

# Business Terms of MP Bank hf.

## 1. Scope and object

- 1.1. These Business Terms apply to securities transactions between MP Bank hf. (hereinafter referred to as the Bank) and the Client. The headquarters of MP Bank hf., State Reg. No. 540599-2469, are in Skipholt 50d, 105 Reykjavík. Tel: 540 -3200, e-mail: info@mp.is.
- 1.2. The Terms apply to securities transactions as defined in Act No. 108/2007 on Securities Transactions, between the Bank and the Client. Securities trading includes, among other things, the acceptance and transmission of instructions from the Client as regards one or more financial instruments, the execution of orders on behalf of the Client, asset management, investment advice and loans for securities transactions.
- 1.3. The Terms are, among other things, intended to describe the relationship between the Bank and the Client as regards securities transactions, the means of establishing contracts and methods of communication, the Bank's requirements regarding security for the transactions and the conditions under which the Bank may close contracts and call in loans.
- 1.4. The Terms are also intended to underscore that the Client has understood the nature of the securities transactions and services covered by the Terms and the risks they entail. The Client is encouraged to familiarise himself with the legislation current at any time, such as Act No. 108/2003 on Securities Transactions, which entered into force on 1 November 2007, Act No. 30/2003 on Undertakings for Collective Investment in Transferable Securities (UCITS) and Investment Funds and Act No. 161/2002 on Financial Undertakings.
- 1.5. The Client is required to accept the Terms before engaging in, or continuing, transactions with the Bank. The Client is assumed to have accepted these Terms by appending his signature to an approval form. The Client, moreover, provides

other authorisations for transactions with the Bank on the same form.

- 1.6. The Bank has an operating licence from the Financial Supervisory Authority, which monitors the activities of the Bank in accordance with the provisions of Act No. 87/1998 on the Official Supervision of Financial Operations and Act No. 108/2007 on Securities Transactions. The branch offices of the Bank, located in member states within the European Economic Area, are subject to the supervision of the supervisory bodies of the state in question as applicable.
- 1.7. By accepting these Terms, the Client declares that he has regular access to the Internet.

## 2. Categorisation of clients

- 2.1. According to Act No. 108/2007 on Securities Transactions, the Bank is under obligation to categorise all its Clients who are subject to these Terms into the following categories: retail clients, professional clients and eligible counterparties. The Bank shall formally inform the Client of the categorisation.
- 2.2. The principal effect of the categorisation of Clients relates to client protection. Thus retail clients receive more protection and more information from the Bank than professional clients and eligible counterparties. Furthermore, the Bank is under obligation to assess whether a particular financial service or certain financial instruments are suitable for the Client in question. Such assessment is influenced by the categorisation of the Client. The Bank has prepared a special form to assist in the assessment.
- 2.3. The Client may request, in writing, a change to his categorisation, in which case the Bank will provide further information if so requested.

## 3. Power of Attorney

- 3.1. A Client may grant power of attorney to a third party to consent to these Terms or to enter into transactions with financial instruments on his behalf, provided that the power of attorney is in writing and satisfactory in the opinion of the Bank. The power of attorney shall include a sample signature of the agent and remain in effect until the Bank receives a written notice of amendment to the power of attorney or its withdrawal, or the effective term of the power of attorney lapses. If the Client is a legal person, the power of attorney shall be confirmed by the board of directors of the legal person or person authorised to bind the legal person.
- 3.2. The Client undertakes to promptly notify the Bank in the event of any changes to a power of attorney issued to the Bank. Furthermore, the Client undertakes, if the Client is a legal person, to notify the Bank immediately of any changes in executive management and/or powers of procuration, if the object of the legal person is changed or if any changes occur which may affect any contracts between the parties.
- 3.3. The Terms are accompanied by an Annex containing a possible form of such power of attorney for securities transactions, see Annex 1.

#### **4. Client's provision of information**

- 4.1. According to legislation on securities trading, the Bank is under obligation to perform an assessment of the Client with respect to particular services and transactions with particular financial instruments.
- 4.2. In the event that the Client requests this service, the Client is under obligation to provide the Bank with any requested information. Moreover, the Client declares that the information he provides to the Bank about his knowledge, experience, finances, investment policy and risk preference are correct. Furthermore, the Client shall inform the Bank of any substantial changes to the information he has provided to the Bank.
- 4.3. The Client agrees that the Bank may base its assessment of the Client on the information from the Client and that the Bank will not perform an independent investigation into the circumstances of the Client.

- 4.4. Moreover, the Client is aware that the Bank may not be permitted to provide him with requested financial services if the Client does not provide correct or adequate information.

#### **5. Risk**

- 5.1. The Client is aware that investing and transactions with financial instruments are, by their nature, risky. The Client is informed that it is dangerous to bind oneself by means of a contract or to enter into transactions without full understanding of the nature and scope of the risk involved. The Client is advised to base a planned investment on his knowledge and experience with respect to financial instruments, his financial position and investment goals.
- 5.2. By consenting to these Terms, the Client declares that he has, in an adequate manner, familiarised himself with the risks involved in the securities transactions he wishes the Bank to perform for him and/or on his behalf, and the Bank assumes that the Client will familiarise himself with the risks and nature of the financial instruments in question before entering into transactions.
- 5.3. A summary of the risks involved in the securities transactions and financial instruments available to the Client is available on the website of the Bank. Moreover, the Client may request that the summary is sent to him by letter.

#### **6. Execution of securities transactions**

- 6.1. Transaction orders may be made in writing or orally. The Client may send in a transaction order to the Bank by e-mail, fax, telephone, over the Internet or through Office Communicator. The Bank cannot accept transaction orders through a telephone that does not record the conversation. A written transaction order is regarded as received when read by an employee of the Bank. Transaction orders are binding for the Client from the time that the order is received by the Bank unless otherwise specifically agreed.
- 6.2. When the Bank accepts transaction orders from Clients, such orders are processed as quickly as possible, taking into account the conditions on the market as current from time to time. The Bank

executes the transaction orders of comparable Clients in the same manner, i.e. in the order that they are received and as quickly as possible, unless the Bank is of the opinion that such transaction is not in the best interests of the Client based on market conditions at that time. The Bank is under obligation to follow the policy of best execution when transactions are executed for retail investors and professional investors, unless such investors have specifically requested otherwise. To achieve the best result each time, the transaction orders of Clients may be gathered together with other orders received by the Bank or the Bank's orders. No specific notification is issued when orders are gathered together. Under some circumstances, the gathering of orders may mean that the best results for the investor, i.e. the Client and the Bank's own trading, are not achieved.

- 6.3. In the event that the Bank accepts limit orders from Clients for the purchase or sale of securities within the EEA and if the Bank is of the opinion that it is not advantageous to execute the transaction as soon as the order is received, the Bank will not publish the limit order of the Client unless the Client specifically requests otherwise.
- 6.4. The Bank confirms all contracts, including spot forex or securities transactions, swaps, forward contracts, short contracts, etc., unilaterally by means of notification on durable medium and by e-mail, unless a request for confirmation by letter is submitted.
- 6.5. The Client undertakes to approve contracts with the Bank within two days from the date of the entry into effect of the contract with his signature or by approval on a durable medium. If the Client makes no comment on the substance of the contract, the Bank may consider the contract binding for the Client. In the event that the Client submits a comment, the order of the Client, including a taped telephone call, communication through Office Communicator or e-mail, shall constitute proof of the terms of a transaction.
- 6.6. The Client does not have a unilateral claim with respect to the Bank that individual securities transactions are executed on the basis of these Terms solely because the Client has accepted

them. The approval of the employees of the Bank is required for the execution of all transactions, and the Bank may unilaterally approve or reject a transaction order. The Client is therefore aware, and confirms such awareness with his consent, that the Bank may reject individual transactions and that the content of individual trading and contracts, including leveraging the Client if appropriate, can differ between companies, markets and market conditions. This furthermore means that the Bank may, at any time, unilaterally reject the Client's request for a new contract or the renewal of a contract without further explanation.

- 6.7. Furthermore, the Bank has discretionary powers to require any documents, information or collateral which the Bank considers adequate for the transactions. The Bank also has discretionary powers to assess whether any submitted documents and/or information are adequate.
- 6.8. In the event of a transaction order with complex financial instruments, the Bank shall assess whether the financial instrument is appropriate for the Client before the Bank executes the transaction on behalf of the Client. In the event that the Bank is of the opinion that the financial instrument is not appropriate for the Client in question, the Bank shall send notification of such opinion in a verifiable manner.
- 6.9. The Bank does not provide its Clients with personal investment advice unless specifically requested to do so. General information on market conditions and exchange rate trends from time to time is not regarded as personal advice to Clients unless specifically stated. The Bank does not guarantee that the general information provided by the Bank will benefit the Client. In the event that the Client specifically requests that the Bank provide him with investment advice in connection with an investment, the Bank is under obligation, in accordance with Act No. 108/2007 on Securities Transactions, to assess the eligibility of the Client with respect to the investment in question. In the event that the Bank does not consider the Client eligible, the Bank shall formally inform the Client of such opinion.
- 6.10. Transaction orders or other instructions issued by the Client to the Bank are the responsibility of the

Client. If a transaction order is issued orally, e.g. by telephone, the Client shall bear the burden of proof that the order was sent, that the employees of the Bank exceeded the instructions or that they made decisions for which there were no oral instructions. The Client bears all responsibility and risk that a transaction order is received by the Bank in an adequate manner, and the Bank reserves the right not to execute transaction instructions if such instructions are inadequate in the opinion of the Bank.

- 6.11. By consenting to these Terms, the Client grants the Bank power of attorney to assign financial instruments in his name.
- 6.12. Moreover, the execution of transactions is subject to the rules of the stock exchange or the market where the transactions are performed, as applicable.

#### **7. Best execution of transactions**

- 7.1. In order to ensure the best execution of transactions in the execution of orders of retail investors and professional investors, the Bank shall employ the measures available, from time to time, as provided for in the Bank's policy on the best execution of transactions.
- 7.2. The Client must approve the Bank's policy on the best execution of transactions before the Bank executes his order instructions. The Client may reject the Bank's policy on best execution of transactions and give specific instructions for another form of execution. The Bank shall then endeavour to provide services in accordance with the instructions of the Client. Amendments to the Bank's policy on best executions of transactions will be made only on the website of the Bank. If so requested, the Bank will send the client an updated policy in paper format. The policy on the best execution of transactions is accessible on the website of the Bank.

#### **8. Notifications to supervisory bodies**

- 8.1. Following securities trading with a financial instrument subject to notification obligations pursuant to laws and regulations, the Bank is under obligation to issue notification of the transaction to the appropriate supervisory authorities.

#### **9. Delivery of financial instruments and payment**

- 9.1. In the event that a Client requests the sale of a financial instrument, the Client is under obligation to ensure that the financial instrument in question is delivered to the Bank prior to the execution of the transaction in the event that market rules or the Bank so require. The Client shall compensate the Bank any damages resulting from delays relating to the delivery of the financial instrument. The Bank is entitled to confirmation to the effect that the Client is the owner or can deliver the financial instrument in question.
- 9.2. The Client undertakes to employ all necessary measures to ensure the correct transfer of title to financial instruments in the event that Client assistance is necessary. In the event that the Client refuses such arrangement, the Bank may petition the District Commissioner or the District Court to execute what the Client fails to do.
- 9.3. The Client undertakes to own, on the date of settlement, a balance in his charge account in the Bank, or the account referred to by the Bank, equivalent to the purchase price of financial instruments in addition to costs and any taxes. The Bank may investigate whether the Client has sufficient funds in his account for the conclusion of the transaction or whether the custody account contains financial instruments which shall then be set aside for the conclusion of the transaction. In the event that the settlement does not take place on the settlement date due to insufficient funds in the charge account, this shall constitute a substantial event of default.

#### **10. Preservation of financial instruments, the funds of Clients and nominee registration**

- 10.1. The Bank ensures that the assets of the Client are kept separate from the assets of the Bank and ensures, to the best of its ability, that they are kept away from the creditors of the Bank.
- 10.2. The Client agrees that the Bank may use the services of, and preserve the financial instruments and funds of the Client with, a third party, such as another financial undertaking or settlement agent, provided that the assets of the Client are preserved in a separate account of the Bank which is opened on behalf of the Client or in the Bank's nominee

account at a third party. The responsibilities of the Bank with respect to the actions or the lack of action of a third party are governed by applicable laws, rules and regulations.

- 10.3 The Client confirms and consents that the Bank may preserve the financial instruments of the Client in a joint account in the name of the Bank in a third party, subject to the fulfilment of the conditions of nominee registration, as provided for in Article 12 of Act No. 108/2007 and regulations established on the basis of the Act. Nominee registration involves the services provided by the Bank, whereby the Bank looks after the assets of its Clients in its own account (nominee account) and receives on behalf of its Clients payment from individual issuers of securities. The principal legal effects of nominee registration are:
- 10.3.1 The Client shall be made aware that in the event of a financial undertaking being sent into receivership, a request being made for a debt moratorium, the winding-up of the company or comparable measures, the Client can, on the basis of the record, withdraw his securities from the nominee account, provided there is no dispute as to the Client's holding. Disputes as to the Client's holding, however, can lead to the loss of rights.
- 10.3.2 Financial instruments that are registered in a nominee account do not enjoy voting rights at shareholders' meetings.
- 10.3.3 The Client will not be registered in the share register of the company in question. Dividends and other rights issuing from the company are deposited into the nominee account of the Bank and are subsequently registered as the property of the Client according to the nominee registry of the Bank.
- 10.3.4 In other respects, shareholdings in nominee registration enjoy the same rights and are subject to the same obligations as are commonly in effect, e.g. as regards flagging obligations.
- 10.4 The Clients of the Bank may request to trade with financial instruments that are listed outside the European Economic Area. In such cases, the assets

of the Client, whether in the own account of the Client or in the Bank's nominee account, may be subject to legislation applicable outside the European Economic Area which may lead to a different legal status for the Client.

- 10.5 In connection with the Bank's agreements with third parties with respect to the preservation of financial instruments and securities transactions, the financial instruments of the Client and the Bank may stand as collateral for the settlement of securities transactions. In such cases, the third party, as custodian, may be entitled to set-off the debt.

#### **11. Account for electronically registered securities**

- 11.1 If the Client wishes to enter into a contract for electronic securities certificates, i.e. assignable electronically registered securities, or submit electronic securities as collateral, the Client must first open an ISD account at the Bank in accordance with the Act on the Electronic Registration of Title to Securities. The approval of these Terms entails authorisation by the Client for the Bank to transfer electronic certificates from an ISD account operated by the Iceland Securities Depository or another account operator to an ISD account operated by the Bank.
- 11.2 The Terms are accompanied by an Annex containing an example of application for electronic registration of title and the establishment of an ISD account, see Annex 2.

#### **12. Debiting of accounts and charges**

- 12.1 If a claim is not settled on its due date or, as applicable, on the date of calling, the Bank may debit the Client's account at the Bank in the currency of the claim and thereby settle the original claim. The due date is determined either based on contract or on normal settlement procedures. The same applies to the accounts of the Client that the Bank has established with a third party with respect to securities transactions or asset management for the Client.
- 12.2 The Bank reserves the right to charge commissions and fees for services rendered pursuant to the Bank's tariff as current at any time. The Bank reserves the right to present to the Client new

information on commissions and fees on the website of the Bank. Moreover, the current tariff is available in the offices of the Bank. Fees and commissions shall be paid on demand, and the day of demand shall constitute the due date except as otherwise negotiated. By appending his signature to these Terms, the Client agrees to such charges and authorises the debiting of his account in respect of such charges.

- 12.3 The Bank retains a possessory lien in the portfolio of the Client until the commission and other costs have been paid and may sell individual financial instruments belonging to the Client on the market in order to set off the debt and dispose of the sales value towards the payment of commissions and other costs.
- 12.4 The Client shall pay all public levies or taxes which may be imposed on the contract or payments pursuant to the contract at no cost to the Bank. If foreign securities carry stamp duty, this is added to the initial fee of the Client.

### **13. Mergers of companies, changes in the object of companies, etc.**

- 13.1 In the event that a Client is a legal person and makes a decision to merge with another company or companies, to divide the company into two or more independent companies, to change its activities so as to require amendment to the object of the company as stated in its articles of association, or in the event of a substantial change in the ownership of the company (the Client), the Bank may terminate all contracts in effect between the parties if it is the opinion of the Bank that such changes will have a substantially negative impact on the operating conditions or financial position of the company/Client or its ability to meet its obligations.
- 13.2 The Client shall notify the Bank immediately of any such decision. The notice period for termination shall be fifteen (15) days from the date that the Bank notifies the Client of a decision to terminate. All contracts shall then fall due immediately on the lapse of the notice period, and a financial settlement shall take place without delay.

### **14. Collateral**

- 14.1 A Client may be required to provide collateral which the Bank deems sufficient to secure prompt and full payment, whether for individual transactions, contracts or as universal collateral. In such cases, a separate written agreement shall always be prepared, such as a Pledge of Collateral or General Bond.
- 14.2 The Client undertakes to sign all documents relating to collateral.
- 14.3 The Client may not transfer, mortgage or dispose of by other means the collateral that he pledges to the Bank without the permission of the Bank.
- 14.4 If a Client pledges a deposit in a bank account as collateral, the account shall be in the custody of the Bank. Collateral submitted by a Client in the form of electronic securities shall be mortgaged in the ISD account of the Client in the Bank. If a Client submits a security in paper form as collateral, the security shall remain in the custody of the Bank. In the event that such securities (in paper form) are subsequently registered by electronic register of title, the signature of the Client on these Terms shall constitute a power of attorney to the Bank to open an ISD account in the name of the Client, transfer the securities to the account and register them as mortgaged to the Bank.
- 14.5 The Bank will assess the value of the collateral and whether it is sufficient. The assessment of the Bank shall apply unless otherwise specifically negotiated. In its assessment of collateral value, the Bank will take account, *inter alia*, of the market value of the assets in question, which will be re-assessed on a regular basis. As the market value of collateral can change without notice, particularly if collateral is pledged in the form of financial instruments, the Client is aware that a re-assessment can result in a request for additional collateral.
- 14.6 If a contract specifies that the value of security must remain above a specified minimum, whether the criterion is the value of the security (e.g. collateral) or the value of the contracts secured (e.g. derivatives) and if the value of the security falls below the specified minimum, the Client shall provide additional security so that the contracted minimum is achieved.

14.7 If the Bank requires security or additional security, the Client shall comply with the request of the Bank within two (2) banking days from the date that the Bank makes such request. However, substantial changes in market conditions may call for shorter notice, and in such cases, the Bank is entitled to give shorter notice, even within the day, or to shorten a previously granted notice.

14.8 Requests for security or additional security may be made by the Bank in writing, by telephone, by fax or by e-mail. Notices thereto shall be regarded as properly delivered if delivered to the e-mail or fax number provided by the Client, unless it is obvious to the Bank that the notice has not been received. The Client is held responsible if his server / fax machine does not deliver his e-mail/fax, e.g. as a result of a malfunction in the computer system / fax machine. A notice given over the telephone is regarded as being immediately communicated to the Client. The Client will promptly notify the Bank of any change in his address, telephone number, e-mail address or other comparable information. Such notification is regarded as received when it is read by an employee of the Bank.

#### **15. Setting off (netting) of contracts and assignment**

15.1 Setting off (netting) in foreign exchange and securities trading, including derivatives trading and deposits and lending, is subject to the following:

- (a) If contracts falling within the scope of these Terms entail mutual obligations to be discharged by means of the same payment on the same day, e.g. the same currency or same type of security, the Bank may require setting off, so that only the balance, if any, is paid.
- (b) If contracts falling within the scope of these Terms entail mutual obligations to be discharged on the same day but not by the same payment, the Bank may nevertheless require setting off, so that only the balance, if any, is paid. If the payments are not in the same currency, the Bank may convert the payment into Icelandic krónur or another agreed currency prior to netting.
- (c) If any obligations of a Client pursuant to a contract falling within the scope of these Terms are called pursuant to Article 16, the Bank can set off claims pursuant to all contracts covered by these Terms so that the

profit and loss of each party is settled simultaneously and the balance, if any, paid out.

15.2 Settlement pursuant to this Article, i.e. valuation of financial instruments and conversions, is subject to Article 16.

15.3 Claims pursuant to Sub-sections (a) or (b) of Section 15.1 shall be submitted with at least two (2) days' notice, but concurrently with a notice of default pursuant to Sub-section (c) of Section 15.1.

15.4 By accepting these Terms, the Client agrees that a contract has been established with the Bank in accordance with Chapter V of the Act on Securities Transactions, to the effect that the commitments of the Client and the Bank pursuant to derivative contracts, pursuant to Article 40 of the Act on Securities Transactions, shall be balanced against each other, by netting, on renewal or default, suspension of payments, composition with creditors or bankruptcy, and that the contract shall remain in full effect notwithstanding the provisions of Articles 91 and 100 of Act No. 21/1991, on Bankruptcy, etc.

15.5 The Client cannot assign his rights or obligations pursuant to these Terms or contracts made on the basis of these Terms without the written consent of the Bank.

#### **16. Default and calling in authorisations**

16.1 In the event of non-substantial default by the Client in respect of any commitment hereunder, transactions or under any contract referring to these Terms, the Client shall have two (2) days to remedy the events which led to the default. The period of grace shall be calculated from the time at which the event of default is regarded as having taken place.

16.2 The Bank may, without any obligation to do so, sell financial instruments, in their entirety or a proportion thereof, call in or close a contract and/or contracts on any market the Bank may choose when the Client substantially defaults on his commitments. Calling means that the closing date of a contract is advanced to the date of calling. Closure by means of a counter contract which eliminates overall market risk shall take place at

normal value based on market price, market interest and the credit terms of the Client as current. Calculation of any profit/loss shall take account of market conditions on the date of calling. In the event that the Bank exercises its selling rights or calls in a contract, the Bank acquires a claim on the Client for the balance which may result from the purchase price of the financial instrument in question and the sales price with the addition of costs.

16.3 The following events shall be regarded as substantial events of default for the purposes of the above:

- (a) The Client has not remedied an event of default within two (2) banking days, as provided for in Section 16.1.
- (b) The Client is in default of obligations to the Bank other than those falling within the scope of these Terms and has not remedied the default within two (2) banking days from the time that the default began, or is repeatedly in default of obligations to the Bank.
- (c) The Client does not supply adequate collateral or additional collateral within the time limit set in Article 14.
- (d) The Client is ordered by a court of law to pay a cash debt which is listed in the default register, the estate of the Client is subjected to attachment, or the Client petitions for a moratorium on debts, seeks composition, enters into negotiations with creditors on partial relief from debts, petitions for bankruptcy proceedings (or statutory law permits or requires the submission of such a petition), or a petition is submitted for the enforced auction of the Client's assets, or the financial situation of the Client is such that there is a significant likelihood that he will not be able to meet his obligations under these Terms.
- (e) The Client neglects his obligation to notify pursuant to these Terms.
- (f) The Client neglects to notify the Bank of a decision on a merger, division of the Company into two or more independent companies or an amendment to the object of the Company as stated in Article 13 hereof.

16.4 The Bank will notify the Client when his obligations have been called or a contract/contracts closed as a result of substantial events of default. Such notification shall be sent in accordance with Section 14.8.

16.5 In the event of the setting off, calling or closure of a contract/contracts, the Bank will assume responsibility for the calculation of the profit/loss of the Client from the contract/contracts in question and the market value of collateral, as provided for in Section 16.6. The Bank shall submit its calculations to the Client no later than fifteen (15) days following the calling in or closure of the contract/contracts if the Client so requests.

16.6 When a debt is due pursuant to the above, the Bank may resort to one of the following options:

- (a) The Bank may have the pledged property sold at an enforced auction for satisfaction of the debt without prior adjudication, arbitration or attachment pursuant to Article 6 of Act No. 90/1991 on Enforced Auctions, to the extent necessary for the Bank to receive payment in full.
- (b) The Bank may sell in the market or take over assets at its own discretion to the extent needed to settle the claims of the Bank. The price of the assets shall be based on their market price on the day that the Bank decides to exercise the option. The assessment of the market value of financial instruments listed in a stock exchange shall be based on the closing price in the stock exchange in question on the day before the assessment. If the price formation on that day was unnatural in the opinion of the Bank, the assessment may be based on the closing price of more banking days, taking into account the trading volume of the instruments on separate days. In assessing the market value of unlisted securities, the Bank shall conduct a valuation taking into account the price leading financial undertakings doing business with the Bank involving the securities in question are paying for them.

16.7 In the event that the Client substantially defaults on his obligations to the Bank, the Client agrees

that the Bank has full and unlimited **power of attorney** to assign the financial instruments of the Client, to sign for all payments and to perform all actions necessary and which the Bank considers to be advantageous to it. In the event that further assistance by the Client is required before the transfer of title of financial instruments can take place, e.g. through the delivery of any necessary documentation, the Client undertakes to take all necessary measures in such circumstances, and in the event that the Client fails to do so, the Bank may seek the assistance of the District Commissioner or the District Court of Reykjavík to ensure the performance of any action that the Client neglects to perform.

16.8 The Bank may, without obligation, convert default claims in foreign currencies into Icelandic krónur on the date of calling or, as applicable, on the due date of the claim or later. Such conversion shall be based on the posted buying price of the Central Bank of Iceland at 11:00 a.m. on the day of settlement.

16.9 The Client shall pay default interest on the claims of the Bank as of the date of calling:

(a) Claims in currencies other than EUR shall carry penalty interest corresponding to monthly LIBOR interest, as determined for the currency in question at any time, with a default margin of 7.5% (seven point five percent) of the amount due or called from the due date to the date of payment. LIBOR (London Interbank Offered Rate) interest refers to interest on the London Interbank Market as posted at 11 a.m., local time, in London on the Reuters BBA screen. In the event that the currency in question is not regularly posted on the BBA interest rate table, the interest shall be based on other interest rates on the interbank market or currency exchange market indicated by the Bank at any time.

(b) Claims in EUR shall carry penalty interest corresponding to one-month EURIBOR interest, as determined at any time, with a default margin of 7.5% (seven point five percent) of the amount due or called amount from the due date to the date of payment. EURIBOR (European Interbank Offer Rate)

interest refers to interest on the interbank market in the Member States of the European Monetary Union as posted at 11 a.m., local time, in Brussels on the Reuters EURIBOR01 screen.

(c) Claims in Icelandic krónur shall carry penalty interest pursuant to the decision of the Central Bank of Iceland at any time on base penalty interest and default margins, as provided for in the first paragraph of Article 6 of the Interest Act No. 38/2001, on the due or called-in amount from the due date to the date of payment. Unpaid penalty interest shall accrue to the principal every 12 months, for the first time 12 months after the first date of default.

16.10 In the event of default by the Client of his obligations hereunder, the Client undertakes to pay to the Bank, in addition to interest and/or penalty interest, any costs incurred by the Bank as a result of the default, litigation costs or other court costs, counsel's fees or other expenses payable by the Bank, together with other legal costs resulting from collection pursuant to these Terms, in addition to any cost pursuant to the Bank's tariff.

16.11 In the event of the calling of the Client's obligations or the closure of a contract/contracts, partially or in full, the Bank may, without further notice, seek enforcement of its claims, at its sole discretion, through the collateral placed by the Client, e.g. through the sale of financial instruments without an enforced auction. The Bank may decide, at its sole discretion, whether to seek enforcement of all the collateral placed or any part of the collateral, and, if the latter, in what order.

## **17. Liability for contracts, declaration of indemnity, force majeure**

17.1 With his consent, the Client declares that he is aware of the fact that the transactions he may engage in with the Bank and falling within the scope of these Terms may involve particular risk. Therefore, the Client should seek advice from outside experts if he feels this is needed. In the event that the Client seeks the opinion of the employees of the Bank and they provide an opinion on the basis of such a request, it is reiterated that any opinion expressed by the employee in response

to such a request is merely the opinion of that employee and may change without notice.

- 17.2 The Client is aware that the trading of the Bank under these Terms does not include tracking or asset management for the Client. This means that the Bank does not guarantee alerts to the Client regarding the position of contracts or their closing at certain limits unless such services have been specifically negotiated, with all the special and general reservations that may apply from time to time. Therefore, it is entirely the responsibility of the Client to monitor the position and trends of the contracts he has concluded with the Bank.
- 17.3 The Bank regularly publishes, on its website, information on various investment options available on the market from time to time. The publication of this information is merely to inform Clients and shall not be regarded as personal advice to Clients.
- 17.4 The Bank is not liable for any alleged direct or indirect damages suffered by the Client as a result of price changes following calling, e.g. if the Client would have made a profit on the price trend if the contract had not been called.
- 17.5 Since market conditions can change significantly in a short time, the Bank cannot guarantee that a Client's instructions with respect to the preparation of a contract or execution of a transaction can be processed at the requested price. The Bank is not responsible for any damage or loss suffered by the Client as a result of a request for a contract or individual transaction being processed at a less favourable price than assumed in the order, e.g. as a result of the price trends during the time that it takes to process the order.
- 17.6 The Bank is not liable if the Client is in default of his obligations to the Bank and the Bank therefore enforces the collateral or exercises the provisions available to it and the collateral is sold or enforced by other means at a lower price or rate than the Client may have anticipated.
- 17.7 The Bank is not liable for any direct or indirect losses suffered by the Client if a tax collectible from the Client is not collected or incorrectly collected.

In the event of a tax and/or public levy being imposed on a contract or individual transaction falling within the scope of these Terms, the Client shall pay such additional expense.

- 17.8 The Bank is not liable for any direct or indirect damage or loss that the Client may suffer directly or indirectly as a result of the failure of the equipment or computers of the Bank, or for other similar reasons, e.g. in the use of the postal system, telephone, telex, fax or e-mail. Furthermore, the Bank is not liable for damage or losses caused directly or indirectly as a result of the information or actions of any third party.
- 17.9 The Bank is not liable for any direct or indirect damage or losses resulting from events of *force majeure*, such as war or impending conflict, terrorism, natural disasters, strikes, lockouts, closures of borders or trading bans or embargos.
- 17.10 In the event of a substantial change in the business terms of the Bank as a result of events for which it cannot be held responsible, e.g. changes in loan markets, government decisions, war, nuclear accidents or other incidents that can be classified as events of force majeure, with the result that the Bank is unable to obtain overseas loan capital for the financing of securities transactions or contracts on terms comparable to those anticipated on its negotiation, the Bank may, following prior notification to the Client, call in the balance of the loan or accelerate the closing date of the contract with 7 days' notice. The same applies in the event of substantial changes for the worse in the business terms of the State Treasury on overseas loan markets.
- 17.11 The Bank is not liable for any direct or indirect damage or losses resulting from events of a political, social, financial or economic nature which are likely to prevent, terminate or disrupt in part or in full the services provided by the Bank, even if such events are not classified as events of *force majeure*.
- 17.12 The Bank is liable neither for financial instruments returning the yield anticipated by the Bank or the Client, nor for currency trends developing in the manner that the parties may anticipate.

Furthermore, the Bank is not liable if it proves impossible to buy or sell the financial instruments or currency that the Client has requested to buy or sell in the price range requested by the Client.

**18. Obligation to inform and notifications of the Bank**

- 18.1 The Bank shall send to the Client a receipt for each transaction involving financial instruments and currency executed for the Client no later than the banking day following the execution of the transaction or, if the Bank received confirmation from a third party, no later than on the first banking day after a confirmation has been delivered by a third party. The Bank shall send such notification by durable medium, unless a request is submitted to have the notification sent by letter. If the Client has not commented in writing on a receipt or statement within thirty (30) days from its date of issue, the Bank will assume that the information it contains is correct, except in the case of obvious errors. In the event of errors, these shall be corrected and a notice sent to such effect.
- 18.2 In the event of the calling of a contract or if the Client defaults on a payment on its due date, the Bank shall send to the Client a notice concerning the Bank's calculation of the payment obligation and, as applicable, the value of any enforced security. The notice shall be sent within twenty-one (21) days from the due date, calling date or enforcement date of collateral.
- 18.3 The Client is required to notify the Bank immediately of any circumstances that may affect the business relations of the parties, including any actual or foreseeable default or any events which could result in default, whether pursuant to these Terms or any other terms or agreements between the parties. Moreover, the Client is required to notify the Bank if he becomes an insider in a listed company or if other similar circumstances restrict the permission of the Client to trade in certain financial instruments.
- 18.4 The Client shall, at the request of the Bank at any time, deliver to the Bank any information regarded by the Bank as necessary relating to the financial position of the Client and/or his knowledge or experience of market trading.
- 18.5 The Client declares, with each request relating to foreign financial instruments, that all foreign financial instruments that he, or others on his behalf, may trade with the mediation of the Bank belong personally to the Client and that the Client is the beneficial owner of such instruments and that the financial instruments can neither now nor at a later date be traced to criminal conduct.
- 18.6 The Bank will not specifically publish notifications on the corporate actions of companies. Corporate actions means actions that lead to changes in the financial obligations of companies, such as dividend disbursement and the issue of bonus shares. The Client declares that he is responsible for monitoring notifications of such corporate actions and that his decision to participate in such corporate actions is his responsibility. The Client shall deliver requests to such effect to the Bank, which shall act as an intermediary for the Client's participation.
- 18.7 On the demise of a Client, or dissolution if a legal person, the Bank shall be notified, and a duly authorised party shall inform the Bank of the disposal of the rights and obligations of the Client. If the Bank has not received information from such party within five (5) banking days from the demise or dissolution of the Client, previously given information, e.g. concerning authorisation to represent the Client, shall be regarded as correct, and in such an event, the Bank is permitted, without obligation, to call and/or close the contract(s) of the Client with the Bank. The Bank is not liable for any damage that may result. Furthermore, the Bank reserves the right to refuse to carry out instructions if there is the least uncertainty as to who is entitled to make decisions relating to the rights and obligations of the Client following demise or dissolution, and the Bank accepts no liability for any losses which may result from such refusal.
- 18.8 By confirming these Terms, the Client declares that the Bank may communicate with the Client in writing, by telephone, by fax, by e-mail or through the access-controlled service site of the Client on the website of the Bank or through the website of the Bank. The Client consents to the risks involved in electronic communications, including the risk of

e-mail not arriving at the correct time and the possible risk of confidentiality being compromised through such medium of communication. Communication shall be regarded as having occurred if a request to execute a transaction is received through the e-mail address or fax number provided by the Client, unless it is obvious to the Bank that the information has not been received, e.g. with a reply e-mail to the effect that the e-mail address is no longer active.

- 18.9 The Client is held responsible if his server / fax machine does not deliver his e-mail/fax, e.g. as a result of a malfunction in the computer system / fax machine. The Client will promptly notify the Bank of any change in his address, telephone number, e-mail address or other comparable information. A written request is regarded as received when it is read by an employee of the Bank.
- 18.10 The Bank is under obligation to provide the Client with statements, notifications, confirmations of transactions, receipts, etc. in durable medium which may be sent over the Internet as stated in the definitions in Section 25. A notice given over the telephone is regarded as being immediately communicated to the investor.
- 18.11 By confirming these Terms, the Client declares that the Bank may distribute information specifically relevant to the Client, such as amendments/updates to the policy of best execution, policies relating to conflicts of interest and changes to these Terms over the Internet in a durable medium.
- 18.12 The Client may receive such data by letter if the Client so requests.

**19. Measures against money laundering and terrorist financing**

- 19.1 For the purposes of compliance with the Act on Measures Against Money Laundering and Terrorist Financing No. 64/2006, the Bank is under obligation to gather information on the Client. If the Client is a natural person and, on the approval of these Terms, has not previously engaged in transactions with the Bank, the Client shall provide proof of identity by filling in and signing forms on the initiation of business relations and shall deliver the requested data. Moreover, if the Client, if a legal person and, on the approval of these Terms,

has not previously engaged in transactions with the Bank, shall provide proof of identity by filling in and signing forms on the initiation of business relations for legal persons and shall deliver the requested data, including information on the Client's activities and on who is authorised to bind the legal person with respect to the Bank. Holders of powers of attorney of legal persons shall also prove their identities by submitting identification documents.

- 19.2 Furthermore, the Bank shall obtain the same information concerning the beneficial owner of the Client, if applicable, pursuant to the provisions of Act No. 64/2006 on Measures Against Money Laundering and Terrorist Financing. A beneficial owner refers to the natural person or persons who ultimately own or control the natural person and/or legal person in whose name the transaction is carried out or who carries out the transaction. The beneficial owner includes i.a. the natural person or persons who ultimately own or control a legal person through direct or indirect ownership of over 25% of shares in the legal person, control over 25% of the voting rights or are regarded as exercising control by other means over the legal person. If a Client is a foreign legal person, the Client shall present a certificate from the corresponding foreign authorities.
- 19.3 The Bank is under obligation to preserve photocopies of personal identification documents and other required documents or adequate information from the documents for a minimum of five years from the time that business is concluded.
- 19.4 Furthermore, the Bank reserves the right to request further data relating to the Client and the funds the Client intends to keep in the custody of the Bank or which the Client intends to use when engaging in business with the Bank.
- 19.5 By approving the Terms, the Client confirms that the funds delivered by him to the Bank are owned by the Client. If the Client, at the outset of a business transaction or later, wishes to submit funds owned by other persons, the Client shall notify the Bank in writing, and the Bank may then require all the necessary documentation. The same applies in the event of changes to the information

or data delivered by the Client to the Bank in accordance with the above.

## **20. Recording of telephone calls, storing and saving data**

- 20.1. In the interests of the security of the Client and the Bank, and as a means of correcting potential misunderstandings, the Client is aware that all business telephone calls to the Bank may be recorded, without this fact being stated each time, provided that the Client confirms by his approval on these Terms that he is unequivocally aware that this may be so. The same applies to conversations through Office Communicator.
- 20.2. Telephone recordings are made in accordance with authorisations contained in the Telecommunications Act.
- 20.3. By his acceptance of these Terms, the Client agrees that such recorded conversations can be submitted as evidence in the course of legal proceedings and/or used as evidence in other circumstances in the event of a dispute regarding the substance of communications between the contracting parties, e.g. as regards the conditions and/or execution of a transaction. In other respects, the Bank shall treat recorded telephone conversations in the same way as other information which is subject to confidentiality pursuant to Articles 58 to 60 of the Act No. 161/2002 on Financial Undertakings.
- 20.4. All data, of whatsoever type, containing information on the transactions of Clients and their execution, are preserved at the Bank for at least five years.

## **21. Personal privacy and the treatment of personal information**

- 21.1. The Bank needs, and is obligated by law, to process personal information on its Clients in order to perform its role as a financial undertaking and to ensure security in financial services. The Bank is generally responsible for the processing and treatment of personal information. The information in question includes, i.a. the name, Id. No. / State Reg. No., address and information about the individual transactions of the Client.

- 21.2. By accepting these Terms, the Client allows the Bank to process personal information relating to the Client. On the processing of personal information, access is limited to the Bank's employees that need access to such information due to the nature of their work, although the Bank may disseminate information delivered to the Bank by the Client, such as for the categorisation of the Client or his request to be categorised as a professional investor, to the different divisions of the Bank. Furthermore, the Bank may disseminate personal information about the Client to processing entities, entities who have entered into a service agreement with the Bank or entities providing the Bank with services, guarantors of the debt of the Client or other parties duly authorised by the Client. The same applies to the dissemination of information to the subsidiaries and affiliated companies of the Bank. Moreover, the Bank may disseminate information on the defaults of a Client that have lasted for at least 40 days to Lánstraust hf. for publication on the Lánstraust register of defaults, etc. Before borrowing and in the event of defaults, the Client grants the Bank permission to investigate his position in the Credit Information System of Lánstraust hf.

- 21.3. The Client's personal information is preserved while the Client maintains a business relationship, for as long as provided for by law or the business interests of the Bank so demand and reasonable reasons so warrant.

- 21.4. According to the Act on the Protection of Privacy as Regards the Processing of Personal Data, the Client is entitled to be informed of the personal information that is, or has been, processed by the Bank. Moreover, the Client is entitled to the correction or deletion of incorrect or misleading personal information.

## **22. Complaints**

- 22.1. In the event that the Client is dissatisfied with the services provided and/or is of the opinion that he has not been provided with adequate services in accordance with these Terms, the Client shall contact the Bank's Compliance Officer as soon as possible.

### **23. Confidentiality and non-discrimination**

- 23.1. The Bank is required to observe full confidentiality with respect to the Client as regards all his business with the Bank and any other matters relating to his interests which are confidential by law or by their nature unless the Bank is ordered by a court of law to disclose information to the court or to the police authorities.
- 23.2. According to Act No. 108/2007 on Securities Transactions, the Bank shall ensure that particular information on particular transactions shall be made public. By confirming these Terms, the Client accepts that the Bank may make such information public. According to the rules of various states, the Bank may be required, subject to criminal liability and loss of voting rights, to disclose the beneficial owners of shares in publicly listed companies, whether flagging limits have been reached or not. If the Client wishes to trade in such markets, such request constitutes authorisation to the Bank and its custody agents to inform the stock exchange in question or register of shares of the beneficial ownership.
- 23.3. Furthermore, the Client authorises the Bank to disclose to the Take-over Committee, in the event of a request from the Committee, any information concerning the existence of a contract or contracts and its/their substance, including information on the share and the company/companies involved in the contract(s) and where the voting rights and the rights to dividends reside pursuant to the contract(s), as required by Article 6o of Act No. 161/2002 on Financial Undertakings.
- 23.4. The Client is aware that the Bank itself may be a counterparty in contracts or individual transactions with the Client, but is also aware that the Bank is required by law to exercise the fullest degree of impartiality towards its Clients and must consistently organise its activities in such a way as to ensure equal treatment of its Clients as regards all matters of any consequence as stated in the Bank's policy on the conflict of interest. The own trading of the Bank, therefore, shall in no way conflict with the interests of the Client. The Bank's policy with respect to conflicts of interest may be accessed on the website of the Bank. Moreover, the Client may request that the policy is sent to him by letter.

### **24. Miscellaneous provisions**

- 24.1. These Terms and any contracts entered into on the basis of these Terms are subject to Icelandic law. In the event of any dispute relating to the interpretation of these Terms or any contracts entered into on the basis of these Terms, the dispute shall be brought before the District Court of Reykjavík. Furthermore, the Client is fully informed of his option to refer any dispute with the Bank to the Complaints Committee on Transactions with Financial Firms.
- 24.2. All communications between the Bank and the Client with respect to transactions subject to these Terms shall be conducted in Icelandic or in English.
- 24.3. In the event of any discrepancy between these Terms and the provisions of a contract made on the basis of these Terms, the provisions of the contract shall apply.
- 24.4. The Bank reserves the right to cancel these Terms, add to them or amend them at any time. In such event, the Client will be notified by means of a durable medium. Moreover, the Client may request that such changes are sent to him by letter.
- 24.5. These Terms are standard and cannot be amended by any action of the Client. Any notes, deletions, additions or other amendments made by the Client, therefore, have no effect for the Bank.
- 24.6. These Terms shall enter into effect on 1 November 2007 and shall apply to all contracts made after that date. The previous terms shall maintain their applicability with respect to the contracts effective before 1 November 2007.

### **25. Definitions**

The following definitions apply to these Terms, as well as to any other executed transactions and which are within the scope of these Terms:

- 25.1. Banking day is a day when banks are generally open for business in Iceland and in the financial centres of the financial instruments specified in a contract.

- 25.2. The Banking day rule shall be specified in the contract. The rule describes how contractual due dates are shifted if they do not fall on a banking day for the currency in question. The banking day rules are as follows:
- (a) *The following banking day.* The contractual due date is shifted to the next banking day following the day specified when that day is not a banking day.
  - (b) *The following banking day with exception.* The contractual due date is shifted to the next banking day following the day specified when that day is not a banking day, unless the shift has the result that the due date falls in the following month. In such circumstances, the due date is shifted to the banking day immediately preceding the date specified in a contract.
  - (c) *The preceding banking day.* The contractual due date is shifted to the banking day immediately preceding the day specified when that day is not a banking day.
- 25.3. Financial instrument means:
- (a) transferable securities
  - (b) money market instruments
  - (c) unit certificates in undertakings for collective investment
  - (d) derivatives, forward contracts, options, etc.
- 25.4. Investment advice means the provision of personal recommendations to a Client in respect of financial instruments, either at the initiative of the Client or the provider of the service.
- 25.5. Complex instruments means securities that grant the right to purchase or sell transferable securities or which lead to settlements in cash which are determined with respect to transferable securities, currencies, interest or yield, commodities or other indices or standards, derivatives contracts and all other derivatives.
- 25.6. Non-complex instruments means:
- (a) shares listed on a regulated market
  - (b) money market instruments
  - (c) bonds, other than those guaranteed with built-in derivatives
  - (d) assets in collective investment schemes
  - (e) other non-complex instruments
- 25.7. Contract date. A contract date is the date on which the Bank confirms the transaction and terms requested by the Client.
- 25.8. The interest period is the number of days or months on which the calculation of interest is based at any time. Interest is calculated as of the first day of each interest period until the last day of the period. The first interest period of a contract begins on the first interest day of the contract and ends on the first due date of interest. Each subsequent interest period begins on the due date of the interest of the preceding period and ends on the next due date of interest. The final interest period ends on the final day of the contract.
- 25.9. Due date of interest and payment of interest. The due date of interest is the final day of an interest period. Banking day rules apply to due dates of interest. This applies also to due dates of interest at the end of a contract term.
- 25.10. The first interest date is the first day of the first interest period.
- 25.11. Day rules for the calculation of interest (proportional number of days). A contract shall specify the method of calculating interest. More than one method may be used in the same contract. The principal methods are as follows:
- (a) *A/365: Number of actual calendar days to 365.*  
The interest rate is multiplied by the number of calendar days in each interest period, and the resulting number of days is divided by 365.
  - (b) *A/360: Number of actual calendar days to 360.*  
The interest rate is multiplied by the number of calendar days in each interest period, and the resulting number of days is divided by 360.
  - (c) *30/360: 30 days to 360.* The interest rate is multiplied by the number of days in each interest period assuming that each month has 30 days, and the resulting number of days is divided by 360.
  - (d) *30E/360: Euro-bond rule.* The calculation assumes that the year is 12 months and that each month has 30 days, with the exception that if the last day of an interest period falls on the last day of February, that month is

not counted as 30 days, but as the actual number of days in the month. The number of days is divided by 360.

- 25.12. REIBOR: REIBOR (Reykjavík Interbank Offered Rate) interest refers to the average interest on interbank loans in Icelandic krónur on the Reykjavík Interbank Market, as posted by the Central Bank of Iceland daily between 11:15 and 11:30, local time, in Reykjavík.
- 25.13. LIBOR: LIBOR (London Interbank Offered Rate) interest refers to interest on the London Interbank

Market as posted at 11 a.m., local time, in London on the Reuters BBA screen.

- 25.14. For the purpose of this contract, the term durable medium shall mean the access-controlled service website of each Client on the website of the Bank. The Client is allocated a password to such site, and the Client in question will receive all information relating to his transactions on such site. The Client may request to have the information sent to him by letter.

MP Bank hf.  
Reykjavík, 1 November 2007.

## Annex 1

### Power of Attorney for Securities Transactions

The undersigned,

Name	Social Security Number	
Legal Domicile	Town/City	Postcode

hereinafter referred to as the Client, grants the following agents full and unlimited power of attorney to conduct transactions with financial instruments with MP Investment Bank hf. and to dispose of the assets of the Client, in accordance with the Bank's general terms on market trading, and to sign all necessary documents, including contracts and settlements on behalf of the Client:

Name of Agent		
Title		
Phone Number	Fax	E-mail

This power of attorney also grants authority to purchase and sell financial instruments, leverage the Client by pledging the assets of the Client as collateral for loans for securities trading and enter into derivatives contracts, redeem financial instruments and to sell such instruments. Thus the Client grants the agent full and unlimited authorisation to open or close contracts on behalf of the Client. The power of attorney grants authority to sign loan agreements on behalf of the Client and to pledge the equity of the Client as security for loans for securities trading or other derivatives trading. Furthermore, the power of attorney grants full and unlimited authorisation to approve terms and other conditions on behalf of the Client.

The agent is authorised to bind the Client up to the abovementioned total commitment amount or its equivalent in foreign currency/currencies based on the spot exchange rate from the Central Bank of Iceland on the date of the contract. Furthermore, the Client agrees, through his signature, that the above authorisation of the agent is valid for the same amount as the total authorisation of the Client at the Bank, as current from time to time, and may increase as changes to the amount of the commitments implemented by the agent occur, so that the leverage of the Client can be in excess of the amount he originally authorised, e.g. in the event of changes on the market such as changes in the price of shares or the rate of exchange of currencies or the bankruptcy of companies. The Client also recognises that leverage can amount to an amount greater than stated in the power of attorney, taking into account interest, penalty interest, remuneration, other financial costs, cost of borrowing, collection costs and other costs.

This power of attorney includes authorisation to create the Client's account in the name of the Bank in another bank or deposit institution, provided that the account of the Client is always identified as the Client's account in the Bank's systems, to make deposits to the account or withdraw funds from the account for further investments or payment of commitments and to decide interest terms and other terms.

This account is used solely for the market trading of the Client, and the balance of the account is pledged to the Bank.

Furthermore, the power of attorney allows the assignment of financial instruments owned by the Client, which are in the custody of MP Investment Bank hf., in his name to specified parties or to bearer. Power of attorney pursuant to this paragraph is granted in accordance with the provisions of applicable laws on securities transactions, securities funds and investment funds and in accordance with the above asset management contract between the parties.

Any action performed by the above agent under this power of attorney shall be as valid as if the Client himself had performed such action.

The power of attorney of the above agent shall remain in effect until such time as it is cancelled in writing by the Client and the cancellation has been sent to the Bank in a verifiable manner. The Client, therefore, will be bound by all contracts the above agent may enter into, until such time as a valid cancellation is delivered to the Bank.

If the Client wishes to grant another agent power of attorney to enter into contracts with the Bank, i.e. an agent other than the one stated above, the Bank will accept such power of attorney only if it has been signed by the Client and sent to the Bank in a verifiable manner.

Place	Date
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**If natural person:**

Natural Person's Signature
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**If legal person:**

Board Member's Signature	Board Member's Signature
Board Member's Signature	Board Member's Signature
Board Member's Signature	

**Witnesses to the correct date and signature of the parties:**

Name	Social Security Number
Name	Social Security Number

## Annex 2

### Application for electronic registration and establishment of an ISD account

The undersigned applicant

Name	Social Security Number	
Legal Domicile	Town/City	Postcode

hereby requests the establishment of an ISD account with MP Investment Bank hf., Skipholt 50d, 105 Reykjavík, for the securities (electronic shares) which are registered electronically at the Icelandic Securities Depository hf. in accordance with Act No. 131/1997 on the Electronic Registration of Title to Securities.

The ISD account of the applicant, pursuant to this application, shall be linked to the following deposit account of the applicant, which is in the custody of MP Investment Bank, for the purpose of depositing dividend payments or other forms of payments which may result to the benefit of the applicant.

Deposit Account
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Furthermore, the undersigned hereby grants MP Investment Bank hf. power of attorney to transfer all electronic shares owned by me, at present or later, from the ISD intermediary account at the Iceland Securities Depository hf., State Reg. No. 500797-3029, to the above ISD account at MP Investment Bank. The undersigned is aware that MP Investment Bank hf. is required to adhere to laws and regulations on ISD accounts and electronic securities as current from time to time.

Any action performed by MP Investment Bank hf. in connection with this power of attorney shall have the same effect as if it had been performed by myself.

This power of attorney shall remain in effect until it is cancelled.

Place	Date
Applicant's Signature	

#### Witnesses to the correct date and signature:

Name	Social Security Number
Name	Social Security Number