

DATED 7 November 2024

ARION BANK HF.
(the *Issuer*)

DEUTSCHE BANK AKTIENGESELLSCHAFT
(the *Arranger*)

BARCLAYS BANK IRELAND PLC
BoFA SECURITIES EUROPE SA
CITIGROUP GLOBAL MARKETS EUROPE AG
DEUTSCHE BANK AKTIENGESELLSCHAFT
GOLDMAN SACHS BANK EUROPE SE
J.P. MORGAN SE
MORGAN STANLEY EUROPE SE
NOMURA FINANCIAL PRODUCTS EUROPE GMBH
PARETO SECURITIES AB
UBS EUROPE SE
(the *Initial Dealers*)

**AMENDED AND RESTATED PROGRAMME
AGREEMENT**

Arion Bank hf.
€3,000,000,000
Euro Medium Term Note Programme

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THIS AGREEMENT is dated 7 November 2024

BETWEEN:

- (1) **ARION BANK HF.** (the *Issuer*);
- (2) **DEUTSCHE BANK AKTIENGESELLSCHAFT** (the *Arranger*); and
- (3) **BARCLAYS BANK IRELAND PLC, BOFA SECURITIES EUROPE SA, CITIGROUP GLOBAL MARKETS EUROPE AG, DEUTSCHE BANK AKTIENGESELLSCHAFT, GOLDMAN SACHS BANK EUROPE SE, J.P. MORGAN SE, MORGAN STANLEY EUROPE SE, NOMURA FINANCIAL PRODUCTS EUROPE GMBH, PARETO SECURITIES AB and UBS EUROPE SE** (the *Initial Dealers*).

WHEREAS:

(A) The Issuer has established a €2,000,000,000 Euro Medium Term Note Programme (the *Programme*) for the issuance of Notes. The programme limit for the Programme was increased from €2,000,000,000 to €3,000,000,000 with effect from 10 July 2018.

(B) In connection with the Programme, an amended and restated programme agreement dated 16 October 2023 (the *Original Programme Agreement*) was entered into between and amongst the Issuer and the dealers named therein.

(C) The parties wish to amend and restate the Original Programme Agreement on the terms set out herein and to record the arrangements agreed between them in relation to the issue by the Issuer and the subscription by Dealers from time to time of Notes issued under the Programme.

IT IS AGREED:

1. DEFINITIONS AND INTERPRETATION

1.1 In this Agreement:

Affiliate (unless otherwise stated) has the meaning ascribed to such term by Rule 405 under the Securities Act;

Agency Agreement means the amended and restated agency agreement dated 7 November 2024, as further amended or supplemented from time to time, between the Issuer, the Fiscal Agent, the Registrar and the other Paying Agents referred to in it under which, amongst other things, the Fiscal Agent is appointed as issuing agent, principal paying agent and agent bank for the purposes of the Programme and the Registrar is appointed as registrar for the purposes of the programme;

Agreement Date means, in respect of any Notes, the date on which agreement is reached for the issue of such Notes as contemplated in Clause 2 which, in the case of Notes issued on a syndicated basis or otherwise in relation to which a Subscription Agreement is entered into, shall be the date on which the relevant Subscription Agreement is signed by or on behalf of all the parties to it except that for the purposes of the proviso to Clause 5.2(b) only, Agreement Date means the date on which the issue of Notes is first priced;

Agreements means each of this Agreement, the Agency Agreement, the Deed of Covenant, the Procedures Memorandum and the Issuer – ICSD Agreement;

Arranger means Deutsche Bank Aktiengesellschaft and any other entity appointed as an arranger for the Programme or in respect of any particular issue of Notes under the Programme and references in this Agreement to the **Arranger** shall be references to the relevant Arranger;

Base Prospectus means the base prospectus relating to the Notes prepared in connection with the Programme and constituting a base prospectus for the purposes of Article 8 of the Prospectus Regulation as revised, supplemented or amended from time to time by the Issuer in accordance with Clause 5.2 including any documents which are from time to time incorporated in the Base Prospectus by reference except that:

- (a) in relation to each Tranche of Notes, the applicable Final Terms shall be deemed to be included in the Base Prospectus; and
- (b) for the purpose of Clause 4.2 in respect of the Agreement Date and the Issue Date, the Base Prospectus means the Base Prospectus as at the Agreement Date but without prejudice to (a) above not including any subsequent revision, supplement or amendment to it or incorporation of information in it;

Bearer Notes means those Notes which are issued in bearer form;

CFR means the U.S. Code of Federal Regulations;

CGN means a Temporary Global Note in the form set out in Part 1 of Schedule 5 of the Agency Agreement or a Permanent Global Note in the form set out in Part 2 of Schedule 5 of the Agency Agreement, in either case where the applicable Final Terms specify the Notes as being in CGN form;

Clearstream, Luxembourg means Clearstream Banking, S.A.;

Code means the U.S. Internal Revenue Code of 1986, as amended from time to time;

Confirmation Letter means:

- (a) in respect of the appointment of a third party as a Dealer for the duration of the Programme, the confirmation letter substantially in the form set out in Part 2 of Appendix 3; and
- (b) in respect of the appointment of a third party as a Dealer for one or more particular issues of Notes under the Programme, the confirmation letter substantially in the form set out in Part 4 of Appendix 3;

Covered Affiliate has the meaning assigned to the term “affiliate” in, and shall be interpreted in accordance with, 12 U.S.C. § 1841(k);

Covered Entity means any of the following:

- (a) a “covered entity” as that term is defined in, and interpreted in accordance with, 12 CFR § 252.82(b);
- (b) a “covered bank” as that term is defined in, and interpreted in accordance with, 12 CFR § 47.3(b); or

- (c) a “covered FSI” as that term is defined in, and interpreted in accordance with, 12 CFR § 382.2(b);

CSSF means *Commission de Surveillance du Secteur Financier*;

Dealer means each of the Initial Dealers including Deutsche Bank Aktiengesellschaft, in its capacity as Arranger and any New Dealer and excludes any entity whose appointment has been terminated pursuant to Clause 10, and references in this Agreement to the **relevant Dealer** shall, in relation to any Notes, be references to the Dealer or Dealers with whom the Issuer has agreed the initial issue and purchase of such Notes;

Dealer Accession Letter means:

- (a) in respect of the appointment of a third party as a Dealer for the duration of the Programme, the dealer accession letter substantially in the form set out in Part 1 of Appendix 3; and
- (b) in respect of the appointment of a third party as a Dealer for one or more particular issues of Notes under the Programme, the dealer accession letter substantially in the form set out in Part 3 of Appendix 3;

Deed of Covenant means the deed of covenant dated 16 October 2023, substantially in the form set out in Schedule 2 to the Agency Agreement executed as a deed by the Issuer in favour of certain accountholders with Euroclear, Clearstream, Luxembourg and any other agreed clearing system;

Default Right has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 CFR §§ 252.81, 47.2 or 382.1, as applicable;

Economic Sanctions Law means any trade, economic or financial sanctions administered by OFAC, the U.S. State Department, any other agency of the U.S. government, the United Nations, the United Kingdom, the European Union, or Iceland or any applicable equivalent sanctions authority;

EEA State means each of the contracting parties to the Agreement on the European Economic Area;

Enforcement Event means the occurrence of any event or circumstance described in Condition 8.2(a);

Euroclear means Euroclear Bank SA/NV;

EUWA means the European Union (Withdrawal) Act 2018;

Exchange Act means the United States Securities Exchange Act of 1934;

FATCA Withholding Tax means any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the Code or otherwise imposed pursuant to Sections 1471 through 1474 of the Code (or any regulations thereunder or official interpretations thereof) or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any law implementing such an intergovernmental agreement);

Final Terms means the final terms issued in relation to each Tranche of Notes (substantially in the form of Annex 3 to the Procedures Memorandum) and giving details of that Tranche and, in relation to any particular Tranche of Notes, **applicable Final Terms** means the Final Terms applicable to that Tranche;

Fiscal Agent means Citibank, N.A., London Branch as Fiscal Agent under the Agency Agreement and any successor fiscal agent appointed in accordance with the Agency Agreement;

Global Note means a bearer global note representing Notes or one or more Tranches of the same Series, being a Temporary Global Note and/or, as the context may require in the case of notes in bearer form, a Permanent Global Note, in each case without coupons or talons;

ICSDs means Euroclear and Clearstream, Luxembourg;

IFRS means International Financial Reporting Standards (formerly International Accounting Standards) issued by the International Accounting Standards Board (IASB) and interpretations issued by the International Financial Reporting Interpretations Committee of the IASB (as amended, supplemented or re-issued from time to time);

Initial Documentation List means the list of documents set out in Appendix 1;

ISD means the Icelandic Securities Depository;

ISD Agent means Arion Bank hf. and any additional agent appointed by the Issuer from time to time in relation to the ISD Notes;

ISD Note means Notes issued in uncertificated book entry form cleared through the Icelandic Securities Depository;

Issuer – ICSDs Agreement means an agreement between the Issuer, Euroclear and Clearstream, Luxembourg;

Lead Manager means, in relation to any Tranche of Notes, the person named as the Lead Manager in the applicable Subscription Agreement;

Moody's means Moody's Investors Services Ltd.;

New Dealer means any entity appointed as an additional Dealer in accordance with Clause 11;

NGN means a Temporary Global Note in the form set out in Part 1 of Schedule 5 of the Agency Agreement or a Permanent Global Note in the form set out in Part 2 of Schedule 5 of the Agency Agreement, in either case where the applicable Final Terms specify the Notes as being in NGN form;

Note means a note issued or to be issued by the Issuer pursuant to this Agreement, which Note may be represented by a Global Note or Registered Global Note or be in definitive form and which may be in either bearer or registered form including, if in bearer form, any receipts, coupon or talons relating to it, or be an ISD Note;

NSS means, in relation to Notes in registered form, Notes that are to be held under the "New Safekeeping Structure";

OFAC means the Office of Foreign Assets Control of the U.S. Department of the Treasury;

Permanent Global Note means a permanent global note substantially in the form set out in Part 2 of Schedule 5 of the Agency Agreement, issued or to be issued (if indicated in the applicable Final Terms) by the Issuer pursuant to this Agreement either in respect of the Notes of the same Series or in exchange for the whole or part of a Temporary Global Note issued in respect of Notes of the same Series;

Procedures Memorandum means the Operating and Administrative Procedures Memorandum dated 7 November 2024 as amended or varied from time to time including, in respect of any Tranche, by agreement between the Issuer and the relevant Dealer or, if there is one, Lead Manager with the approval of the Fiscal Agent and, if applicable, the Registrar;

Programme Effectuation Authorisation means the document signed by the Issuer authorising and instructing the common safekeeper to perform certain functions in respect of the Notes (other than ISD Notes) as described thereunder;

Prospectus Regulation means Regulation (EU) 2017/1129 of the European Parliament and of the Council;

Registered Global Note means a registered global note substantially in the form set out in Part 3 of Schedule 5 of the Agency Agreement, issued or to be issued by the Issuer pursuant to this Agreement and issued in respect of the Notes of the same Tranche and registered in the name of a nominee for Euroclear, Clearstream, Luxembourg and/or any other clearing systems;

Registered Notes means Notes which are issued in registered form;

Registrar means Citibank N.A., London Branch as Registrar under the Agency Agreement, which expression shall include any successor or additional registrar appointed in accordance with the Agency Agreement;

Regulation S means Regulation S under the Securities Act;

Relevant Party means each Dealer, its affiliates and each person who controls that Dealer (within the meaning of section 15 of the Securities Act or section 20 of the Exchange Act) and each of their directors, officers, employees and agents;

Securities Act means the United States Securities Act of 1933;

Stock Exchange means the Luxembourg Stock Exchange or any other stock exchange on which any Notes may from time to time be listed, and references in this Agreement to the relevant Stock Exchange shall, in relation to any Notes, be references to the stock exchange or stock exchanges on which the Notes are from time to time, or are intended to be, listed;

Subscription Agreement means an agreement supplemental to this Agreement (by whatever name called) in or substantially in the form set out in Appendix 5 or in such other form as may be agreed between the Issuer and the Lead Manager or one or more Dealers (as the case may be);

Subsidiary means any entity whose affairs are required by law or in accordance with generally accepted accounting principles applicable in Iceland to be consolidated in the Issuer's consolidated accounts;

Temporary Global Note means a temporary global note substantially in the form set out in Part 1 of Schedule 5 of the Agency Agreement, issued or to be issued by the Issuer pursuant to this Agreement and issued in respect of the Notes of the same Tranche; and

U.S. Special Resolution Regime means each of (i) the Federal Deposit Insurance Act and the regulations promulgated thereunder and (ii) Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act and the regulations promulgated thereunder.

1.2 (a) In this Agreement, unless the contrary intention appears, a reference to:

- (i) an ***amendment*** includes a supplement, restatement or novation and ***amended*** is to be construed accordingly;
 - (ii) a ***person*** includes any individual, company, unincorporated association, government, state agency, international organisation or other entity;
 - (iii) a law or a provision of a law is a reference to that law or provision as extended, amended or re-enacted;
 - (iv) a clause or schedule is a reference to a clause of, or a schedule to, this Agreement;
 - (v) a person includes its successors and assigns;
 - (vi) a document is a reference to that document as amended from time to time; and
 - (vii) a time of day is a reference to London time;
- (b) the headings in this Agreement do not affect its interpretation;
- (c) terms defined in the Agency Agreement, the Conditions and/or the applicable Final Terms and not otherwise defined in this Agreement shall have the same meanings in this Agreement, except where the context otherwise requires;
- (d) all references in this Agreement to Euroclear and/or Clearstream, Luxembourg and/or ISD shall, wherever the context so permits, be deemed to include a reference to any additional or alternative clearing system approved by the Issuer, the Fiscal Agent, the Registrar (as applicable) or the ISD Agent (in the case of ISD Notes);
- (e) all references in this Agreement to “consolidated” in relation to the Issuer shall if it prepares both consolidated accounts and non-consolidated accounts in accordance with IFRS, be construed as references to “consolidated and non-consolidated”;
- (f) as used herein, in relation to any Notes which are to have a “listing” or to be “listed”
(i) on the Luxembourg Stock Exchange, ***listing*** and ***listed*** shall be construed to mean that such Notes have been admitted to trading on the Luxembourg Stock Exchange’s regulated market and have been listed on the official list of the Luxembourg Stock Exchange and (ii) on any other Stock Exchange in a jurisdiction within the European Economic Area, ***listing*** and ***listed*** shall be construed to mean that the Notes have been admitted to trading on a market within that jurisdiction which is a regulated market for the purposes of MiFID II; and
- (g) references in this Agreement to a Directive include any relevant decision of incorporation into the Agreement on the European Economic Area and any relevant implementing measure of each EEA State which has implemented such Directive.
- 1.3 This Agreement amends and restates the Original Programme Agreement. Any Notes issued on or after the date hereof shall be issued pursuant to this Agreement. This does

not affect any Note issues under the Programme created prior to the date of this Agreement.

2. AGREEMENTS TO ISSUE AND PURCHASE NOTES

2.1 Subject to the terms and conditions of this Agreement, the Issuer may from time to time agree with any Dealer to issue, and any Dealer may agree to purchase, Notes.

2.2 Unless otherwise agreed between the parties, on each occasion on which the Issuer and any Dealer agree on the terms of the issue by the Issuer and purchase by the Dealer of one or more Notes (other than ISD Notes):

(a) The Issuer shall cause the Notes which, in the case of Bearer Notes, shall be initially represented by a Temporary Global Note or a Permanent Global Note and, in the case of Registered Notes, shall be initially represented by a Registered Global Note, as indicated in the applicable Final Terms, to be issued and delivered on the agreed Issue Date:

(i) in the case of Temporary Global Notes or Permanent Global Notes, to (A) if the Notes are CGNs, a common depository or (B) if the Notes are NGNs, a common safekeeper in each case for Euroclear and Clearstream, Luxembourg; and

(ii) in the case of Registered Global Notes, to a common depository or, if the Notes are held under the NSS, common safekeeper, in each case for Euroclear and Clearstream, Luxembourg, as specified in the applicable Final Terms;

(b) in the case of (a) above, the securities account of the relevant Lead Manager (in the case of Notes issued on a syndicated basis) or the Fiscal Agent (in the case of Notes issued on a non-syndicated basis) with Euroclear and/or Clearstream, Luxembourg (as specified by the relevant Lead Manager or the Fiscal Agent, as the case may be) will be credited with the Notes on the agreed Issue Date, as described in the Procedures Memorandum; and

(c) the relevant Dealer or, as the case may be, the Lead Manager shall, subject to the Notes being so credited, cause the net purchase moneys for the Notes to be paid in the relevant currency by transfer of funds to the designated account of the Issuer (in the case of Notes issued on a syndicated basis) or the Fiscal Agent (in the case of Notes issued on a non-syndicated basis) so that the payment is credited to that account for value on the relevant Issue Date, as described in the Procedures Memorandum.

2.3 Unless otherwise agreed between the Issuer and the relevant Dealer, where more than one Dealer has agreed with the Issuer to purchase a particular Tranche of Notes under this clause, the obligations of those Dealers shall be joint and several.

2.4 Where the Issuer agrees with two or more Dealers to issue, and those Dealers agree to purchase, Notes on a syndicated basis, the Issuer shall enter into a Subscription Agreement with those Dealers. The Issuer may also enter into a Subscription Agreement with one Dealer only. For the avoidance of doubt, the Agreement Date in respect of any such issue shall be the date on which the Subscription Agreement is signed by or on behalf of all the parties to it.

2.5 The procedures which the parties intend should apply for the purposes of issues of Notes (other than ISD Notes) to be subscribed on a non-syndicated basis are set out in Annex 1, Part 1 (in the case of Bearer Notes) and Annex 1, Part 2 (in the case of Registered Notes) of

the Procedures Memorandum. The procedures which the parties intend should apply for the purposes of issues of Notes (other than ISD Notes) to be subscribed on a syndicated basis are set out in Annex 1, Part 3 1 (in the case of Bearer Notes) and Annex 1, Part 4 (in the case of Registered Notes) of the Procedures Memorandum. These procedures may be varied in respect of any issue by agreement between the parties to that issue.

2.6 The Issuer acknowledges that any issue of Notes in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply may only be issued in circumstances which comply with those laws, guidelines, regulations, restrictions or reporting requirements from time to time.

2.7 Each Dealer acknowledges that the Issuer may sell Notes issued under the Programme to any institution which has not become a Dealer pursuant to Clause 11. The Issuer undertakes to each of the Dealers that it will, in relation to any such sales, comply with the restrictions and agreements set out in Appendix 2 as if it were a Dealer.

2.8 The Issuer confirms that it is acting (or will act, as the case may be) as principal for its own account and not on behalf any other person in relation to (i) the entry into of (A) this Agreement and (B) any Subscription Agreement and (ii) the issue of any Notes.

2.9 On each occasion upon which the Issuer and any Dealer shall agree on the terms of the issue and purchase of one or more ISD Notes by such Dealer, including any of the matters relating to the ISD Notes set out in the Base Prospectus, the Issuer shall cause such ISD Notes to be issued and included by book entries in the records of the Icelandic Securities Depository so that the securities account of such Dealer with the Icelandic Securities Depository (as specified by such Dealer) is credited with such ISD Notes on the agreed date of issue and such Dealer shall, against such Notes being so credited and unless otherwise agreed in relation to partly-paid Notes, cause the net subscription money for such Notes to be paid in the relevant currency by transfer of funds to the relevant cash account(s) of the ISD Agent with the Icelandic Securities Depository so that such payment is credited to such account(s) for value on such date of issue. The procedures which the parties intend should apply for the purposes of this clause shall be agreed between the parties in advance of any issue of ISD Notes.

3. CONDITIONS OF ISSUE; UPDATING OF LEGAL OPINIONS

First issue

3.1 Before the Issuer reaches its first agreement with any Dealer for the issue and purchase of Notes under this Agreement, each Dealer shall have received, and found satisfactory (in its reasonable opinion), all of the documents and confirmations described in Part 1 of the Initial Documentation List. Any Dealer must notify the Arranger and the Issuer within seven London business days of receipt of the documents and confirmations described in Part 1 of the Initial Documentation List if in its reasonable opinion it considers any document or confirmation to be unsatisfactory and, in the absence of notification, each Dealer shall be deemed to consider the documents and confirmations to be satisfactory.

Each issue

3.2 The obligations of a Dealer under any agreement for the issue and purchase of Notes made under Clause 2 are conditional on:

- (a) there having been, as at the proposed Issue Date, no material adverse change or any development involving a prospective material adverse change from that set forth in the Base Prospectus as at the relevant Agreement Date in the consolidated condition

(financial or otherwise), results of operations, prospects or business affairs of the Issuer nor the occurrence of any event making untrue or incorrect any of the representations and warranties contained in Clause 4;

- (b) there being no outstanding breach of any of the obligations of the Issuer under this Agreement, the Agency Agreement, the Deed of Covenant or any Notes which has not been expressly waived by the relevant Dealer on or prior to the proposed Issue Date;
- (c) subject to Clause 12, the aggregate nominal amount (or, in the case of Notes denominated in a currency other than euro, the euro equivalent (determined as provided in Clause 3.6) of the aggregate nominal amount) of the Notes to be issued, when added to the aggregate nominal amount (or, in the case of Notes denominated in a currency other than euro, the euro equivalent (as so determined) of the aggregate nominal amount) of all Notes outstanding (as defined in the Agency Agreement) on the proposed Issue Date (excluding for this purpose Notes due to be redeemed on the Issue Date) not exceeding €3,000,000,000;
- (d) in the case of Notes which are intended to be listed, the relevant authority or authorities having agreed to list the Notes, subject only to the issue of the relevant Notes;
- (e) no meeting of the holders of Notes (or any of them) having been duly convened but not yet held or, if held but adjourned, the adjourned meeting having not been held and the Issuer not being aware of any circumstances which are likely to lead to the convening of such a meeting;
- (f) there having been, between the Agreement Date and the Issue Date for the Notes, in the opinion of the relevant Dealer, no such change in national or international financial, political or economic conditions or currency exchange rates or exchange controls as would, in the opinion of the relevant Dealer, be likely to either (i) prejudice materially the sale by the Dealer of the Notes proposed to be issued or, where relevant, dealings in the Notes in the secondary market, or (ii) materially change the circumstances prevailing at the Agreement Date;
- (g) there being in full force and effect all governmental or regulatory resolutions, approvals or consents required for the Issuer to issue the Notes on the proposed Issue Date and for the Issuer to fulfil its obligations under the Notes, including any applicable exemptions that may be obtained from the Icelandic Directorate of Internal Revenue (the **RSK**) in accordance with Clause 4.1(k), and the Issuer having delivered to the relevant Dealer certified copies of those resolutions, approvals or consents and, where applicable, certified English translations of them;
- (h) there having been, between the Agreement Date and the Issue Date, no downgrading in the rating of any of the Issuer's debt by Moody's or the placing on "Creditwatch" with negative implications or similar publication of formal review by Moody's;
- (i) the forms of the Final Terms, the applicable Notes in relation to the relevant Tranche and the relevant settlement procedures having been agreed by the Issuer, the relevant Dealer, the Fiscal Agent and, if applicable, the Registrar;
- (j) the relevant currency being accepted for settlement by Euroclear and Clearstream, Luxembourg or, in the case of an issue of ISD Notes, ISD;
- (k) the delivery to the relevant custodian of the Registered Global Note representing the Registered Notes and/or the delivery to the common depository or the common

safekeeper, as the case may be, of the Temporary Global Note and/or the Permanent Global Note representing the relevant Notes, in each case as provided in the Agency Agreement or, in the case of an issue of ISD Notes, the ISD confirming that the ISD Notes will be registered in the ISD on the Issue Date;

- (l) any calculations or determinations which are required by the relevant Conditions to have been made prior to the Issue Date having been duly made;
- (m) in the case of Notes which are intended to be listed on a European Economic Area Stock Exchange:
 - (i) the denomination of the Notes being €100,000 (or its equivalent in any other currency) or more;
 - (ii) either (A) there being no significant new factor, material mistake or material inaccuracy relating to the information included in the Base Prospectus which may affect the assessment of the Notes which are intended to be listed or (B) if there is such a significant new factor, material mistake or material inaccuracy, a supplement to the Base Prospectus having been published in accordance with the Prospectus Regulation pursuant to Clause 5.2;
 - (iii) the Base Prospectus having been approved as a base prospectus by the CSSF having been published in accordance with the Prospectus Regulation; and
 - (iv) the applicable Final Terms having been published in accordance with the Prospectus Regulation;
- (n) in the case of Notes which are intended to be listed on a European Economic Area Stock Exchange (other than the Luxembourg Stock Exchange), the competent authority of each relevant EEA State having been notified in accordance with the procedures set out in Articles 24 and 25 of the Prospectus Regulation and all requirements under those Articles having been satisfied;
- (o) in the case of Notes (i) which are intended to be offered to the public in an EEA state and which are not intended to be listed on an European Economic Area Stock Exchange or (ii) which are intended to be offered to the public in the United Kingdom, no such Notes are being offered in circumstances which require the publication of a prospectus under the Prospectus Regulation or section 85 of the Financial Services and Markets Act 2000 (the *FSMA*), as the case may be; and
- (p) in the case of ISD Notes, such additional condition precedent documentation (if any) as shall be included in the relevant agreement reached under Clause 2.

In the event that any of the above conditions is not satisfied, the relevant Dealer shall be entitled (but not bound) by notice to the Issuer to be released and discharged from its obligations under the agreement reached under Clause 2.

Waiver

3.3 Subject to the discretion of the Lead Manager as provided in a Subscription Agreement, any Dealer, on behalf of itself only, may by notice in writing to the Issuer waive any of the conditions precedent contained in Clause 3.2 (save for the conditions precedent contained in Clause 3.2(c), Clause 3.2(m), Clause 3.2(n) and Clause 3.2(o)) in so far as they relate to an issue of Notes to that Dealer.

Updating of legal opinions

3.4 On each occasion when the Base Prospectus is updated or amended pursuant to Clause 5.2(a), the Issuer will procure that further legal opinions, in such form and with such content as the Dealers may reasonably require, are delivered, at the expense of the Issuer, to the Dealers from legal advisers (approved by the Dealers) in Iceland and England.

3.5 In addition, on such other occasions as a Dealer so requests the Issuer (on the basis of reasonable grounds which shall include, without limitation, the publication of a supplement to the Base Prospectus in accordance with the Prospectus Regulation save where that supplement is published solely in the circumstances described in Clause 5.2(c) below), the Issuer will procure that a further legal opinion or further legal opinions, as the case may be, in such form and with such content as the Dealers may reasonably require, is or are delivered, at the expense of the Issuer to the Dealers from legal advisers (approved by the Dealers) in such jurisdictions (including Iceland and/or England) as the Dealers may reasonably require. If at or prior to the time of any agreement to issue and purchase Notes under Clause 2 such a request is made with respect to the Notes to be issued, the receipt of the relevant opinion or opinions by the relevant Dealer in a form satisfactory to the relevant Dealer shall be a further condition precedent to the issue of those Notes to that Dealer.

Determination of amounts outstanding

3.6 For the purposes of Clause 3.2(c):

- (a) the euro equivalent of Notes denominated in another Specified Currency shall be determined, at the discretion of the Issuer, either as of the Agreement Date for those Notes or on the preceding day on which commercial banks and foreign exchange markets are open for general business in London, in each case on the basis of the spot rate for the sale of the euro against the purchase of that Specified Currency in the London foreign exchange market quoted by any leading international bank selected by the Issuer on the relevant day of calculation; and
- (b) the euro equivalent of Zero Coupon Notes and other Notes issued at a discount or a premium shall be calculated in the manner set out above by reference to the net proceeds received by the Issuer for the relevant issue.

4. REPRESENTATIONS, WARRANTIES AND UNDERTAKINGS

4.1 As at the date of this Agreement, the Issuer represents, warrants and undertakes to the Dealers and each of them as follows:

- (a) that:
 - (i) the most recently published audited consolidated financial statements of the Issuer (the *audited accounts*); and
 - (ii) the most recently published unaudited interim consolidated financial statements of the Issuer,

were in each case prepared in accordance with the requirements of the Prospectus Regulation and that, in each case, they give a true and fair view of the consolidated financial condition of the Issuer as at the date to which they were prepared (the *relevant date*) and the consolidated results of operations of the Issuer for the financial period ended on the relevant date and that there has been no material adverse change or any

development involving a prospective material adverse change in the consolidated condition (financial or otherwise), results of operations, prospects or business affairs of the Issuer since the date of the last audited accounts, except as disclosed in the Base Prospectus;

- (b) that (i) the Base Prospectus contains all material information with respect to the Issuer and the Notes, to be issued under this Agreement, (ii) the Base Prospectus does not contain an untrue statement of a material fact or omit to state a material fact that is necessary in order to make the statements made in the Base Prospectus, in the light of the circumstances under which they were made, not misleading and there is no other fact or matter omitted from the Base Prospectus which was or is necessary information which is material to an investor to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer and of the rights attaching to the Notes, to be issued under this Agreement, (iii) the statements of intention, opinion, belief or expectation contained in the Base Prospectus are honestly and reasonably made or held and (iv) all reasonable enquiries have been made by or on behalf of the Issuer to ascertain such facts and to verify the accuracy of all such statements;
- (c) that the Base Prospectus contains all the information (if any) required by Icelandic law and regulations and otherwise complies with such law and regulations to the extent applicable to the Programme and has been published as required by the Prospectus Regulation;
- (d) that the Issuer and each of its consolidated Subsidiaries has been duly incorporated and is validly existing in good standing under the laws of its jurisdiction of incorporation with full power and authority to own, lease and operate its properties and conduct its business as described in the Base Prospectus and, in the case of the Issuer, to execute and perform its obligations under the Agreements to which it is a party;
- (e) that the Issuer (i) has, or has made an application to obtain, all licences, permits, authorisations, consents and approvals, certificates, registrations and orders and has made all necessary declarations and filings with all government agencies that are necessary to own or lease its properties and conduct its businesses as described in the Base Prospectus and (ii) is conducting its business and operations in compliance with all applicable laws, regulations and guidelines;
- (f) that the issue of Notes and the execution and delivery of the Agreements by the Issuer have been duly authorised by the Issuer and, in the case of Notes, upon due execution, issue and delivery in accordance with the Agency Agreement, will constitute, and, in the case of the Agreements constitute, legal, valid and binding obligations of the Issuer enforceable in accordance with their respective terms subject to the laws of bankruptcy and other laws affecting the rights of creditors generally;
- (g) that the execution and delivery of the Agreements, the issue, offering and distribution of Notes and the performance of the terms of any Notes and the Agreements will not infringe any law, regulation, order, rule, decree or statute applicable to the Issuer or to which its property may be subject and are not contrary to the provisions of the constitutional documents of the Issuer and will not result in any breach of the terms of, or constitute a default under, any instrument, agreement or order to which the Issuer is a party or by which the Issuer or its property is bound;
- (h) that the Issuer (i) (A) is not in breach of the terms of, or in default under, any instrument, agreement or order to which it is a party or by which it or its property is bound and no

event has occurred which with the giving of notice or lapse of time or other condition would constitute a default under any such instrument, agreement or order and (B) except as disclosed in the Base Prospectus is not engaged (whether as defendant or otherwise) in, nor has the Issuer knowledge of the existence of, or any threat of, any legal, arbitration, administrative, governmental or other proceedings, the result of which, in the case of (A) and/or (B) above, might relate to claims or amounts which might be material in the context of the Programme and/or the issue and offering of Notes under the Programme or which might have or have had a material adverse effect on the consolidated financial condition, results of operations, profitability or business of the Issuer and (ii) has not taken any action nor, to the best of its knowledge or belief having made all reasonable enquiries, have any steps been taken or legal proceedings commenced for the winding up or dissolution of the Issuer;

(i) that:

- (i) in the case of Senior Preferred Notes where Unrestricted Events of Default is specified as being applicable in the applicable Final Terms, no Event of Default has occurred or circumstances arisen which, had any Senior Preferred Notes where Unrestricted Events of Default is specified as being applicable in the applicable Final Terms already been issued, might reasonably be expected to (whether or not with the giving of notice and/or the passage of time and/or the fulfilment of any other requirement or condition) constitute an Event of Default as described in Condition 8.1; and
- (ii) in the case of Senior Non-Preferred Notes, Subordinated Notes, and Senior Preferred Notes (other than Senior Preferred Notes where Unrestricted Events of Default is specified as being applicable in the applicable Final Terms), no Enforcement Event has occurred or circumstances arisen which, had any Senior Non-Preferred Notes, Subordinated Notes, or Senior Preferred Notes (other than Senior Preferred Notes where Unrestricted Events of Default is specified as being applicable in the applicable Final Terms) already been issued, might reasonably be expected to (whether or not with the giving of notice and/or the passage of time and/or the fulfilment of any other requirement or condition) constitute an Enforcement Event;

(j) that:

- (i) in the case of an issue of Subordinated Notes, no event which with the giving of notice or lapse of time or other condition would constitute (A) a Tax Event or (B) a Capital Event, in each case, is subsisting in relation to any outstanding Subordinated Note and no event has occurred or circumstance arisen which would constitute (after such issue of Subordinated Notes) such a Tax Event or, as the case may be, Capital Event thereunder or which with the giving of notice or lapse of time or other condition would (after such issue of Subordinated Notes) constitute such a Tax Event or, as the case may be, Capital Event;
- (ii) in the case of an issue of (i) Senior Non-Preferred Notes or (ii) Senior Preferred Notes (other than Senior Preferred Notes in respect of which Unrestricted Events of Default is specified as being applicable in the applicable Final Terms), no event which with the giving of notice or lapse of time or other condition would constitute (A) a Tax Event or (B) a MREL Disqualification Event, in each case, is subsisting in relation to any outstanding such Note and no event has occurred or circumstance arisen

which would constitute (after such issue of the relevant Notes) such a Tax Event or, as the case may be, MREL Disqualification Event thereunder or which with the giving of notice or lapse of time or other condition would (after such issue of Notes) constitute such a Tax Event or, as the case may be, MREL Disqualification Event;

- (iii) in the case of an issue of Senior Preferred Notes in respect of which Unrestricted Events of Default is specified as being applicable in the applicable Final Terms, no event which with the giving of notice or lapse of time or other condition would constitute a Tax Event is subsisting in relation to any outstanding such Note and no event has occurred or circumstance arisen which would constitute (after such issue of the relevant Notes) such a Tax Event thereunder or which with the giving of notice or lapse of time or other condition would (after such issue of Notes) constitute such a Tax Event;
- (k) that (i) all required consents, approvals, authorisations, orders, filings, registrations or qualifications of or with any court or governmental authority have been given, fulfilled or done (including, but not limited to, any applicable exemptions that may be obtained from the RSK ensuring that payments of interest to Noteholders residing outside of Iceland will not constitute taxable income in Iceland under the provisions of Article 3(8) of the Income Tax Act no. 90/2003 (save for the certificate from the RSK confirming the exempt status of any issue of Notes under the Programme, which will be obtained by the Issuer prior to the Issue Date of the relevant Tranche of Notes and the registration of the Notes with the RSK which will be done by the Issuer prior to the Issue Date of the relevant Tranche of Notes) and (ii) no other action or thing (including, without limitation, the payment of any stamp or other similar tax or duty) is required to be taken, fulfilled or done by the Issuer for or in connection with (A) the execution, issue and offering of Notes under the Programme and compliance by the Issuer with the terms of any Notes issued under the Programme or (B) the execution and delivery of, and compliance with the terms of, the Agreements;
- (l) that, save as described in the Base Prospectus (including any supplement or amendments thereto), all payments of principal, premium and interest by or on behalf of the Issuer in respect of the Notes made to holders of the Notes who are non-residents of Iceland shall be made without withholding or deduction for any taxes or duties imposed or levied by or on behalf of Iceland or any political subdivision or any authority thereof or therein having power to tax;
- (m) that all corporate approvals and authorisations required by the Issuer for or in connection with (i) the execution, issue and offering of Notes under the Programme and compliance by the Issuer with the terms of any Notes issued under the Programme and (ii) the execution and delivery of, and compliance with the terms of, the Agreements have been obtained and are in full force and effect;
- (n) that each of the Issuer and its consolidated Subsidiaries maintains a system of internal accounting controls sufficient to provide reasonable assurance that (i) transactions are executed in accordance with management's general or specific authorisations; (ii) transactions are recorded as necessary to (A) permit preparation of financial statements in conformity with accounting rules and standards generally applicable in its jurisdiction of incorporation and/or with IFRS and (B) maintain accountability for assets; (iii) access to assets is permitted only in accordance with management's general or specific authorisation; and (iv) each of the Issuer and its consolidated Subsidiaries (if any) has made and kept books, records and accounts which, in reasonable detail,

accurately and fairly reflect the transactions and dispositions of assets of such entity and provide a sufficient basis for the preparation of the Issuer's consolidated financial statements in accordance with IFRS and neither the Issuer nor any of its Subsidiaries has experienced any material difficulties with regard to (i) to (iv) above;

- (o) all returns, reports or filings which ought to have been made by or in respect of the Issuer for taxation purposes have been made and to the best of the Issuer's knowledge all such returns are up to date, correct and on a proper basis and are not the subject of any material dispute with the relevant revenue or other appropriate authorities and the Issuer is not aware of any present circumstances likely to give rise to any such material dispute. The Issuer reasonably believes that the provisions for income tax included in its financial statements have been calculated on a proper basis in respect of all accounting periods ended on or before the accounting reference date to which the financial statements relate for which the Issuer was then or might at any time thereafter become or have become liable. To date, the Issuer is not aware of any tax deficiency which has arisen or has been asserted against the Issuer that would be considered material in the context of the issue of the Notes;
- (p) that it is not necessary under the laws of Iceland that any Noteholder, Dealer or Fiscal Agent should be licensed, qualified or otherwise entitled to carry on business in Iceland (i) to enable any of them to enforce their respective rights under the Notes or the Agreements or (ii) solely by reason of the execution, delivery or performance of the Agreements or the Notes;
- (q) that:
 - (i) any Senior Preferred Notes will, upon issue, be direct and unsubordinated obligations of the Issuer and rank *pari passu* without any preference among themselves and, in the event of a Winding-Up, have the ranking described in Condition 2.1(b);
 - (ii) any Senior Non-Preferred Notes will, upon issue, be direct and unsubordinated obligations of the Issuer and rank *pari passu* without any preference among themselves and, in the event of a Winding-Up, have the ranking as described in Condition 2.2(b); and
 - (iii) any Subordinated Notes will, upon issue, constitute subordinated and unsecured obligations of the Issuer and rank *pari passu* without any preference among themselves and, in the event of a Winding-Up, have the ranking as described in Condition 2.3;
- (r) that in relation to each Tranche of Notes for which any Dealer is named as a Stabilisation Manager in the applicable Final Terms, it has not issued and will not issue, without the prior consent of any such Dealer, any press or other public announcement referring to the proposed issue of Notes unless the announcement adequately discloses that stabilising action may take place in relation to the Notes to be issued and the Issuer authorises such Dealer to make all appropriate disclosure in relation to stabilisation instead of the Issuer;
- (s) that none of the Issuer, its affiliates, nor any persons acting on any of their behalf (other than the Dealers or their affiliates, as to which the Issuer makes no representations or warranties), has taken or will take, directly or indirectly, any action designed to cause or to result in, or that has constituted or which might reasonably be expected to cause

or result in, the stabilisation in violation of applicable laws or manipulation of the price of any debt security of the Issuer to facilitate the sale or resale of any Notes;

- (t) that the Issuer is a foreign issuer (as defined in Rule 902(e) under the Securities Act) and the Issuer, its affiliates and any persons acting on any of their behalf, (other than the Dealers, as to which the Issuer makes no representations) has complied and will comply with the offering restrictions requirement of Regulation S under the Securities Act;
- (u) that none of the Issuer, its affiliates, nor any persons acting on any of their behalf (other than the Dealers, as to which the Issuer makes no representations or warranties), has engaged or will engage in any directed selling efforts (as defined in Regulation S under the Securities Act) with respect to the Notes;
- (v) that neither the Issuer nor its affiliates will during the restricted period, except to the extent permitted under U.S. Treas. Reg. Section 1.163-5(c)(2)(i)(D), permit offers or sales of Notes to be made in the United States or its possessions or to United States persons, provided however, that the Issuer makes no such representation or warranty in respect of any activity undertaken by the Dealers or their affiliates in respect of the Notes. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and the Treasury Regulations promulgated thereunder;
- (w) save as disclosed in the Base Prospectus, the operations of the Issuer and its Subsidiaries are and have been conducted at all times in compliance with applicable financial record keeping and reporting requirements and all applicable laws relating to money laundering of Iceland and of all jurisdictions in which the Issuer and its Subsidiaries conduct business, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any governmental agency (collectively, **Money Laundering Laws**) and no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Issuer or any of its Subsidiaries or any of their respective officers, directors or employees with respect to Money Laundering Laws is pending and, to the best of the Issuer's knowledge, no such actions, suits or proceedings are threatened or contemplated;
- (x) the Issuer and its Subsidiaries have instituted and continue to maintain policies and procedures designed to detect money laundering and to promote and achieve and enforce compliance with Money Laundering Laws;
- (y) the Issuer will not, and will ensure that all of its Subsidiaries, and their respective officers, directors and employees, will not directly or indirectly use the transaction proceeds for any purpose that would breach Money Laundering Laws;
- (z) that neither the Issuer nor any of its Subsidiaries, nor any director, officer, agent, employee or other person associated with or acting on behalf of the Issuer or any of its Subsidiaries, has (i) used any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expense relating to political activity; (ii) made any unlawful payment, directly or indirectly, to any foreign or domestic government official or employee; (iii) violated or is in violation of any applicable anti-bribery or anti-corruption law or regulation enacted in any jurisdiction (together the **Anti-Bribery and Corruption Laws**); or (iv) made, offered or promised to make, or authorised the payment or giving of any bribe, rebate, payoff, influence payment, facilitation payment, kickback or other unlawful payment or gift of money or anything of value prohibited under any applicable anti-bribery or anti-corruption law or regulation;

- (aa) that the Issuer and its Subsidiaries have instituted and will maintain and enforce policies and procedures designed to ensure compliance with the Anti-Bribery and Corruption Laws and Economic Sanctions Laws;
- (bb) that the Issuer and its Subsidiaries will not directly or indirectly use, lend or contribute the proceeds raised under this Agreement for any purpose that would breach the Anti-Bribery and Corruption Laws;
- (cc) that, to the best of the Issuer's knowledge and belief, no actions or investigations by any governmental or regulatory agency are ongoing or threatened against the Issuer, its Subsidiaries, or any of their directors, officers, employees or any person acting on their behalf in relation to a breach of the Anti-Bribery and Corruption Laws;
- (dd) that neither the Issuer nor any of its Subsidiaries and no director or officer nor, to the knowledge of the Issuer, any agent, employee or affiliate of the Issuer or any of its Subsidiaries is currently the subject of any Economic Sanctions Law or located, organised or resident in a country or territory that is the subject or the target of Economic Sanctions Laws (currently, Cuba, Iran, North Korea, the Crimea region of Ukraine, the so-called Donetsk People's Republic, the so-called Luhansk People's Republic and Syria) or conducting business with any person, entity or country (which territories, as of the date of this Agreement, include Cuba, Iran, North Korea, the Crimea region of Ukraine, the so-called Donetsk People's Republic, the so-called Luhansk People's Republic and Syria) which is the subject of any Economic Sanctions Law;
- (ee) the Issuer and its Subsidiaries will not directly or indirectly use any proceeds of any offering of Notes under the Programme, or lend, invest, contribute or otherwise make available such proceeds to any person or entity (whether or not related to the Issuer) for the purpose of financing any activities with or for the benefit of any person or entity, or involving any country, that is the subject of any Economic Sanctions Law; and
- (ff) that, in relation to an agreement for the issue and purchase of a particular Tranche of Notes and for the benefit of the relevant Dealers only (i) any presentation materials approved by the Issuer and used by the Issuer in meetings with prospective investors in connection with that offering of Notes under the Programme (the *Investor Presentations*), and any other material approved by the Issuer in writing for use by the relevant Dealers in connection with such offering and sale of any Notes under the Programme, were true and accurate in all material respects and, in light of the circumstances in which they were made, not misleading; (ii) the statements of opinion, belief or expectation contained in the Investor Presentations or such other materials were honestly and reasonably held or made; and (iii) all reasonable enquiries have been made by or on behalf of the Issuer to ascertain such facts and to verify the accuracy of all such statements.

4.2 With regard to each issue of Notes, the Issuer shall be deemed to repeat the representations, warranties and undertakings contained in Clause 4.1 as at the Agreement Date for such Notes (any agreement on such Agreement Date being deemed to have been made on the basis of, and in reliance on, those representations, warranties and undertakings) and as at the Issue Date of such Notes.

4.3 The Issuer shall be deemed to repeat the representations, warranties and undertakings contained in Clause 4.1 on each date on which the Base Prospectus is revised, supplemented or amended and on each date on which the aggregate nominal amount of the Programme is increased in accordance with Clause 12.

4.4 The representations, warranties and undertakings contained in this Clause shall continue in full force and effect notwithstanding the actual or constructive knowledge of any Dealer with respect to any of the matters referred to in the representations, warranties and undertakings set out above, any investigation by or on behalf of the Dealers or completion of the subscription and issue of any Notes.

4.5 The representations and warranties given in Clauses 4.1(dd) and 4.1(ee) shall only be made to each Dealer incorporated in Germany only insofar as it would not lead to and/or result in a breach of Section 7 of the German Foreign Trade Ordinance (*Verordnung zur Durchführung des Außenwirtschaftsgesetzes (Außenwirtschaftsverordnung – AWV)*) or any other applicable anti-boycott or similar laws or regulations.

4.6 Each of the Dealers acknowledges and agrees that the representations and warranties given in in Clauses 4.1(dd) and 4.1(ee) are only sought and given to the extent that to do so would not be a violation of (i) Regulation (EC) 2271/96 (the **Blocking Regulation**) or any applicable law or regulation implementing the Blocking Regulation in any member state of the European Union and (ii) Council Regulation (EC) No. 2271/96 as it forms part of UK domestic law by virtue of the EUWA (the **UK Blocking Regulation**).

5. UNDERTAKINGS OF THE ISSUER

Notification of material developments

5.1 (a) The Issuer shall promptly after becoming aware of the occurrence thereof notify each Dealer of:

(i) (A) any Event of Default or Enforcement Event (as applicable) or any condition, event or act which would after an issue of Notes (or would with the giving of notice and/or the lapse of time) constitute an Event of Default or Enforcement Event (as applicable) or (B) any breach of its representations, warranties or undertakings contained in the Agreements; and

(ii) any development affecting the Issuer or any of its businesses which is material in the context of the Programme or any issue of Notes.

(b) If, following the Agreement Date and on or before the Issue Date of the relevant Notes, the Issuer becomes aware that any of the conditions specified in Clause 3.2 will not be satisfied in relation to that issue, the Issuer shall forthwith notify the relevant Dealer to this effect giving full details thereof. In such circumstances, the relevant Dealer shall be entitled (but not bound) by notice to the Issuer to be released and discharged from its obligations under the agreement reached under Clause 2.

(c) Without prejudice to the generality of this Clause 5.1, the Issuer shall from time to time promptly furnish to each Dealer any information relating to the Issuer which the Dealer may reasonably request.

Updating of Base Prospectus

5.2 (a) On or before the first issue of Notes falling more than 12 months after the date on which the Base Prospectus was most recently published or updated and amended, as the case may be, the Issuer shall update or amend the Base Prospectus (following consultation with the Arranger who will consult with the Dealers) by the publication of a new Base Prospectus, in each case in a form approved by the Dealers.

- (b) Subject as set out in the proviso below, in the event of (i) a significant new factor, material mistake or inaccuracy relating to the information included in the Base Prospectus which may affect the assessment of the Notes arising or being noted, (ii) a change in the condition of the Issuer which is material in the context of the Programme or the issue of any Notes or (iii) the Base Prospectus otherwise coming to contain an untrue statement of a material fact or omitting to state a material fact necessary to make the statements contained therein not misleading or if it is necessary at any time to amend the Base Prospectus to comply with, or reflect changes in, the laws or regulations of Iceland or any other relevant jurisdiction the Issuer shall update or amend the Base Prospectus (following consultation with the Arranger who will consult with the Dealers) by the publication in accordance with the Prospectus Regulation of a supplement to it or a new Base Prospectus, in each case in a form approved by the Dealers other than where a supplement has been prepared in accordance with (c) below provided that the Issuer undertakes that in the period from and including an Agreement Date to and including the related Issue Date of the new Notes, it will only prepare and publish a supplement to, or replacement of, the Base Prospectus if it is required, or has reasonable grounds to believe that it is required, to do so to comply with Article 23(1) of the Prospectus Regulation and, in such circumstances, only to the extent that Article 23(2) of the Prospectus Regulation applies to such new Notes such supplement to, or replacement of, the Base Prospectus shall, solely as between the Issuer and the relevant Dealer and solely for the purposes of such Article of the Prospectus Regulation and Clause 3.2(a), be deemed to have been prepared and published so as to comply with the requirements of Article 23(1) of the Prospectus Regulation.
- (c) On each occasion on which the Issuer publishes annual or interim consolidated financial statements, the Issuer will prepare and publish in accordance with the Prospectus Regulation a supplement to the Base Prospectus either setting out those financial statements or incorporating them by reference in the Base Prospectus.
- (d) If the terms of the Programme are modified or amended in a manner which would make the Base Prospectus inaccurate or misleading, a new Base Prospectus will be prepared and published in accordance with the Prospectus Regulation by the Issuer in a form approved by the Dealers.
- (e) Upon any supplement or replacement Base Prospectus being prepared and published as provided above the Issuer shall promptly without cost to the Dealers supply to each Dealer such number of copies of such supplement or replacement Base Prospectus as each Dealer may reasonably request. Until a Dealer receives such supplement or replacement Base Prospectus, as the case may be, the definition of Base Prospectus in Clause 1.1 shall, in relation to such Dealer, mean the Base Prospectus prior to the publication of such supplement or replacement Base Prospectus, as the case may be.

Listing and public offers

5.3 The Issuer:

- (a) in the case of Notes which are intended to be listed on the Luxembourg Stock Exchange shall cause an initial application to be made for Notes issued under the Programme to be listed on the Luxembourg Stock Exchange; and
- (b) in the case of Notes which are intended to be listed on the Luxembourg Stock Exchange or offered to the public in an EEA State in circumstances which require the publication of a prospectus under the Prospectus Regulation confirms that the Base Prospectus has been approved as a base prospectus by the CSSF and that it and the applicable Final

Terms have been published in accordance with the Prospectus Regulation and that the applicable Final Terms have been filed in accordance with the Prospectus Regulation.

5.4 If in relation to any issue of Notes, it is agreed between the Issuer and the relevant Dealer or the Lead Manager, as the case may be, to list the Notes on a Stock Exchange, the Issuer undertakes to use its best endeavours to obtain and maintain the listing of the Notes on that Stock Exchange. If any Notes cease to be listed on the relevant Stock Exchange, the Issuer shall use its best endeavours promptly to list the Notes on such other stock exchange or exchanges as may be selected by the Issuer. The Issuer will promptly notify the relevant Dealer or, as the case may be, the Lead Manager of any change in the listing or admission to trading of the Notes. For the avoidance of doubt, where the Issuer has obtained the listing of Notes on a regulated market in the European Economic Area, the undertaking extends to maintaining that listing or, if this is not possible, to obtaining the listing of the relevant Notes on another European Economic Area regulated market.

5.5 The Issuer shall comply with the rules of each relevant Stock Exchange (or any other relevant authority or authorities) and shall otherwise comply with any undertakings given by it from time to time to the relevant Stock Exchange (or any other relevant authority or authorities) in connection with the listing of any Notes on that Stock Exchange and, without prejudice to the generality of the foregoing, shall furnish or procure to be furnished to the relevant Stock Exchange (or any other relevant authority or authorities) all the information which the relevant Stock Exchange (or any other relevant authority or authorities) may require in connection with the listing on that Stock Exchange of any Notes.

The Agreements

5.6 The Issuer undertakes that it will not:

- (a) except with the consent of the Dealers, terminate any of the Agreements or effect or permit to become effective any amendment to any such Agreement which, in the case of an amendment, would or might adversely affect the interests of any Dealer or of any holder of Notes issued before the date of the amendment; or
- (b) except with the consent of the Dealers, appoint a different Fiscal Agent or Registrar under the Agency Agreement,

and the Issuer will promptly notify each of the Dealers of any termination of, or amendment to, any of the Agreements and of any change in the Fiscal Agent, Paying Agent or Registrar under the Agency Agreement.

Lawful compliance

5.7 The Issuer will at all times ensure that all necessary action is taken and all necessary conditions are fulfilled (including, without limitation, obtaining and, where relevant, maintaining in full force and effect all necessary permissions, consents or approvals of all relevant governmental authorities) so that it may lawfully comply with its obligations under all Notes and the Agreements and, further, so that it may comply with any applicable laws, regulations and guidance from time to time promulgated by any governmental and regulatory authorities relevant in the context of the Agreements and the issue of any Notes.

Authorised representative

5.8 The Issuer will notify the Dealers immediately in writing if any of the persons named in the list referred to in paragraph 3 of Part 1 of the Initial Documentation List ceases to be

authorised to take action on its behalf or if any additional person becomes so authorised together, in the case of an additional authorised person, with evidence satisfactory to the Dealers that such person has been so authorised.

Auditors' comfort letters

5.9 The Issuer will:

- (a) at the time of the preparation of the initial Base Prospectus;
- (b) on each occasion when the Base Prospectus is updated or amended pursuant to Clause 5.2;
- (c) if so requested by the Arranger on behalf of the Dealers or by a relevant Dealer or Lead Manager on each occasion when the Base Prospectus is revised, supplemented or amended (insofar as the revision, supplement or amendment concerns or contains financial information about the Issuer); and
- (d) whenever requested to do so by a Dealer (on the basis of reasonable grounds),

deliver, at the expense of the Issuer to the Dealers a comfort letter or comfort letters from independent auditors of the Issuer in such form and with such content as the Dealers may reasonably request provided that no letter or letters will be delivered under paragraph 5.9(c) above if the only revision, supplement or amendment concerned is the incorporation by reference of any interim or annual financial statements of the Issuer.

If at or prior to the time of any agreement to issue and purchase Notes under Clause 2, request is made under paragraph 5.9(d) above with respect to the Notes to be issued, the receipt of the relevant comfort letter or letters in a form satisfactory to the relevant Dealer shall be a further condition precedent to the issue of those Notes to that Dealer.

No other issues

5.10 During the period commencing on an Agreement Date and ending on the Issue Date with respect to any Notes which are to be listed, the Issuer will not, without the prior consent of the relevant Dealer or, if there is one, the Lead Manager, issue or agree to issue any other listed Notes, bonds or other debt securities of whatsoever nature (other than Notes to be issued to the same Dealer) where such Notes, bonds or other debt securities would have the same maturity and currency as the Notes to be issued on the relevant Issue Date.

Information on Noteholders' meetings

5.11 The Issuer will, at the same time as it is despatched, furnish the Dealers with a copy of every notice of a meeting of the holders of the Notes (or any of them) which is despatched at the instigation of the Issuer and will notify the Dealers immediately upon its becoming aware that a meeting of the holders of the Notes (or any of them) has otherwise been convened.

Ratings

5.12 The Issuer undertakes promptly to notify the Dealers of any change in the ratings given by Moody's of any of the Issuer's debt or upon it becoming aware that such ratings are listed on "Creditwatch" or other similar publication of formal review by the relevant rating agency.

Commercial Paper

5.13 In respect of any Tranche of Notes which has a maturity of less than one year from the date of issue, the Issuer will issue such Notes only if the following conditions apply (or the Notes can otherwise be issued without contravention of Section 19 of the FSMA):

- (a) the relevant Dealer covenants in the terms set out in Clause 2(a) of Appendix 2; and
- (b) the redemption value of each Note is not less than £100,000 (or an amount of equivalent value denominated wholly or partly in a currency other than sterling), and no part of any Note may be transferred unless the redemption value of that part is not less than £100,000 (or such an equivalent amount).

Passporting

5.14 If, in relation to any issue of Notes, the Issuer has agreed with the relevant Dealer(s) that the home Member State which approved the Base Prospectus will be requested to provide a certificate of approval to the competent authority of one or more host Member State(s) under Article 24 and Article 25 of the Prospectus Regulation then the arrangements relating to such request will be agreed between the Issuer and the relevant Dealer(s) at the relevant time.

In any such case, the Issuer undertakes that it will use all reasonable endeavours to procure the delivery of a certificate of approval by the CSSF to the competent authority in any host Member State and the European Securities and Markets Authority in accordance with Article 24 and Article 25 of the Prospectus Regulation and shall promptly notify each Dealer following receipt by the Issuer of confirmation that such certificate of approval has been so delivered.

Announcements

5.15 The Issuer undertakes that it will not, between the Agreement Date and the Issue Date of the relevant Notes (both dates inclusive), without the prior approval of the relevant Dealer or the Lead Manager on behalf of the Managers (where more than one Dealer has agreed to purchase a particular Tranche of Notes), make any announcement which could have a material adverse effect on the marketability of the Notes.

6. INDEMNITY

6.1 Without prejudice to the other rights or remedies of the Dealers, the Issuer undertakes to each Dealer that if that Dealer or any Relevant Party relating to that Dealer incurs any liability, damages, cost, loss or expense (including, without limitation, legal fees, costs and expenses) (a *Loss*) arising out of, in connection with, or based on:

- (a) any failure by the Issuer to issue on the agreed Issue Date any Notes which a Dealer has agreed to purchase; or
- (b) any actual or alleged breach of the representations, warranties and undertakings contained in, or made or deemed to be made by the Issuer under, this Agreement; or
- (c) any untrue or misleading (or allegedly untrue or misleading) statement in, or any omission (or alleged omission) from, the Base Prospectus; or
- (d) any untrue or misleading (or allegedly untrue or misleading) statement in, or any omission (or alleged omission) from, any additional written information provided by the Issuer to the Dealers under Clause 7,

the Issuer shall pay to that Dealer on demand an amount equal to such Loss. No Dealer shall have any duty or obligation, whether as fiduciary or trustee for any Relevant Party or otherwise, to recover any such payment or to account to any other person for any amounts paid to it under this Clause 6.1.

6.2 In case any action shall be brought against any Relevant Party in respect of which recovery may be sought from the Issuer under this Clause 6, the relevant Dealer shall promptly notify the Issuer in writing but failure to do so will not relieve the Issuer from any liability under this Agreement. Subject to Clause 6.3, the Issuer may participate at its own expense in the defence of any action.

6.3 If it so elects within a reasonable time after receipt of the notice referred to in Clause 6.2, the Issuer may, subject as provided below, assume the defence of the action with legal advisers chosen by it and approved by the Relevant Party. Provided that and notwithstanding any such election a Relevant Party may employ separate legal advisers, and the Issuer shall not be entitled to assume such defence and shall bear the fees and expenses of such separate legal advisers if:

- (a) the use of the legal advisers chosen by the Issuer to represent the Relevant Party would present such legal advisers with a conflict of interest;
- (b) the actual or potential defendants in, or targets of, any such action include both the Relevant Party and the Issuer and the Relevant Party concludes that there may be legal defences available to it and/or other Relevant Parties which are different from or additional to those available to the Issuer; or
- (c) the Issuer has not employed legal advisers satisfactory to the Relevant Party to represent the Relevant Party within a reasonable time after notice of the institution of such action.

If the Issuer assumes the defence of the action, the Issuer shall not be liable for any fees and expenses of legal advisers of the Relevant Party incurred thereafter in connection with the action, except as stated above.

6.4 The Issuer shall not be liable in respect of any settlement of any action effected without its consent, such consent not to be unreasonably withheld or delayed. The Issuer shall not, without the prior written consent of the Relevant Party, effect any settlement or compromise, or consent to the entry of any judgment with respect to, any pending or threatened claim or action in respect of which recovery may be sought hereunder (whether or not the Relevant Party is an actual or potential party to such claim or action) unless such settlement, compromise or consent includes an unconditional release of the Relevant Party from all liability arising out of such claim or action and does not include a statement as to, or an admission of, fault, culpability or failure to act by or on behalf of the Relevant Party.

7. AUTHORITY TO DISTRIBUTE DOCUMENTS AND PROVIDE INFORMATION

Subject to Clause 8, the Issuer authorises each of the Dealers on behalf of the Issuer to provide copies of, and to make oral statements consistent with, the Base Prospectus (and any translation of all or any part of the Base Prospectus) and such additional written information as the Issuer shall provide to the Dealers or approve for the Dealers to use or such other information as is in the public domain to actual and potential purchasers of Notes.

8. DEALERS' UNDERTAKINGS

8.1 Each Dealer severally agrees to comply with the restrictions and agreements set out in Appendix 2 unless otherwise agreed with the Issuer. In addition, the Issuer agrees to comply with the restrictions set out in Appendix 2.

8.2 Without prejudice to the other rights and remedies of the Issuer, each Dealer severally undertakes with the Issuer that it will hold the Issuer indemnified against any losses, liabilities, costs, claims, charges, expenses, actions or demands which the Issuer may incur or which may be made against it as a result of any breach by that Dealer of any of its undertakings contained in Clause 8.1 provided that, without prejudice to any other claim the Issuer may have against that Dealer, no Dealer shall be liable to hold the Issuer indemnified against any losses, liabilities, costs, claims, charges, expenses, actions or demands arising from the sale of Notes to any person believed in good faith by that Dealer, on reasonable grounds after making all reasonable investigations, to be a person to whom Notes could legally be sold in compliance with the provisions of Appendix 2. The provisions of Clause 6.2 to Clause 6.4 with respect to the conduct and settlement of any actions shall apply, *mutatis mutandis*, to this indemnity.

9. FEES, EXPENSES AND STAMP DUTIES

9.1 The Issuer undertakes that it will:

- (a) pay to each Dealer all commissions agreed between the Issuer and that Dealer in connection with the sale of any Notes to that Dealer (and any value added tax properly chargeable thereon (to the extent that the Dealer or another member of its group is required to account to any tax authority for that value added tax) or other tax, other than FATCA Withholding Tax thereon);
- (b) pay (together with any value added tax or other tax, other than FATCA Withholding Tax thereon):
 - (i) the fees and expenses of its legal advisers and auditors;
 - (ii) the cost of listing and maintaining the listing of any Notes which are to be listed on a Stock Exchange;
 - (iii) the cost of obtaining any credit rating for the Notes;
 - (iv) the fees and expenses of the Fiscal Agent and the other agents appointed under the Agency Agreement, respectively and, in the case of an issue of ISD Notes, the fees and expenses of the ISD Agent (where the Issuer is not the ISD Agent); and
 - (v) all expenses in connection with (A) the establishment of the Programme and (B) each future update of the Programme including, but not limited to, the preparation and printing of the Base Prospectus, all amendments and supplements to it, replacements of it and each update to it and the cost of any publicity agreed by the Issuer;
- (c) pay the fees and disbursements of the legal advisers appointed to represent the Dealers (including any value added tax or other tax thereon) in connection with the establishment and each update of the Programme;

- (d) pay promptly, and in any event before any penalty becomes payable, any stamp, documentary, registration or similar duty or tax (including any stamp duty reserve tax) payable in connection with the entry into, performance, enforcement or admissibility in evidence of any Note, any of the Agreements or any communication pursuant thereto and that it will indemnify each Dealer against any liability with respect to or resulting from any delay in paying or omission to pay any such duty or tax; and
- (e) reimburse each Dealer for its costs and expenses reasonably and properly incurred in protecting or enforcing any of its rights under this Agreement (including any value added tax or other tax thereon).

9.2 All payments by the Issuer under this Agreement shall be paid without set-off or counterclaim, and free and clear of and without deduction or withholding for or on account of, any present or future taxes, levies, imports, duties, fees, assessments or other charges of whatever nature, imposed by Iceland or by any department, agency or other political subdivision or taxing authority thereof or therein, and all interest, penalties or similar liabilities with respect thereto (*Taxes*). If any Taxes are required by law to be deducted or withheld in connection with any such payment, the Issuer will increase the amount paid so that the full amount of such payment is received by the payee as if no such deduction or withholding had been made. In addition, the Issuer agrees to indemnify and hold the Dealers harmless against any Taxes which they are required to pay in respect of any amount paid by the Issuer under this Agreement. Notwithstanding any other provision in this Agreement, the Issuer shall be entitled to deduct any FATCA Withholding Tax and shall have no obligation to gross-up any payment hereunder or to pay any additional amount as a result of such FATCA Withholding Tax.

10. TERMINATION OF APPOINTMENT OF DEALERS

The Issuer or (as to itself) a Dealer may terminate the arrangements described in this Agreement by giving not less than 30 days' written notice to the other parties. The Issuer may terminate the appointment of a Dealer or Dealers by giving not less than 30 days' written notice to such Dealer or Dealers (with a copy to all the other Dealers and the Fiscal Agent). Termination shall not affect any rights or obligations (including but not limited to those arising under Clause 6, Clause 8 and/or Clause 9) which have accrued at the time of termination or which accrue thereafter in relation to any act or omission or alleged act or omission which occurred before termination.

11. APPOINTMENT OF NEW DEALERS

11.1 The Issuer may at any time appoint one or more New Dealers for the duration of the Programme or, with regard to an issue of a particular Tranche of Notes, one or more New Dealers for the purposes of that Tranche, in either case upon the terms of this Agreement. Unless an appointment is made in a Subscription Agreement any appointment shall be made by:

- (a) the delivery by the New Dealer to the Issuer of an appropriate Dealer Accession Letter; and
- (b) the delivery by the Issuer to the New Dealer of an appropriate Confirmation Letter.

11.2 Upon receipt of the relevant Confirmation Letter or execution of the relevant Subscription Agreement, as the case may be, each New Dealer shall, subject to the terms of the relevant Dealer Accession Letter or the relevant Subscription Agreement, as the case may be, become a party to this Agreement, vested with all authority, rights, powers, duties and obligations of a Dealer as if originally named as a Dealer under this Agreement provided that,

except in the case of the appointment of a New Dealer for the duration of the Programme, following the Issue Date of the relevant Tranche, the relevant New Dealer shall have no further such authority, rights, powers, duties or obligations except for any which have accrued or been incurred prior to, or in connection with, the issue of the relevant Tranche.

11.3 The Issuer shall promptly notify the other Dealers and the Fiscal Agent of any appointment of a New Dealer for the duration of the Programme by supplying to them a copy of any Dealer Accession Letter and Confirmation Letter. Such notice shall be required to be given in the case of an appointment of a New Dealer for a particular Tranche of Notes to the Fiscal Agent only.

12. INCREASE IN THE AGGREGATE NOMINAL AMOUNT OF THE PROGRAMME

12.1 From time to time the Issuer may increase the aggregate nominal amount of the Notes that may be issued under the Programme by delivering to the Dealers (with a copy to the Fiscal Agent) a letter substantially in the form set out in Appendix 4. Upon the date specified in the notice (which date may not be earlier than seven London business days after the date the notice is given) and subject to satisfaction of the conditions precedent set out in Clause 12.2, all references in the Agreements to a Note Programme of a certain nominal amount shall be deemed to be references to a Note Programme of the increased nominal amount.

12.2 Notwithstanding Clause 12.1, the right of the Issuer to increase the aggregate nominal amount of the Programme shall be subject to each Dealer having received and found satisfactory all the documents and confirmations described in Part 2 of the Initial Documentation List (with such changes as may be relevant with reference to the circumstances at the time of the proposed increase as are agreed between the Issuer and the Dealers), and the satisfaction of any further conditions precedent that any of the Dealers may reasonably require, including, without limitation, the production of a new Base Prospectus or a supplement to the Base Prospectus by the Issuer and any further or other documents required by the relevant authority or authorities for the purpose of listing any Notes to be issued under the increased Programme on the relevant Stock Exchange. The Arranger shall circulate to the Dealers all the documents and confirmations described in Part 2 of the Initial Documentation List and any further conditions precedent so required. Any Dealer must notify the Arranger and the Issuer within seven London business days of receipt if it considers, in its reasonable opinion, that any of the documents, confirmations and, if applicable, further conditions precedent are unsatisfactory and, in the absence of such notification, each Dealer shall be deemed to consider the documents and confirmations to be satisfactory and any further conditions precedent to be satisfied.

13. STATUS OF THE ARRANGER AND PRODUCT GOVERNANCE

13.1 Each of the Dealers agrees that the Arranger has only acted in an administrative capacity to facilitate the establishment and/or maintenance of the Programme and has no responsibility to it for (a) the adequacy, accuracy, completeness or reasonableness of any representation, warranty, undertaking, agreement, statement or information in the Base Prospectus, any Final Terms, this Agreement or any information provided in connection with the Programme or (b) the nature and suitability to it of all legal, tax and accounting matters and all documentation in connection with the Programme or any Tranche.

13.2 Each of the Dealers agrees that a determination will be made in relation to each issue about whether, for the purposes of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the ***EU MiFID Product Governance Rules***) and/or the FCA Handbook Product Intervention and Product Governance Sourcebook (the ***UK MiFIR Product Governance Rules***), as applicable, any Dealer subscribing for any Notes is a manufacturer in

respect of such Notes, but that, otherwise, neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the EU MiFID Product Governance Rules and/or UK MiFIR Product Governance Rules, respectively.

13.3 The Arranger shall have only those duties, obligations and responsibilities expressly specified in this Agreement.

14. COUNTERPARTS

This Agreement may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of this Agreement.

15. COMMUNICATIONS

15.1 All communications shall be by email or letter delivered by hand or (but only where specifically provided in the Procedures Memorandum) by telephone. Each communication shall be made to the relevant party at the email address or telephone number and, in the case of a communication by email or letter, marked for the attention of, or (in the case of a communication by telephone) made to, the person or department from time to time specified in writing by that party to the others for the purpose. The initial telephone number, email address and person or department so specified by each party are set out in the Procedures Memorandum.

15.2 A communication shall be deemed received when an acknowledgement of receipt is received, (if by email) when sent if no message of non-delivery is received by the sender, within 24 hours of the time of sending, (if by telephone) when made or (if by letter) when delivered, in each case in the manner required by this clause. However, if a communication is received after business hours on any business day or on a day which is not a business day in the place of receipt it shall be deemed to be received and become effective at the opening of business on the next business day in the place of receipt. Every communication shall be irrevocable save in respect of any manifest error in it.

15.3 Any notice given under or in connection with this Agreement shall be in English. All other documents provided under or in connection with this Agreement shall be:

- (a) in English; or
- (b) if not in English, accompanied by a certified English translation and, in this case, the English translation shall prevail unless the document is a statutory or other official document.

16. BENEFIT OF AGREEMENT

16.1 This Agreement shall be binding on and shall inure for the benefit of the Issuer and each Dealer and their respective successors and permitted assigns.

16.2 The Issuer agrees that each Dealer may perform the services contemplated hereby in conjunction with its affiliates, and that the affiliates of any Dealer performing services hereunder shall be entitled to the benefits and be subject to the terms of this agreement, provided that the relevant Dealer shall remain liable for any and all acts or omissions of such affiliate to the same extent as it would have been liable under this Agreement had it committed such acts or omissions itself. Any references herein to Dealers shall be deemed to include any such Dealer affiliates where the context so requires or permits.

16.3 A Dealer may only assign or transfer its rights or obligations under this Agreement with the prior written consent of the Issuer upon giving not less than 30 days' written notice to the other parties hereto except for an assignment and/or transfer of all of a Dealer's rights and obligations hereunder in whatever form such Dealer determines may be appropriate to a partnership, corporation, trust or other organisation in whatever form that may succeed to, or to which the Dealer transfers, all or substantially all of the Dealer's assets and business and that assumes such obligations by contract, operation of law or otherwise. Upon any such transfer and assumption of obligations such Dealer shall be relieved of and fully discharged from all obligations under this Agreement, whether such obligations arose before or after such transfer and assumption.

17. STABILISATION

In connection with the distribution of any Notes, any Dealer designated as a Stabilisation Manager in the applicable Final Terms may over-allot or effect transactions which support the market price of the Notes at a level higher than that which might otherwise prevail, but in doing so such Dealer shall act as principal and not as agent of the Issuer. Any stabilisation will be conducted in accordance with all applicable regulations. Any loss resulting from over-allotment and stabilisation shall be borne, and any net profit arising therefrom shall be retained, as against the Issuer, by any Stabilisation Manager for its own account.

18. NO FIDUCIARY DUTY

The Issuer acknowledges and agrees that:

- (a) (i) each Dealer is acting solely pursuant to a contractual relationship with the Issuer on an arm's length basis as expressly set out in this Agreement. Regardless of any pre-existing or separate relationship, it is agreed that the issue, offer and sale of any Notes as contemplated by this Agreement (including determining the terms of the issue, issue price, offer and sale of any Notes) (the *Activities*) does not give rise to any fiduciary duties on the part of any Dealer to the Issuer, or any other person connected to the Issuer, in connection with this Agreement and/or any Activities; and (ii) the Issuer is not relying on any Dealer for any advice, including advice on legal, tax, regulatory and accounting matters in any jurisdiction, which, if the Issuer requires it, it will obtain from its separate advisers;
- (b) consistent with the broad range of activities that each Dealer undertakes for itself and others, and acknowledging that these may involve interests that differ from those of the Issuer, no Dealer is under any duty to disclose to the Issuer or use for the benefit of the Issuer any information about or derived from these other activities or from entering into or acting under the Activities or to account to the Issuer for any benefits obtained in connection with such other activities, this Agreement or undertaking any of the Activities; and
- (c) the Issuer will independently determine the price and other commercial aspects of the issue and offer of any Notes pursuant to this Agreement with or through any Dealer following arm's length negotiations with the relevant Dealer. The Issuer also acknowledges that such price and commercial terms may not reflect the best price and/or terms obtainable in the market. The Issuer acknowledges that it is capable of evaluating and understands and accepts the terms of and risks associated with the Activities and this Agreement.

Nothing in this Clause 18 purports to exclude or restrict the obligations and duties imposed on the Dealers by the regulatory system (as defined in the United Kingdom's Financial Conduct Authority Handbook of Rules and Guidance).

19. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

A person who is not a party to this Agreement has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Agreement, but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

20. GOVERNING LAW AND SUBMISSION TO JURISDICTION

20.1 This Agreement and every agreement for the issue and purchase of Notes (other than, any agreement for the issue and purchase of ISD Notes, which shall be governed by Icelandic law) as referred to in Clause 2 and any non-contractual obligations arising out of or in connection with such agreements (other than any agreement for the issue and purchase of ISD Notes, which shall be governed by Icelandic law) are governed by, and shall be construed in accordance with, English law.

20.2 Subject to Clause 20.3 below (and except as otherwise agreed in relation to ISD Notes), the English courts have exclusive jurisdiction to settle any disputes which may arise out of or in connection with this Agreement (and every agreement for the issue and purchase of Notes as referred to in Clause 2, including any dispute as to their existence, validity, interpretation, performance, breach or termination or the consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in connection with this Agreement) and every agreement for the issue and purchase of Notes as referred to in Clause 2 (a *Dispute*) and each party submits to the exclusive jurisdiction of the English courts.

20.3 For the purposes of this Clause 20, the Issuer waives any objection to the courts of England on the grounds that they are an inconvenient or inappropriate forum to settle any Dispute.

20.4 To the extent allowed by law, the Dealers may in respect of any Dispute or Disputes take (i) any suit, action or proceeding (together referred to as *Proceedings*) in any other court of competent jurisdiction; and (ii) concurrent Proceedings in any number of jurisdictions.

20.5 The Issuer appoints Law Debenture Corporate Services Limited at its registered office at Fifth Floor, 100 Wood Street, London EC2V 7EX as its agent for service of process in England and agrees that, in the event of Law Debenture Corporate Services Limited ceasing so to act or ceasing to be registered in England, it will appoint another person as its agent for service of process in England in respect of any Proceedings. Nothing in this clause shall affect the right to serve process in any other manner permitted by law.

21. RECOGNITION OF THE U.S. SPECIAL RESOLUTION REGIMES

21.1 In the event that any Dealer that is a Covered Entity becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer from such Dealer of this Agreement, and any interest and obligation in or under this Agreement, will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if this Agreement, and any such interest and obligation, were governed by the laws of the United States or a state of the United States.

21.2 In the event that any Dealer that is a Covered Entity or a Covered Affiliate of such Dealer becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under this Agreement that may be exercised against such Dealer are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if this Agreement were governed by the laws of the United States or a state of the United States.

22. RECOGNITION OF BAIL-IN POWERS

22.1 Notwithstanding and to the exclusion of any other term in this Agreement or any other agreements, arrangements, or understandings between or among any of the parties to this Agreement, each of the parties to this Agreement acknowledges, accepts and agrees that a BRRD Liability arising under this Agreement may be subject to the exercise of Bail-in Powers by the Relevant Resolution Authority, and acknowledges, accepts and agrees to be bound by:

- (a) the effect of the exercise of Bail-in Powers by the Relevant Resolution Authority in relation to any BRRD Liability of any BRRD Entity (the **Relevant BRRD Entity**) to it under this Agreement, that (without limitation) may include and result in any of the following, or some combination thereof:
 - (i) the reduction of all, or a portion, of any BRRD Liability or outstanding amounts due thereon;
 - (ii) the conversion of all, or a portion, of any BRRD Liability into shares, other securities or other obligations of the Relevant BRRD Entity or another person and the issue to or conferral on it of such shares, securities or obligations;
 - (iii) the cancellation of any BRRD Liability; and
 - (iv) the amendment or alteration of any interest, if applicable, thereon, the maturity or the dates on which any payments are due, including by suspending payment for a temporary period; and
- (b) the variation of the terms of this Agreement, as deemed necessary by the Relevant Resolution Authority, to give effect to the exercise of Bail-in Powers by the Relevant Resolution Authority.

22.2 For the purposes of this Clause 22:

Bail-in Legislation means in relation to a member state of the European Economic Area which has implemented, or which at any time implements, the BRRD, including, but not limited to, the Act on Recovery and Resolution of Financial Institutions and Investment Firms No. 70/2020 and regulations issued on the basis of Act No. 70/2020, the Act on Financial Undertakings No. 161/2002 and regulations issued on the basis of Act No. 161/2002, the relevant implementing law, regulation, rule or requirement as described in the EU Bail-in Legislation Schedule from time to time;

Bail-in Powers means any Write-down and Conversion Powers as defined in the EU Bail-in Legislation Schedule, in relation to the relevant Bail-in Legislation;

BRRD means Directive 2014/95/EU, as amended or replaced from time to time establishing a framework for the recovery and resolution of credit institutions and investment firms;

BRRD Entity means any party to this Agreement that is subject to Bail-in Powers;

BRRD Liability means a liability in respect of which the relevant Bail-in Powers may be exercised;

EU Bail-in Legislation Schedule means the document described as such, then in effect, and published by the Loan Market Association (or any successor person) from time to time; and

Relevant Resolution Authority means, in respect of any BRRD Entity, the resolution authority with the ability to exercise any Bail-in Powers in relation to the Relevant BRRD Entity.

THIS AGREEMENT has been entered into on the date stated at the beginning of this Agreement.

APPENDIX 1

INITIAL DOCUMENTATION LIST

Part 1

1. A certified copy of the English translation of the Articles of Association of the Issuer.
2. A certified copy of all resolutions and other authorisations required to be passed or given, and evidence of any other action required to be taken, on behalf of the Issuer:
 - (a) to approve its entry into the Agreements, the update of the Programme and the issue of Notes;
 - (b) to authorise appropriate persons to execute each of the Agreements and any Notes and to take any other action in connection therewith; and
 - (c) to authorise appropriate persons to enter into agreements with any Dealer on behalf of the Issuer to issue Notes in accordance with Clause 2 of this Agreement.
3. A certified list of the names, titles and specimen signatures of the persons authorised on behalf of the Issuer in accordance with paragraph 2(c).
4. Certified copies of any other governmental or other consents, authorisations and approvals required for the Issuer to issue Notes, for the Issuer to execute and deliver the Agreements and to fulfil its obligations under the Agreements, including any applicable exemptions that may be obtained from the RSK in accordance with Clause 4.1(k) of this Agreement.
5. Confirmation that one or more master Temporary Global Notes, master Permanent Global Notes and master Registered Global Notes (from which copies can be made for each particular issue of Notes), duly executed by a person or persons authorised to take action on behalf of the Issuer as specified in paragraph 2(b) above, have been delivered to the Fiscal Agent and the Registrar, as appropriate.
6. Legal opinions addressed to each of the Dealers dated on or after the date of this Agreement, in such form and with such content as the Dealers may reasonably require, from:
 - (a) Advel, legal advisers to the Issuer as to Icelandic law; and
 - (b) Freshfields Bruckhaus Deringer LLP, legal advisers to the Dealers as to English law.
7. A conformed copy of each of the Agreements and confirmation that executed copies have been delivered, in the case of the Agency Agreement, to the Fiscal Agent (for itself and the other agents party thereto) and, in the case of the Deed of Covenant, to a common depository for Euroclear and Clearstream, Luxembourg.
8. If applicable, confirmation of the execution and delivery by the Issuer of the Programme Effectuation Authorisation to each of Euroclear and Clearstream, Luxembourg, the execution and delivery of an Issuer – ICSDs Agreement by the parties thereto and the making by the Agent of a common safekeeper election in accordance with Clause 2.3 of the Agency Agreement.

9. An electronic final version of the Base Prospectus and the Procedures Memorandum.
10. Confirmation that the Base Prospectus has been approved as a base prospectus by the CSSF and has been published in accordance with the Prospectus Regulation.
11. Comfort letter from Deloitte ehf. as independent auditors of the Issuer in such form and with such content as the Dealers may reasonably request.
12. Written confirmation from Law Debenture Corporate Services Limited confirming its acceptance as agent for service of process of the Issuer.
13. Confirmation of the rating assigned to the Issuer by Moody's.

Part 2

1. A certified copy of the Articles of Association of the Issuer or confirmation that they have not been changed since they were last submitted to the Dealers.
2. A certified copy of all resolutions and other authorisations required to be passed or given, and evidence of any other action required to be taken, on behalf of the Issuer to approve the increase in the amount of the Programme.
3. Certified copies of any other governmental or other consents, authorisations and approvals required for the increase.
4. Confirmation that one or more master Temporary Global Notes, master Permanent Global Notes and master Registered Global Notes (from which copies can be made for each particular issue of Notes), duly executed by a person or persons authorised to take action on behalf of the Issuer as specified in paragraph 2(b) of Part 1 of the Initial Documentation List, have been delivered to the Fiscal Agent and the Registrar, as appropriate.
5. Legal opinions addressed to each of the Dealers dated on or after the date of this Agreement, in such form and with such content as the Dealers may reasonably require, from:
 - (a) Advel, legal advisers to the Issuer as to Icelandic law; and
 - (b) Freshfields Bruckhaus Deringer LLP, legal advisers to the Dealers as to English law.
6. An electronic final version of the Base Prospectus or the supplement, as the case may be.
7. Confirmation that (a) the new Base Prospectus has been approved as a base prospectus by the CSSF or (b) the supplement has been approved by the CSSF and, in each case, has been published in accordance with the Prospectus Regulation.
8. Comfort letter from Deloitte ehf. as independent auditors of the Issuer in such form and with such content as the Dealers may reasonably request.
9. Confirmation from Moody's that there has been no change in the rating assigned by them to the Programme as a result of the increase.

APPENDIX 2

SELLING RESTRICTIONS

1. United States

1.1 The Notes have not been and will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except (i) in accordance with Regulation S under the Securities Act (ii) pursuant to an exemption from the registration requirements of the Securities Act or (iii) where the transaction in question is not subject to the registration requirements of the Securities Act. Each Dealer represents and agrees that it has offered and sold any Notes, and will offer and sell any Notes (i) as part of their distribution at any time and (ii) otherwise until 40 days after the completion of the distribution of all Notes of the Tranche of which such Notes are a part, only in accordance with Rule 903 of Regulation S under the Securities Act. Each Dealer also agrees that, at or prior to confirmation of sale of Notes, it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Notes from it during the distribution compliance period a confirmation or notice to substantially the following effect:

“The Securities covered hereby have not been registered under the U.S. Securities Act of 1933, as amended (the Securities Act), and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of the Securities and except in either case in accordance with Regulation S under the Securities Act. Terms used above have the meanings given to them by Regulation S.”

Terms used in this Clause 1.1 have the meanings given to them by Regulation S.

1.2 Each Dealer represents and agrees that it, its affiliates or any persons acting on its or their behalf have not engaged and will not engage in any directed selling efforts with respect to any Note, and it and they have complied and will comply with the offering restrictions requirement of Regulation S.

1.3 In addition in respect of Notes where TEFRA D is specified in the applicable Final Terms:

- (a) except to the extent permitted under U.S. Treas. Reg. Section 1.163-5(c)(2)(i)(D) (the ***D Rules***), each Dealer (i) represents that it has not offered or sold, and agrees that during the restricted period it will not offer or sell, Notes in bearer form to a person who is within the United States or its possessions or to a United States person, and (ii) represents that it has not delivered and agrees that it will not deliver within the United States or its possessions definitive Notes in bearer form that are sold during the restricted period;
- (b) each Dealer represents that it has and agrees that throughout the restricted period it will have in effect procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling Notes in bearer form are aware that such Notes may not be offered or sold during the restricted

period to a person who is within the United States or its possessions or to a United States person, except as permitted by the D Rules;

- (c) if it is a United States person, each Dealer represents that it is acquiring Notes in bearer form for purposes of resale in connection with their original issuance and if it retains Notes in bearer form for its own account, it will only do so in accordance with the requirements of U.S. Treas. Reg. Section 1.163-5(c)(2)(i)(D)(6);
- (d) with respect to each affiliate that acquires Notes in bearer form from a Dealer for the purpose of offering or selling such Notes during the restricted period, such Dealer either (a) repeats and confirms the representations and agreements contained in Clause 1.3(a), Clause 1.3(b) and Clause 1.3(c) on such affiliate's behalf or (b) agrees that it shall obtain from such affiliate for the benefit of the Issuer the representations contained in Clause 1.3(a), Clause 1.3(b) and Clause 1.3(c); and
- (e) each Dealer agrees that it will obtain from any distributor (within the meaning of U.S. Treas. Reg. § 1.163-5(c)(2)(i)(D)(4)(ii)) that purchases any Notes in bearer form from it pursuant to a written contract with such Dealer (except a distributor that is one of its affiliates or is another Dealer), for the benefit of the Issuer and each other Dealer, the representations contained in, and such distributor's agreement to comply with, the provisions of Clause 1.3(a), Clause 1.3(b), Clause 1.3(c) and Clause 1.3(d) of this paragraph insofar as they relate to the D Rules, as if such distributor were a Dealer hereunder,

Terms used in this Clause 1.3 have the meanings given to them by the Code and U.S. Treasury Regulations promulgated thereunder, including the D Rules.

1.4 In respect of Notes where TEFRA C is specified in the applicable Final Terms, such Notes must be issued and delivered outside the United States and its possessions in connection with their original issuance. Each Dealer represents and agrees that it has not offered, sold or delivered, and will not offer, sell or deliver, directly or indirectly, such Notes within the United States or its possessions in connection with their original issuance. Further, each Dealer represents and agrees in connection with the original issuance of such Notes that it has not communicated, and will not communicate, directly or indirectly, with a prospective purchaser if such purchaser is within the United States or its possessions and will not otherwise involve its U.S. office in the offer or sale of such Notes. Terms used in this Clause 1.4 have the meanings given to them by the Code and U.S. Treasury Regulations promulgated thereunder, including the D Rules.

2. Prohibition of sales to EEA Retail Investors

Unless the Final Terms in respect of any Notes specifies “Prohibition of sales to EEA Retail Investors” as “Not Applicable”, each Dealer represents and agrees that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by the Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision:

- (a) the expression “retail investor” means a person who is one (or more) of the following:

- (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or
 - (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; and
- (b) the expression “an offer” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

3. United Kingdom

3.1 Prohibition of sales to United Kingdom Retail Investors

Unless the Final Terms in respect of any Notes specifies “Prohibition of sales to UK Retail Investors” as “Not Applicable”, each Dealer represents and agrees, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by the Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the United Kingdom. For the purposes of this provision:

- (a) the expression “retail investor” means a person who is one (or more) of the following:
 - (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of UK domestic law by virtue of the EUWA; or
 - (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the EUWA; and
- (b) the expression “an offer” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

3.2 Other regulatory restrictions

Each Dealer represents and agrees that:

- (a) in relation to any Notes which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection

with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

4. Belgium

Unless the Final Terms in respect of any Notes specify "Prohibition of Sales to Belgian Consumers" as "Not Applicable", each Dealer represents and agrees that an offering of Notes may not be advertised to any individual in Belgium qualifying as a consumer within the meaning of Article I.1 of the Belgian Code of Economic Law, as amended from time to time (a *Belgian Consumer*) and that it has not offered, sold or resold, transferred or delivered, and will not offer, sell, resell, transfer or deliver, the Notes, and that it has not distributed, and will not distribute, any prospectus, memorandum, information circular, brochure or any similar documents in relation to the Notes, directly or indirectly, to any Belgian Consumer.

5. Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended; the *FIEA*) and each Dealer represents and agrees that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

6. Hong Kong

Each Dealer represents and agrees that:

- (a) it has not offered or sold and will not offer or sell in the Hong Kong Special Administrative Region of the People's Republic of China (*Hong Kong*), by means of any document, any of the Notes (except for Notes which are a "structured product" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong) (the *SFO*) other than (i) to persons whose ordinary business is to buy or sell shares or debentures (whether as principal or agent); or (ii) to "professional investors" as defined in the SFO and any rules made under the SFO; or (iii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the *C(WUMP)O*) or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and
- (b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

7. Singapore

Each Dealer acknowledges that the Base Prospectus has not been and will not be registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer represents and agrees that it has not offered or sold any Notes or caused any Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause any Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, the Base Prospectus or any other document or material in connection with the offer or sale or invitation for subscription or purchase of any Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore (as amended, the *SFA*)) pursuant to Section 274 of the SFA OR (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA.

8. Switzerland

Each Dealer acknowledges that the Base Prospectus is not intended to constitute an offer or solicitation to purchase or invest in the Notes. Each Dealer represents and agrees that the Notes may not be publicly offered, directly or indirectly, in Switzerland within the meaning of the Swiss Financial Services Act (the *FinSA*), unless under an exemption from the duty to publish a prospectus (as provided by FinSA) no application has or will be made to admit the Notes to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. Each Dealer acknowledges that neither the Base Prospectus nor any other offering or marketing material relating to the Notes constitutes a prospectus pursuant to the FinSA, and neither the Base Prospectus nor any other offering or marketing material relating to the Notes may be publicly distributed or otherwise made publicly available in Switzerland.

9. General

Each Dealer represents and agrees that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes the Base Prospectus and will obtain any consent, approval or permission, required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer nor any of the other Dealers shall have any responsibility therefor.

None of the Issuer and the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating any such sale.

With regard to each Tranche, the relevant Dealer will be required to comply with such other restrictions as the Issuer and the relevant Dealer shall agree and as shall be set out in the Subscription Agreement, Dealer Accession Letter or dealer confirmation (as contemplated by Annex 1, Part 1 of the Procedures Memorandum) as relevant.

APPENDIX 3

FORMS OF DEALER ACCESSION AND CONFIRMATION LETTERS

Part 1 Form of Dealer Accession Letter - Programme

[Date]

To: Arion Bank hf.
(the *Issuer*)

Arion Bank hf.
€3,000,000,000 Euro Medium Term Note Programme (the *Programme*)

We refer to the Amended and Restated Programme Agreement dated 7 November 2024, entered into in respect of the Programme and made between the Issuer and the Dealers party to it (which agreement, as amended, supplemented or restated from time to time, is referred to as the *Programme Agreement*). Capitalised terms used but not otherwise defined in this letter have the meaning given to them in the Programme Agreement.

We confirm that we are in receipt of the following documents:

- (a) a copy of the Programme Agreement; and
- (b) a copy of current versions of all other documents delivered under Appendix 1 to the Programme Agreement as we have requested

and have found them to our satisfaction.*

For the purposes of the Programme Agreement our notice details are as follows:

[insert name, address, telephone, email address and attention].

[Consider whether it is appropriate for the carve-out for the EU Blocking Regulation/UK Blocking Regulation to apply to any new dealer and adapt as necessary.]

In consideration of the appointment by the Issuer of us as a Dealer under the Programme Agreement we undertake, for the benefit of the Issuer and each of the other Dealers, that we will perform and comply with all the duties and obligations expressed to be assumed by a Dealer under the Programme Agreement.

This letter and any non-contractual obligations arising out of or in connection with this letter are governed by, and shall be construed in accordance with, English law.

Yours faithfully,

[Name of New Dealer]

* It is important to ensure that each original legal opinion and comfort letter permits it to be delivered to, and relied upon by, New Dealers, otherwise a side letter to this effect should be provided.

By:

cc: Citibank, N.A., London Branch as Fiscal Agent
The other Dealers

Part 2
Form of Confirmation Letter - Programme

[Date]

To: [Name and address of New Dealer]

Arion Bank hf.
€3,000,000,000 Euro Medium Term Note Programme (the Programme)

We refer to the Amended and Restated Programme Agreement dated 7 November 2024 (which agreement, as amended, supplemented or restated from time to time, is referred to as the **Programme Agreement**) entered into in respect of the above Programme and acknowledge receipt of your Dealer Accession Letter to us dated [specify].

We confirm that, with effect from today's date, you shall become a Dealer under the Programme Agreement in accordance with Clause 11.2 of the Programme Agreement.

Yours faithfully,

Arion Bank hf.

By:

cc: Citibank, N.A., London Branch as Fiscal Agent
The other Dealers

Part 3
Form of Dealer Accession Letter – Note Issue

[Date]

To: Arion Bank hf.
(the *Issuer*)

Arion Bank hf.
€3,000,000,000 Euro Medium Term Note Programme
[Description of issue] (the *Notes*)

We refer to the Amended and Restated Programme Agreement dated 7 November 2024 and made between the Issuer and the Dealers party to it (which agreement, as amended, supplemented or restated from time to time, is referred to as the *Programme Agreement*). Capitalised terms used but not otherwise defined in this letter have the meaning given to them in the Programme Agreement.

We confirm that we are in receipt of the following documents:

- (a) a copy of the Programme Agreement; and
- (b) a copy of current versions of all other documents delivered under Appendix 1 of the Programme Agreement as we have requested,

and have found them to our satisfaction.*

For the purposes of the Programme Agreement our notice details are as follows:

[insert name, address, telephone, email address and attention].

In consideration of the appointment by the Issuer of us as a Dealer under the Programme Agreement in respect of the issue of the Notes we undertake, for the benefit of the Issuer and each of the other Dealers, that, in relation to the issue of the Notes, we will perform and comply with all the duties and obligations expressed to be assumed by a Dealer under the Programme Agreement.

[Include any additional selling restrictions].

[Include any additional language on MiFID/UK MIFIR and stabilisation language as appropriate if this letter is being used for issuances not using the subscription agreement].

This letter and any non-contractual obligations arising out of or in connection with this letter are governed by, and shall be construed in accordance with, English law.

Yours faithfully,

[Name of New Dealer]

* It is important to ensure that each original legal opinion and comfort letter permits it to be delivered to, and relied upon by, New Dealers, otherwise a side letter to this effect should be provided.

By:

cc: Citibank, N.A., London Branch as Fiscal Agent

Part 4
Form of Confirmation Letter – Note Issue

[Date]

To: [Name and address of New Dealer]

Arion Bank hf.
€3,000,000,000 Euro Medium Term Note Programme
[Description of issue] (the Notes)

We refer to the Amended and Restated Programme Agreement dated 7 November 2024 (which agreement, as amended, supplemented or restated from time to time, is referred to as the **Programme Agreement**) and acknowledge receipt of your Dealer Accession Letter to us dated [specify].

We confirm that, with effect from today's date, in respect of the issue of the Notes, you shall become a Dealer under the Programme Agreement in accordance with Clause 11.2 of the Programme Agreement.

Yours faithfully,

Arion Bank hf.

By:

cc: Citibank, N.A., London Branch as Fiscal Agent

APPENDIX 4

LETTER REGARDING INCREASE IN THE NOMINAL AMOUNT OF THE PROGRAMME

[Date]

To: The Dealers
(as defined in the Amended and Restated Programme Agreement dated 7 November 2024 (which agreement, as amended, supplemented or restated from time to time, is referred to as the *Programme Agreement*))

Arion Bank hf €3,000,000,000 Euro Medium Term Note Programme

We require, pursuant to Clause 12.1 of the Programme Agreement, that the aggregate nominal amount of the above Programme be increased to [€][*specify*] from [*specify date which is no earlier than seven London business days after the date the notice is given*] whereupon (but subject as provided in the next paragraph) all references in the Agreements will be deemed amended accordingly.

We understand that this increase is subject to the satisfaction of the condition set out in Clause 12.2 of the Programme Agreement, namely that each Dealer shall have received and found satisfactory all the documents and confirmations described in Part 2 of the Initial Documentation List (with such changes as may be relevant, with reference to the circumstances at the time of the proposed increase, as are agreed between the Issuer and the Dealers) and the delivery of any further conditions precedent that any of the Dealers may reasonably require.

You must notify the Arranger and ourselves within seven London business days of receipt by you of those documents and confirmations and, if applicable, further conditions precedent if you consider (in your reasonable opinion) that any of them are unsatisfactory and, in the absence of such notification, you will be deemed to consider such documents and confirmations to be satisfactory and such further conditions precedent to be satisfied.

Terms used in this letter have the meanings given to them in the Programme Agreement.

This letter and any non-contractual obligations arising out of or in connection with this letter are governed by, and shall be construed in accordance with, English law.

Yours faithfully,

Arion Bank hf.

By:

cc: Citibank, N.A., London Branch as Fiscal Agent

APPENDIX 5

FORM OF SUBSCRIPTION AGREEMENT

ARION BANK HF.

[*Description of issue*]

[*Date*]

To: [[●] (the *Settlement Lead Manager*)
[●]
([together with the Settlement Lead Manager,]the *Managers*)
c/o [●]
(the *Lead Manager*)
cc: [●] as Fiscal Agent

Arion Bank hf (the *Issuer*) proposes to issue [*description of issue*] (the *Notes*) under the €3,000,000,000 Euro Medium Term Note Programme established by it. The terms of the issue shall be as set out in the form of Final Terms attached to this Agreement as Annex 1.

This Agreement is supplemental to the Amended and Restated Programme Agreement dated 7 November 2024 (the *Programme Agreement*) made between the Issuer and the Dealers party thereto. All terms with initial capitals used herein without definition have the meanings given to them in the Programme Agreement.

We wish to record the arrangements agreed between us in relation to the issue:

1. This Agreement appoints each Manager which is not a party to the Programme Agreement (each a *New Dealer*) as a New Dealer in accordance with the provisions of Clause 11 of the Programme Agreement for the purposes of the issue of the Notes. Each Manager confirms that it is in receipt of the documents referenced below:

- (a) a copy of the Programme Agreement; and
- (b) a copy of such of the documents delivered under Appendix 1 of the Programme Agreement as it has requested.

For the purposes of the Programme Agreement the details of the Lead Manager for service of notices are as follows:

[*insert name, address, telephone, email address and attention*].

In consideration of the Issuer appointing each New Dealer as a Dealer in respect of the Notes under the Programme Agreement, each New Dealer hereby undertakes, for the benefit of the Issuer, the Lead Manager (for itself and each of the other Dealers) and each of the Managers, that, in relation to the issue of the Notes, it will perform and comply with all the duties and obligations expressed to be assumed by a Dealer under the Programme Agreement, a copy of

which it acknowledges it has received from the Lead Manager. The Issuer confirms that each New Dealer shall be vested with all authority, rights, powers, duties and obligations of a Dealer in relation to the issue of the Notes as if originally named as a Dealer under the Programme Agreement provided that following the Issue Date of the Notes each New Dealer shall have no further such authority, rights, powers, duties or obligations except for any which have accrued or been incurred prior to, or in connection with, the issue of the Notes.

2. Subject to the terms and conditions of the Programme Agreement and this Agreement the Issuer agrees to issue the Notes and the Managers jointly and severally agree to subscribe or procure subscribers for the Notes at a price of [*specify*] per cent. of the principal amount of the Notes (the **Purchase Price**), being the issue price of [*specify*] per cent. less a selling [commission/concession] of [*specify*] per cent. of such principal amount and a combined management and underwriting commission of [*specify*] per cent. of such principal amount.

3. [The execution of this Agreement by or on behalf of all parties hereto will constitute acceptance by each Manager of the International Capital Market Association Standard Form Agreement Among Managers Version 1 subject to any amendment notified to such Manager in writing at any time prior to the earlier of the receipt by the Lead Manager of the document appointing such Manager's authorised signatory and its execution of this Agreement. As between the Managers, the Managers have agreed the underwriting commitments set out in Annex 2 of this Agreement.]¹

4. The settlement procedures set out in Part [1/2] of Annex 1 to the Procedures Memorandum shall apply as if set out in this Agreement provided that, for the purposes of this Agreement:

- (a) the sum payable on the Issue Date shall represent the Purchase Price less any amount payable in respect of the Managers' expenses as provided in the agreement referred to in Clause 5 of this Agreement;
- (b) **Issue Date** means [*specify*] a.m. ([*specify*] time) on [*specify*] or such other time and/or date as the Issuer and the Lead Manager on behalf of the Managers may agree; and
- (c) **Payment Instruction Date** means the Issue Date unless there is to be a pre-closing for the issue in which case it means the business day (being a day on which banks and foreign exchange markets are open for general business in London) prior to the Issue Date.

[[The settlement bank] or such Manager as the [Issuer may direct/Managers may agree] to settle the Notes (the **Settlement Lead Manager**)/The Settlement Lead Manager] acknowledges that the Notes [[initially] represented by the relevant [Temporary/Permanent/Registered Global Note] will initially be credited to an account (the **Commissionaire Account**) for the benefit of the Settlement Lead Manager the terms of which include a third-party beneficiary clause ('*stipulation pour autrui*') with the Issuer as the third-party beneficiary and provide that such Notes are to be delivered to others only against payment of the Purchase Price into the Commissionaire Account on a delivery against payment basis.

The Settlement Lead Manager acknowledges that (i) the Notes represented by the relevant [Temporary/Permanent/Registered Global Note] shall be held to the order of the Issuer as set out above and (ii) the Purchase Price received in the Commissionaire Account will be held on behalf of the Issuer until such time as they are transferred to the Issuer's order. The Settlement

Lead Manager undertakes that the Purchase Price will be transferred to the Issuer's order promptly following receipt of such monies in the Commissionaire Account.¹

The Issuer acknowledges and accepts the benefit of the third-party beneficiary clause (*'stipulation pour autrui'*) pursuant to the Belgian or Luxembourg Civil Code, as applicable, in respect of the Commissionaire Account.]

5. [The Issuer will pay for all expenses in relation to the offering and issue of the Notes except for the legal fees of the Managers' counsel which shall be shared equally amongst the Managers]/[The arrangements in relation to expenses have been separately agreed between the Issuer and the Lead Manager.]

6. The obligation of the Managers to purchase the Notes is conditional upon:

(a) the conditions set out in Clause 3.2 (other than that set out in Clause 3.2(f) of the Programme Agreement) being satisfied as of the Payment Instruction Date (on the basis that the references therein to *relevant Dealer* shall be construed as references to the Lead Manager) and without prejudice to the aforesaid, the Base Prospectus dated [*specify*][, as supplemented by [],] containing all material information relating to the assets and liabilities, financial position and profits and losses of the Issuer and nothing having happened or being expected to happen which would require the Base Prospectus [, as so supplemented,] to be [further] supplemented or updated;

(b) the delivery to the Lead Manager on the Payment Instruction Date of:

(i) legal opinions addressed to the Managers dated the Payment Instruction Date in such form and with such contents as the Lead Manager, on behalf of the Managers, may reasonably require from Advel, the legal advisers to the Issuer as to Icelandic law and from Freshfields Bruckhaus Deringer LLP, the legal advisers to the Dealers as to English law;

(ii) a certificate dated the Payment Instruction Date signed by a duly authorised officer of the Issuer giving confirmation to the effect stated in paragraph (a) of this Clause 6;

(iii) comfort letters dated the date of this Agreement and the Payment Instruction Date from the independent auditors of the Issuer, in such form and with such content as the Managers may reasonably request; and

(iv) such other conditions precedent as the Lead Manager may require; and

If any of the foregoing conditions is not satisfied on or before the Payment Instruction Date, this Agreement shall terminate on that date and the parties to this Agreement shall be under no further liability arising out of this Agreement (except for any liability of the Issuer in relation to expenses as provided in the agreement referred to in Clause 5 and except for any liability arising before or in relation to termination), provided that the Lead Manager, on behalf of the Managers, may in its discretion waive any of the aforesaid conditions (other than the condition

¹ Note to draft: "Purchase Price" as defined does not include the deduction of expenses pursuant to Clause 5 (as such expenses are typically settled separately). If such expenses are intended to be deducted from the net proceeds, the definition of "Purchase Price" should be amended accordingly, for the purposes of the Commissionaire Account provision.

precedent contained in Clause 3.2(c), Clause 3.2(m) and Clause 3.2(n) of the Programme Agreement) or any part of them.

7. [The Issuer represents, warrants and undertakes to the Dealers and each of them that[, save as described in the Base Prospectus,] the Issuer will use the net proceeds received by it from the issue of the Notes in the manner specified in the Final Terms.]²

8. The Lead Manager, on behalf of the Managers, may, by notice to the Issuer, terminate this Agreement at any time prior to payment of the net purchase money to the Issuer if in the opinion of the Lead Manager there shall have been such a change in national or international financial, political or economic conditions or currency exchange rates or exchange controls as would in its view be likely to prejudice materially the success of the offering and distribution of the Notes or dealings in the Notes in the secondary market and, upon notice being given, the parties to this Agreement shall (except for any liability of the Issuer in relation to expenses as provided in the agreement referred to in Clause 5 of this Agreement and except for any liability arising before or in relation to such termination) be released and discharged from their respective obligations under this Agreement.

9. [The Parties confirm the appointment of [●] as the central point responsible for adequate public disclosure of information, and handling any request from a competent authority, in accordance with Article 6(5) of Commission Delegated Regulation (EU) 2016/1052 of 8 March 2016 with regard to regulatory technical standards for the conditions applicable to buy-back programmes and stabilisation measures, including as it forms part of United Kingdom domestic law by virtue of the EUWA.]

10. [*The paragraphs included below and the approach indicated in the associated footnotes may, if appropriate on an issue, be amended to reflect the position of the parties on that issue*]³

[Solely for the purposes of the requirements of Article 9(8) of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the **EU MiFID Product Governance Rules**) regarding the mutual responsibilities of manufacturers under the EU MiFID Product Governance Rules:

- (a) [the Issuer/[Joint Lead Manager[s]]/[identify Manager(s) who is/are deemed to be MiFID manufacturer(s)] ([the **EU Manufacturer**/each an **EU Manufacturer** and together the **Manufacturers**)] acknowledges [to each other Manufacturer] that it understands the responsibilities conferred upon it under the EU MiFID Product Governance Rules relating to each of the product approval process, the target market and the proposed distribution channels as applying to the Notes and the related information set out in the [Final Terms/announcements] prepared in connection with the Notes; and
- (b) the [Managers] note the application of the EU MiFID Product Governance Rules and acknowledge the target market and distribution channels identified as applying to the

² To be included for any Green Bond issuance, with any amendments (if any) as may be agreed among the Issuer and the relevant Managers.

³ Depending on the location of the manufacturers, there may be situations where either the MiFID II product governance language or the UK MiFIR product governance language is included or where both are included.

Notes by the EU Manufacturer[s] and the related information set out in the [Final Terms/announcements] prepared in connection with the Notes.]⁴

[Solely for the purposes of the requirements of 3.2.7R of the FCA Handbook Product Intervention and Product Governance Sourcebook (the **UK MiFIR Product Governance Rules**) regarding the mutual responsibilities of manufacturers under the UK MiFIR Product Governance Rules[:]

(a) [each of] [the [Joint] Lead Manager[s]/[identify Manager(s) who is/are deemed to be UK manufacturer(s)] ([each a][the] **UK Manufacturer** [and together the **UK Manufacturers**]) [acknowledges to each other UK Manufacturer that it] understands the responsibilities conferred upon it under the UK MiFIR Product Governance Rules relating to each of the product approval process, the target market and the proposed distribution channels as applying to the Notes and the related information set out in the [Final Terms/announcements] in connection with the Notes; and

(b) the other parties to this Agreement note the application of the UK MiFIR Product Governance Rules and acknowledge the target market and distribution channels identified as applying to the Notes by the UK Manufacturer[s] and the related information set out in the [Final Terms/announcements] in connection with the Notes.]

11. [Include any additional selling restrictions].

12. Clause 19[,] Clause 20 [, Clause 21]⁵ and Clause 22 of the Programme Agreement shall also apply to this Agreement as if expressly incorporated herein.

13. This Agreement may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of this Agreement.

Please confirm that this letter correctly sets out the arrangements agreed between us.

Yours faithfully,

For: **ARION BANK HF.**

By:

We confirm that this letter correctly sets out the arrangements agreed between us.

For: [Names of Managers]

By:

⁴ Managers in (b) are only those Managers that are not deemed to be Manufacturers under limb (a).

⁵ To be included if any of the Managers are Covered Entities under the U.S. Special Resolution Regime.

For:

By:

ANNEX 1

[Form of Final Terms]

[ANNEX 2⁶

UNDERWRITING COMMITMENTS OF THE LEAD MANAGERS

LEAD MANAGER	UNDERWRITING COMMITMENT
	<i>Specify Currency</i>
[•]	[•]
[•]	[•]
[•]	[•]
TOTAL	[•]

⁶ Annex 2 is only required if clause 3 is included in the Subscription Agreement.

SIGNATORIES

This Agreement has been entered into on the date stated at the beginning of this Agreement.

The Issuer

ARION BANK HF.

By: 

By: 

The Arranger

DEUTSCHE BANK AKTIENGESELLSCHAFT

By: 

By: 

The Dealers

BARCLAYS BANK IRELAND PLC

By:

A handwritten signature in blue ink, appearing to read 'Lynda Fleming', with a horizontal flourish underneath.

Lynda Fleming
Authorised Signatory

BOFA SECURITIES EUROPE SA

By: 

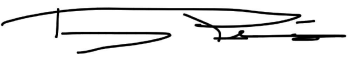
Susan Mann, Authorised Signatory

CITIGROUP GLOBAL MARKETS EUROPE AG

By:  AF1DF713A927429...


By;  BF3CF4FE81014E5...

DEUTSCHE BANK AKTIENGESELLSCHAFT

By: 

By: 

GOLDMAN SACHS BANK EUROPE SE

By: 

Rene Klos, Managing Director

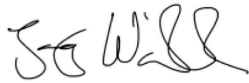
By: 

Marc Lipton, Executive Director

J.P. MORGAN SE

By: 

By: Markyan Szczur, Managing Director



JONAS WILMARIK
Managing Director

MORGAN STANLEY EUROPE SE

By:

A blue ink signature of Stephen Adams, written in a cursive style, positioned over a grey dotted rectangular background.

Stephen Adams
Executive Director

By:


A blue ink signature of Stefan Kunz, written in a cursive style.

Stefan Kunz
Vice President

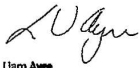
NOMURA FINANCIAL PRODUCTS EUROPE GMBH

By:  Signed by:
Marko Nikolic
9F8725E58527419...
Marko Nikolic- Authorised Signatory

PARETO SECURITIES AB

By: 
Jonas Hellberg
Head of DCM

UBS EUROPE SE

By: 

Liam Ayne
Executive Director

UBS Business Solutions AG
Acting as Agent for
UBS Europe SE

By: 

Nicholas Lewis
Executive Director

UBS Business Solutions AG
Acting as Agent for
UBS Europe SE