Issuer (the **Proposal**) for approval by extraordinary resolution of the Covered Bondholders, all as further described in the consent solicitation memorandum dated 12 February 2024 (the **Consent Solicitation Memorandum**).

It should be noted that the Covered Bonds will continue to be rated by Moody's Investor Services Limited (**Moody's**) and the covenants provided to support the rating from Moody's will continue to apply.

## **1. NOTICE OF MEETING IN RESPECT OF THE COVERED BONDS**

To view the Notice of Meeting, please paste the following URL into the address bar of your browser:

<https://www.bourse.lu/latest-notices-from-issuers>

## **2. EARLY PARTICIPATION FEE**

Each Eligible Covered Bondholder from whom a valid Consent Instruction for the Extraordinary Resolution is received by the Tabulation Agent by 4.00 p.m. (London time) on 23 February 2024 (such time and date with respect to the Covered Bonds, the **Early Instruction Deadline**) will be eligible to receive payment of an amount equal to 0.025 per cent. of the nominal amount of the Covered Bonds that are the subject of such Consent Instruction (the **Early Participation Fee**), subject to (i) such Consent Instruction not being revoked (in the limited circumstances in which revocation is permitted), (ii) the Extraordinary Resolution being duly

passed and (iii) satisfaction of the other Consent Conditions, all as more fully described in the Consent Solicitation Memorandum.

Covered Bondholders may continue to submit Consent Instructions after the Early Instruction Deadline and up to the Expiration Deadline but such Covered Bondholders will not be eligible to receive the Early Participation Fee in respect of those Consent Instructions, whether or not the relevant Consent Instructions are in favour of the Extraordinary Resolution.

Subject to satisfaction of the Consent Conditions and the Consent Instruction of the Extraordinary Resolution being validly received by the Tabulation Agent at or prior to the Early Instruction Deadline and not being revoked (in the limited circumstances in which revocation is permitted), the Issuer will pay the Early Participation Fee to the relevant Eligible Covered Bondholders by no later than the second Business Day following the Meeting (the **Early Participation Fee Payment Date**).

### 3. CONSENT CONDITIONS

The implementation of the Consent Solicitation and the Extraordinary Resolution will be conditional on:

- (a) the passing of the Extraordinary Resolution;
- (b) the quorum required for, and the requisite majority of votes cast at, the Meeting being satisfied by Eligible Covered Bondholders only, irrespective of any vote or other participation at the Meeting by Ineligible Covered Bondholders (and would also have been so satisfied if any Ineligible Covered Bondholders who provide confirmation only of their status as Ineligible Covered Bondholders and waive their right to attend (via teleconference) and vote (or be represented) at the Meeting had actually participated at the Meeting), including, if applicable, the satisfaction of such condition at an adjourned Meeting (the **Eligibility Condition**); and
- (c) the Issuer not having previously terminated the Consent Solicitation relating to the Extraordinary Resolution in accordance with the provisions for such termination (as set out in this Consent Solicitation Memorandum).

(together, the **Consent Conditions**).

The Issuer will announce (i) the results of the Meeting and (ii) if the Extraordinary Resolution is passed, the satisfaction or not of the other Consent Conditions relating to that Extraordinary Resolution, as soon as reasonably practicable after the Meeting.

### 4. INDICATIVE TIMETABLE FOR THE CONSENT SOLICITATION

*This is an indicative timetable showing one possible outcome for the timing of the Consent Solicitation based on the dates in the Consent Solicitation Memorandum and assuming that the Meeting is not adjourned. This timetable is subject to change and dates and times may be extended or amended by the Issuer in accordance with the terms of the Consent Solicitation as described in the Consent Solicitation Memorandum. Accordingly, the actual timetable may differ significantly from the timetable below.*

<b>Date/Time</b>	<b>Action</b>
<b>12 February 2024</b>	1. Notice of the Meeting to be delivered to the Clearing Systems.

The Notice shall be deemed to have been given to the Covered Bondholders on the third day after the day on which the Notice was given to the Clearing Systems.

The Notice will be published on the website of Luxembourg Stock Exchange.

Copies of the Consent Solicitation Memorandum and the Covered Bondholder Information to be available from the Tabulation Agent (including on the website of the Tabulation Agent (<https://deals.is.kroll.com/arionbank>)).

From this date, Covered Bondholders may arrange for Covered Bonds in their accounts with Clearstream, Luxembourg and/or Euroclear to be blocked in such accounts and held to the order and under the control of the Fiscal Agent in order to give valid Consent Instructions to the Tabulation Agent or to make other arrangements to attend (via teleconference) the Meeting.

**4.00 p.m. (London time) on 23 February 2024**

2. Early Instruction Deadline.

Deadline for receipt by the Tabulation Agent of valid Consent Instructions in favour of the Extraordinary Resolution from Covered Bondholders, in accordance with the procedures of Clearstream, Luxembourg and/or Euroclear, for such Covered Bondholders to be eligible to receive the Early Participation Fee.

**10.00 a.m. (London time) on 7 March 2024**

3. Expiration Deadline.

Final deadline for receipt by the Tabulation Agent of valid Consent Instructions from Covered Bondholders, in accordance with the procedures of Clearstream, Luxembourg and/or Euroclear, for such Covered Bondholders to be represented at the Meeting.

This will also be the deadline for making any arrangements to attend (via teleconference) the Meeting.

**10.00 a.m. (London time) on 8 March 2024**

4. **COVERED BONDHOLDERS' MEETING HELD**

The Meeting is held via teleconference and will commence at 10.00 a.m. (London time).

**If the Extraordinary Resolution is passed at the Meeting:**

**As soon as reasonably practicable after the Meeting**

5. Announcement of the result of the Meeting and, if the Extraordinary Resolution is passed, satisfaction or not of the Eligibility Condition.

Delivery of notice of such result to Euroclear and Clearstream, Luxembourg for communication to the relevant account holders and publication on the website of the Luxembourg Stock Exchange.

**As soon as reasonably practicable after the Meeting (currently expected to be 15 March 2024)**

6. Implementation Date.

If the Extraordinary Resolution is passed at the initial Meeting and the Eligibility Condition is satisfied, the relevant Supplemental Agency Agreement appending the Amended and Restated Final Terms and the Supplemental Deed of Covenant may, at the discretion of the Issuer, be executed and delivered by the Issuer, in order to implement the modifications described in this Consent Solicitation Memorandum.

Nothing in the Covered Bondholder Proposal or in any other Section of this Consent Solicitation Memorandum requires the Issuer to implement all or any part of the Covered Bondholder Proposal, even if the Covered Bondholder Proposal is approved by the Extraordinary Resolution and the other Eligibility Condition has been satisfied.

**No later than the second Business Day following the Meeting**

7.

Early Participation Fee Payment Date.

If the Extraordinary Resolution is passed at the initial Meeting, the relevant Consent Instructions are not revoked, and the other Eligibility Condition is satisfied, payment of the Early Participation Fee to eligible Covered Bondholders.

**If within 15 minutes (or such longer period not exceeding 30 minutes as the Chairman may decide) after the time fixed for the Meeting, a quorum is not achieved at the Meeting or the quorum is achieved and the Extraordinary Resolution is passed but the Eligibility Condition is not satisfied, the Meeting shall be adjourned for a period of not less than 14 Clear Days nor more than 42 Clear Days and to such date and time as may be appointed by the Chairman and approved by the Issuer. The adjourned Meeting Covered Bondholders will be held at a date and time as will be notified to the Covered Bondholders in the notice of the adjourned Meeting in accordance with the terms of the Conditions, such notice to be given at least 10 Clear Days prior to the proposed adjourned Meeting.**

Copies of the latest drafts of the Supplemental Agency Agreement appending the Amended and Restated Final Terms and the Supplemental Deed of Covenant and any other notices being provided pursuant to the Covered Bondholder Proposal will be available from the Tabulation Agent (including on the website of the Tabulation Agent (<https://deals.is.kroll.com/arionbank>)). Nothing in the Covered Bondholder Proposal or in any other Section of this Consent Solicitation Memorandum requires the Issuer to implement all or any part of the Covered Bondholder Proposal, even if the Covered Bondholder Proposal is approved by the Extraordinary Resolution and the other Eligibility Condition has been satisfied.

Capitalised terms used but not defined herein shall have the meanings set out in the Consent Solicitation Memorandum.

Further information relating to the Consent Solicitation can be obtained directly from the Solicitation Agent and the Tabulation Agent:

**Barclays Bank Ireland PLC**

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Dublin 2  
Ireland  
D02 RF29

Telephone: +44 20 3134 8515

Attention: Liability Management Group

Email: [eu.lm@barclays.com](mailto:eu.lm@barclays.com)

**Kroll Issuer Services Limited**

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32 London Bridge Street  
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Telephone: +44 20 7704 0880

Attention: Alessandro Zorza

Email: [arionbank@is.kroll.com](mailto:arionbank@is.kroll.com)

**DISCLAIMER:** This announcement must be read in conjunction with the Consent Solicitation Memorandum. The Consent Solicitation Memorandum contains important information which should be read carefully before any decision is made with respect to the consent solicitation. If any Covered Bondholder is in any doubt about any aspect of the Consent Solicitation and/or the action it should take, it is recommended to seek its own financial advice immediately from its broker, bank manager, solicitor, accountant or other financial adviser authorised under the Financial Services and Markets Act 2000 (if it is in the United Kingdom (the UK)) or

from another appropriately authorised independent financial adviser and such other professional advice from its own professional advisers as it deems necessary.

None of the Issuer, the Solicitation Agent, the Tabulation Agent, the Paying Agent, the Fiscal Agent or any of their respective directors, officers, employees, agents, representatives or affiliates make any representations or recommendations whatsoever regarding the Consent Solicitation Memorandum, or any document prepared in connection with it, the Proposal, the Extraordinary Resolution or the Consent Solicitation.

The distribution of the Consent Solicitation Memorandum in certain jurisdictions may be restricted by law. Persons into whose possession the Consent Solicitation Memorandum comes are required by the Issuer, the Solicitation Agent, the Tabulation Agent, the Paying Agent and the Fiscal Agent to inform themselves about, and to observe, any such restrictions.