

BUSINESS TERMS AND CONDITIONS FOR SECURITIES TRADING

1. On the Business Terms and Conditions, their scope of application and purpose

- 1.1. These Business Terms and Conditions apply to securities trading between Icelandic Investors Ltd., Reg. No. 660907-0250 (hereinafter "*The company*"), and the Customer. The domicile of the company is at Skólavörðustígur 25, 101 Reykjavík, phone 532-800 and e-mail fjarfestar@fjarfestar.is. The company is licensed as a securities company by the Financial Supervisory Authority and is subject to regulation by the Financial Supervisory Authority under Act No. 87/1998 on the official supervision of financial operations. The Company primarily serves professional investors. General information on The company can be accessed on the Company's website and information on its financial strength is available on the website of the Financial Supervisory Authority.
- 1.2. The company is an independent securities company that serves investors, Icelandic and foreign, with brokerage and investment advice. The company trades Icelandic and foreign, securities, registered and not. The company specialises in broking investments in foreign mutual funds. The company's customers are everything from depositors to bigger investors. The company has been a member of Nasdaq Iceland, since 1997.
- 1.3. Securities trading in the understanding of Section 1.1 includes the reception and transmission of client orders in relation to one or more financial instruments, the execution of orders on behalf of the Customer, investment advice, custody and administration in connection with one or more financial instruments for the account of the Customer, the granting of lines of credit, guarantees or loans to the Customer to enable the Customer to engage in trading in one or more financial instruments if The company is involved in the transaction as a lender, foreign exchange services as a part of financial services and services related to the underlying of a derivatives pursuant to the first and second paragraphs of Article 1 of Act No. 108/2007 on securities transactions.
- 1.4. These Terms and Conditions are intended to describe the relationship between The company and the Customer as regards securities transactions, means of establishing contracts and methods of communication, The company's requirements regarding collateral, and the conditions under which The company may close contracts and call loans.
- 1.5. The Terms and Conditions are also intended to underscore that the Customer has understood the nature of the securities trading and services covered by the Terms and Conditions and the risks they entail. The Customer is encouraged to consult the rules and legislation current at any time, including Act No. 108/2007 on securities transactions, Act No. 161/2002 on financial undertakings, and Regulation No. 995/2007 on investor protection and the business conduct of financial undertakings.
- 1.6. The company has integrated rules regarding investor protection and best business practices to the company's website. On the website, other rules regarding the company's works can also be found.
- 1.7. If the Customer wishes to complain about The company's services the complaint can be directed to The company; further information on the process of complaints is included in the Company's rules of procedure regarding the processing of complaints and comments, which can be accessed on The company's website.
- 1.8. By his confirmation on a separate consent form the Customer agrees to these Terms and Conditions and undertakes to observe them in his securities transactions with The company. If the Customer is a legal person a separate consent form shall be signed by an authorised

signatory or in accordance with the Customer's procedures regarding signatory powers depending on the business activities of the Customer and the Customer's rules regarding commitment of the Customer. By the above signature the person in question confirms his or her full authority to commit the Customer on the basis of these Terms and Conditions and contracts entered into hereunder.

- 1.9. In the event of a discrepancy between these contract terms and a contract entered into separately hereunder the provisions of that contract shall prevail except as otherwise expressly stated. These contract terms are standard and no deviation from them is generally permitted in respect of individual customers. Any inscriptions, deletions, additions or other modifications of the terms made unilaterally by the Customer have no effect for The company.
- 1.10. By agreeing to these terms, the customer declares that he commonly has access to the internet and accepts the company's rules regarding publishing information in regards to the relationship, on the website.

2. Authority to issue trading instructions

- 2.1. Prior to the establishment of a business relationship the Customer, in the case of a legal person, shall send to The company a list of the persons who are authorised to issue trading instructions to The company and the source of such authorisation. The appropriate powers of attorney shall be sent to The company and the Customer shall ensure that trading instructions are given only by individuals who are duly authorised to commit the legal person, whether as agents or pursuant to a separate power of attorney. The Customer warrants that The company has full authorisation to engage in business pursuant to instructions from the agents and holders of power of attorney from the Customer and take measures in accordance with such instructions until such time as The company has received written instructions from the Customer that the authorisation or power of attorney of an agent has been withdrawn.
- 2.2. The Customer undertakes to notify The company promptly in the event of any changes in any power of attorney issued and delivered to The company. Furthermore, the Customer undertakes, if the Customer is a legal person, to notify The company immediately if there is a change in signatory powers, executive management and/or powers of procurement, if the objects of the legal person are changed and if any changes occur which may affect any contracts between the parties.

3. Disclosures by the customer

- 3.1. According to Act No. 108/2007 on securities transactions The company is required to classify its customers into certain categorisations based on their expertise, nature and financial strength.
- 3.2. If the client wishes for a certain service, he is required to provide the company with the required information. Furthermore the client declares that information about his knowledge, experience, investments, investment strategies and risk, are correct. The client shall also notify The company if any of that information changes
- 3.3. The Customer agrees that The company will as a main policy base its assessment on the nature of the Customer and/or the information provided by the Customer and that The company will not conduct an independent investigation of the Customer's circumstances in excess of the documents that the Customer provides.

- 3.4. The Customer is also aware that The company may potentially not be able to provide him with the requested investment service if the Customer provides incorrect or inadequate information.

4. Risk

- 4.1. The Customer is aware that investment and trading in financial instruments carry risk by their nature. The Customer is informed that it is imprudent to enter into contractual commitments or transactions without possessing a full understanding of the nature and extent of the risk involved. Customers are advised to base their prospective investments on their knowledge and experience relating to financial instruments, their financial situation and investment goals.
- 4.2. By agreeing to these Terms and Conditions, the Customer declares that he has, in an adequate manner, informed himself of the risk attached to the securities trading that he wishes The company to execute for him and/or on his behalf and The company will assume that the Customer has informed himself of the risk and nature of the financial instruments in question prior to entering into business with The company.
- 4.3. An overview of the risk attaching to the securities trading and financial instruments available to The company's customers can be accessed on The company's website. The Customer can also ask to have the overview sent by regular mail.

5. Execution of securities trades

General:

- 5.1. The company can provide the Customer with services permitted in the Company's operating licence at any given time.
- 5.2. Trading instructions shall contain the information necessary for The company to be able to carry them out. Trading instructions may be given either in writing or orally. The Customer is permitted to send trading instructions to The company by e-mail, telefax, through a recorded telephone call or Skype for Business. The company cannot accept requests for trades through an unrecorded telephone call. A written request for a trade is considered received when it is read by a member of The company's staff. A request for a trade is binding for a Customer from the time that it is received by The company, except as specifically agreed otherwise.
- 5.3. When The company receive trading instructions from the Customer, or such instructions are delivered on behalf of the Customer, or when a trade takes place, The company will handle the trade in line with the Company's procedural rules on best practices in the execution of trading instructions and in line with the Customer's category. However, procedural rules on best practices in the execution of trading instructions and the provisions of these Terms and Conditions relating thereto shall not apply to trades of customers who are categorised as eligible counterparties unless this is specifically requested. The Customer is free to provide specific directions of execution. The company is then required to attempt to provide services in accordance with that instructions.

- 5.4. Instructions shall be completed as early as possible with regards to current market conditions. The company performs instructions of comparable clients in the same way, in the order they are received and as quickly as possible except the company decides that the clients interests are not safe. To secure the best outcome possible, the clients instructions can be combined with other instructions that the company receives. This does not prompt a notification to clients. In individual cases there is a possibility that this combination can lead to a worse outcome for the client.
- 5.5. If the company receives instructions from a client regarding trades within the Treaty on the Functioning of the European Union and the company decides it is not in the clients best interest to perform the instructions as they come, the company will not publish the instructions officially unless the client wishes.
- 5.6. The company confirms contracts unilaterally by a notification in a durable medium, unless the Customer specifically asks for the confirmation to be sent by regular mail.
- 5.7. The Customer undertakes to approve contracts with The company within two days of their establishment by his signature or by approval in a durable medium. If the Customer does not raise an objection regarding the substance of contracts within two days, The company is permitted to consider the contract approved by the Customer as if it were signed. If the Customer raises an objection, his request, including recorded telephone conversation, communications through Skype for Business or e-mail, shall serve as proof of the terms of a trade.
- 5.8. The customer does not have a unilateral claim against The company as regards the actual execution of individual securities trades on the basis of these Terms and Conditions. The approval of The company's employees is required for the execution of all trades and The company may, at its sole discretion, approve or reject a request for a transaction. Furthermore, The company is permitted to limit the number and amount of trades that the Company agrees to process. The Customer therefore understands, and confirms with his consent, that The company is permitted to refuse individual trades and that the substance of individual trades and contracts, including the leverage of the Customer, as applicable, may differ depending on company, markets and market conditions. This also entails that The company is at all times permitted to deny a Customer's request for a new or renewed contract without further explanation.
- 5.9. Furthermore, The company is permitted, at its discretion, to require any documents, information or collateral which The company considers adequate for a trade. The company is also permitted, at its discretion, to assess whether any submitted documents, information and or collateral are adequate.
- 5.10. The company does not provide personal investment advice except as specifically requested. General information on market conditions and exchange rate trends at any given time does not constitute personal advice to customers unless this is expressly stated. The company does not guarantee that general information supplied by The company will benefit the Customer.

Customers purchases of financial instruments:

- 5.11. The Customer undertakes to own, on the settlement date, a deposit on his charge account at The company, or an account he refers to, corresponding to the purchase price of financial instruments, in addition to cost and any taxes. The company is permitted to ascertain whether the Customer has sufficient funds in his account for the completion of the trade or that his custodial account includes a financial instrument which shall then be set aside for the conclusion of the trade.
- 5.12. Payment shall be regarded as rendered to The company when it becomes available to the Company in its bank account. If a settlement does not take place on the settlement date due to insufficient funds on the charge account this shall constitute a substantial event of default, in which case The company is i.e. permitted to dispose of the purchased financial instrument or any other financial instruments in the custody of The company toward the debt at relevant market price, at no cost to The company. The Customer undertakes to pay any remaining balance and all cost incurred by The company from the sale and default.
- 5.13. The transfer of title to a financial instrument to the Customer shall be carried out and registered by The company in line with the nature of the financial instrument and in accordance with Act No. 131/1997 on the electronic registration of title to securities, as current, and regulations established on the basis of that Act, except as otherwise provided by law, rules, the nature of the financial instrument or a separate written agreement. The company will in such cases act as an account operator for the Customer in the understanding of that Act.
- 5.14. In cases where a financial instrument is placed in custody with a third party following a purchase, whether in electronic or paper form, the Customer himself shall provide instructions to such party, and the Customer shall then himself be responsible for the transfer of title.

Customers sales of financial instruments:

- 5.15. By agreeing to these Terms and Conditions the Customer authorises The company to take any measures necessary to transfer financial instruments in his name which are specified in the Customer's trading instructions in accordance with the provisions of law and rules on the registration and transfer of securities and other financial instruments without need for the Customer's involvement. In the event of the Customer's refusal to do so, The company may seek the assistance of the District Commissioner or District Court to take the action that the Customer fails to take.
- 5.16. If the Customer requests the sale of a financial instrument which is in the custody of the Customer himself, the Customer is required to ensure that the financial instrument in question is delivered to The company for custody as promptly as possible and in any case before the trade is to be settled. A financial instrument is regarded as having been delivered to The company when it is available to the Company for disposal. The company is entitled to confirmation to the effect that the Customer is the owner or is in a position to deliver the financial instrument in question.

- 5.17. In cases where The company has not received the necessary right of disposal to the financial instrument at the time when the settlement is scheduled to take place, The company has full and unlimited authority to purchase a financial instrument at market price or borrow the financial instrument in question at market price for the purpose of effecting the trade and settling it with the buyer of the financial instrument in accordance with the original instructions of the Customer. The Customer warrants that the above measures are to the complete indemnification of The company and that the Customer will pay all costs, commissions and expenditures relating to such trades. The company is permitted, but not required, to take measures pursuant to this Section.
- 5.18. The Customer shall compensate The company for any damage resulting from delays in the delivery of financial instruments, including any fines imposed by the trading platform, public body or other third party on The company or resulting from any claims from other parties who may possess a claim for compensation against The company following a default by the Customer of his obligations.

Withdrawal of trading instructions, unclear instructions and cancelled trades:

- 5.19. The Customer grants to The company unlimited authorisation to decide, at its own discretion, without consulting the Customer and without any liability on the part of The company, to disregard or refrain from acting on instructions:
- 5.19.1. if such instructions are cancelled or stopped by the market in question (stock exchange, regulated securities market or multilateral trading facility); or
 - 5.19.2. if it appears evident that a bid is intended to have an improper impact on the price formation in the trading system of the stock exchange in question, the bid has no legitimate business purpose or is intended to delay or prevent access by other parties to the trading system; or
 - 5.19.3. if The company is of the opinion, at its sole discretion, that instructions concerning a trade are unclear, inadequate, inadvisable, in conflict with other instructions or obviously wrong as a result of error/mistakes on the part of The company, the Customer or a counterparty; or
 - 5.19.4. if technical disturbances in a trading and/or settlement system could, in the opinion of The company, prevent the proper process of the trade; or
 - 5.19.5. if the Customer is in violation of law or the rules of the market in question; or
 - 5.19.6. if market conditions change from the time that the Customer sends or gives instructions on a trade and the instructions cannot be carried out.
- 5.20. Requests for trades or other instructions of the Customer to The company are the responsibility of the Customer. If a request for trading is made orally, e.g. by telephone, the Customer shall bear the burden of proof that the request was sent, that the staff of The company exceeded the instructions or made decisions on which no instructions were given.
- 5.21. If the Customer discovers that he has given instructions on a purchase or sale which are wrong or inadequate or not in line with his intent, the Customer undertakes to notify The company promptly and the Customer then grants to the Company full authorisation and discretion to assess whether it is possible to withdraw the instructions on trading in the market in question or trading platform.

5.22. The Customer bears the full responsibility and risk of the proper delivery of trading instructions to The company. In the event that instructions from the Customer are unclear or inadequate The company reserves the right, without any liability, to refuse to process the trade until the Customer has corrected the instructions, provided explanations or modified them to the satisfaction of The company or to carry out the instructions as The company believes they should be understood in good faith. The Customer agrees to accept full liability for any damage that The company may suffer as a result of an attempt to carry out instructions of the kind described above.

6. Custody of financial instruments, customers assets and nominee registration

- 6.1. On the transfer of assets to The company or on the establishment of business with The company a custodial account will be opened in the name of the Customer on the basis of these Terms and Conditions and an agreement on a custodial account, except as otherwise agreed. The company, or a company to which The company outsources custody services, will assume the role of custodian in accordance with the provisions of these Terms and Conditions and the custodial account agreement. The company shall ensure that the assets of the Customer are kept separate from the assets of The company and ensure, to the best of its ability, that they are inaccessible to The company's creditors.
- 6.2. The company's custody of the Customer's financial instruments is subject to the provisions of these Terms and Conditions and the custodial account agreement between the Customer and The company.
- 6.3. The Customer agrees that The company is permitted to use the services of a third party for the custody of the financial instruments and assets of the Customer, such as another financial undertaking or clearing house, provided that that the Customer's assets are kept in a separate account of The company which is opened on behalf of the Customer or in The company's nominee account with a third party. The liability of The company for acts or omissions of the third party is subject to applicable laws, rules and regulations.
- 6.4. The company's customers may request trades in financial instruments which are listed outside the European Economic Area. In such circumstances the assets of the Customer, whether held in the Customer's own account or The company's nominee account, may fall within the scope of legislation outside the jurisdiction of the European Economic Area, which may entail a different legal position for the Customer.
- 6.5. In regards to The company's contracts with a third party about custody of financial instruments and securities, the financial instruments can stand as insurance to security settlements. In such circumstances, the third party, as custodial party, can have the right to net.
- 6.6. The company is permitted to deny the Customer payment out of his custodial account if the Customer owes charges or commissions for services rendered or if it appears evident that The company may be entitled to a right of netting against the Customer's balance. Furthermore, The company is required to deny the Customer payment from a custodial account in the event of suspicion of misuse of the account or if it appears evident that the Customer may become insolvent if the payment is made. The company will notify the Customer as promptly as possible of such denial.

7. Possessory lien

- 7.1. The company holds a possessory lien on the securities in the Customer's custodial account for payments to which The company may be entitled from the Customer and which are due and payable.

8. Crediting of accounts and fees

- 8.1. If a claim is not settled on its due date or, as applicable, on the date of calling, The company may charge the Customer's account with The company in the currency of the claim and thereby settle the original claim. The due date is determined either based on contract or normal settlement procedures. The same applies to accounts of the Customer that The company has opened with a third party in connection with the Customer's securities trading.
- 8.2. The company reserves the right to charge commissions and fees for services rendered pursuant to The company's tariff as current at any time. The company reserves the right to disclose to the Customer new information on commissions and fees on its website. Fees and commissions shall be paid on demand, and the day of demand shall constitute the due date except as otherwise negotiated. By confirming these Terms and Conditions the Customer agrees to such charges and authorises charging of his account in respect of such charges.
- 8.3. On the basis of its possessory lien on the Customer's asset portfolio The company is permitted to sell individual financial instruments of the Customer in the marketplace, resort to netting and use the proceeds from the sale for the payment of commissions and other costs.
- 8.4. The Customer 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 company. If foreign securities carry stamp duty, this is added to the initial fee of the Customer.

9. Mergers of companies, changes in the objects of companies, etc.

- 9.1. In the event that the Customer 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, change its activities so as to require amendment to the objects 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 Customer), The company may terminate all contracts in effect between the parties if it is the opinion of The company that such changes will have a substantially negative impact on the operating conditions or financial position of the company/Customer or its ability to meet its obligations.
- 9.2. The Customer shall notify The company immediately of any such decision. The notice period for termination shall be fifteen (15) days from the date that The company notifies the Customer of a decision to terminate. All contracts shall then become due and payable immediately following the notice period and a financial settlement shall take place without delay.

10. Collateral

- 10.1. The Customer may be required to provide collateral which The company regards as adequate to secure prompt and full payment, whether in respect of individual trades or contracts or as universal collateral.
- 10.2. The Customer undertakes to sign all necessary documents relating to collateral.

- 10.3. Any assets delivered to The company shall stand as collateral for all debts and all financial obligations of the Customer, now or later, to The company, in any form or currency that the obligations are or will be in, all at the discretion of The company, and whether principal, interest, index adjustments, losses, translation differences, default interest, collection costs or other cost whatsoever.
- 10.4. The company will assess the value of the collateral and its adequacy. The assessment of The company shall apply unless otherwise negotiated separately. In its assessment of collateral value The company will take account, inter alia, of the market value of the assets in question, which will be revaluated on a regular basis. Since the market value of collateral can change without notice, particularly if collateral is pledged in the form of financial instruments, the Customer is aware that a revaluation can result in a call for additional collateral.
- 10.5. If the Customer pledges a deposit in a bank account as collateral the account shall specifically pledged to The company as collateral. In the event that the Customer pledges an asset on a custodial account as collateral, the account shall be held in The company unless specifically agreed otherwise. Collateral pledged by the Customer in the form of electronic securities shall be mortgaged in an SD account linked to the Customer's custodial account with The company. If the Customer submits securities in paper form as collateral the securities shall remain in the custody of The company. In the event that such securities (in paper form) are subsequently registered by electronic register of title, the confirmation by the Customer on these Terms and Conditions shall constitute a power of attorney to The company to open an SD account in the name of the Customer, transfer the securities to that account and register them as mortgaged to The company.
- 10.6. If a contract provides 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 Customer shall provide additional security so that the contracted minimum is achieved.
- 10.7. If a contract does not specifically provide that the value of collateral shall always be in excess of a specific minimum The company is permitted at any time to require further collateral from the Customer. If The company requests collateral or additional collateral, the Customer shall comply with The company's request within two (2) banking days from the time that The company makes the request. However, substantial changes in market conditions may call for shorter notice, and in such cases The company is entitled to give shorter notice, even within the day, or to shorten a previously given notice.
- 10.8. The Customer is not permitted to transfer, mortgage or dispose by other means of the collateral that he pledges to The company without the permission of The company.
- 10.9. Requests for collateral or additional collateral may be made by The company in writing, by telephone, by telefax or by e-mail. Notices to such effect shall be regarded as properly delivered if delivered to the email or fax number provided by the Customer, unless it is obvious to The company that the notice has not been received. A notice given over the telephone is regarded as being immediately communicated to the Customer.

11. Setting off (netting) of contracts

11.1. Setting off is subject to the following:

- 11.1.1. If contracts falling within the scope of these Terms and Conditions 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 company is permitted, without obligation, to net so that only the balance, if any, is paid.

- 11.1.2. If contracts falling within the scope of these Terms and Conditions entail mutual obligations to be discharged on the same day but not by the same payment, The company is nevertheless permitted, without obligation, to require netting, so that only the balance is paid, if any. If the payments are not in the same currency or of the same type, The company may convert the payment into Icelandic krónur or another agreed currency prior to netting.
- 11.1.3. If obligations of the Customer under a contract falling within these Terms and Conditions are called, The company is permitted to net all its claims against the Customer against any claims held by the Customer in respect of the business relationship between the parties. In such an event the profit and/or loss of the parties relating to the parties' business shall be settled collectively and only the balance, if any, shall be paid.
- 11.1.4. If a number of trades or trades in unrelated financial instruments have been made for the Customer on the same settlement date The company reserves the right to net the buying and selling amounts of the financial instruments in question on the settlement date and pay the balance to the Customer or claim the balance from the Customer.

11.2. Settlement pursuant to this Article, i.e. valuation of financial instruments and conversions, is subject to Article 12.

11.3. By his acceptance of these Terms and Conditions the Customer agrees that a contract has been established with The company under Chapter V of the Act on securities transactions No. 108/2007 to the effect that the obligations of the Customer and The company pursuant to derivative contracts, cf. Article 40 of the Act on securities transactions No. 108/2007, 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.

12. Default and calling and enforcement authorisation

12.1. . In the event of non-substantial default by the Customer in respect of any commitment hereunder or under any trade or contract under these Terms and Conditions, the Customer shall have two (2) days to remedy the events that led to the default. The period of grace shall be calculated from the time at which the event of default occurred.

12.2. In the event of substantial default by the Customer under these Terms and Conditions, trades or contracts hereunder, in the opinion of The company, The company is permitted, without obligation to sell financial instruments in full or in part, call contracts of the parties in full or in part or close them without notice. 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 market risk shall take place at normal value based on market price, market interest and the credit terms of the Customer, as current. Calculation of any profit/loss shall take account of market conditions on the date of calling.

12.3. The following events, without limitation, shall always constitute substantial events of default of obligations of the Customer in the above understanding:

- 12.3.1. The Customer has not remedied an event of default within two (2) banking days, as provided in Section 12.1;
- 12.3.2. The Customer is in default of obligations to The company other than those falling within the scope of these Terms and Conditions 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 company;
- 12.3.3. The Customer does not send to The company confirmation of a trade within 7 days from its date or before the due date if it falls within that time limit;
 - 12.3.4. The Customer does not supply adequate collateral or additional collateral within the time limit set in Article 10;
 - 12.3.5. The Customer is ordered by a court of law to pay a cash debt which is listed in the default register, the estate of the Customer is subjected to attachment, the Customer petitions for a moratorium on debts or seeks composition, enters into negotiations with creditors on partial or full relief from debts, petitions for bankruptcy proceedings (or statutory law permits or requires the submission of such a petition), a petition is submitted for the enforced auction of the Customer's assets, a creditor responds to the payment difficulties of the Customer by granting a debt restructuring loan, postponing payments on the loan or extending a loan period, or the financial situation of the Customer is such that there is a significant likelihood that he will not be able to meet his obligations under these Terms and Conditions, or other events similar or comparable to those described above occur;
 - 12.3.6. The Customer neglects his disclosure obligations pursuant to these Terms and Conditions or provides false or inadequate information;
 - 12.3.7. The Customer does not discharge his payment obligation on the settlement date of a security, contract or financial instrument;
 - 12.3.8. The Customer does not prove his identity by submitting the documents and papers required, as provided in Article 8 of Act No. 64/2006 on measures against money laundering and terrorist financing;
- 12.4. The company will notify the Customer when his obligation has been called or a contract/contracts closed as a result of substantial events of default. Such notification shall be sent in accordance with Sections and 14.2.
- 12.5. In the event of the setting off, calling or closure of a contract/contracts, The company will assume responsibility for the calculation of the profit/loss of the Customer from the contract/contracts in question and the market value of collateral, see Section 12.6. The company shall send this calculation to the Customer in accordance with Section 14.2.
- 12.6. If obligations of the Customer are called The company is fully authorised, without further notice, to seek enforcement of all its claims in any manner, at the discretion of the Company, e.g. by seeking enforcement of its claims through the collateral pledged by the Customer (i.e. on grounds of possessory lien, cf. Article 7). The company may decide, at its sole discretion, whether to seek enforcement of all the collateral pledged or any part of the collateral, and, if the latter, in what order. Thus, The company is permitted, inter alia:
- 12.6.1. to attach any pledged cash;
 - 12.6.2. To 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 company to receive payment in full; or
 - 12.6.3. Sell in the market or take over assets at its own discretion to the extent needed to settle the claims of The company. The price of the assets shall be based on their market price on the day that The company decides to exercise its option. The assessment of the market value of financial instruments listed in a securities exchange shall be based on the closing price in the securities exchange in question on the day before the assessment. If the price formation on that day was unnatural

in the opinion of The company, the assessment may be based on the closing price of more 10 banking days, taking into account the trading volume of the instruments on separate days. In assessing the market value of unlisted securities, The company shall conduct a valuation taking into account the price that leading financial undertakings doing business with The company involving the securities in question are paying for them.

- 12.7. In the event that the Customer is in substantial default of his obligations to The company, the Customer agrees that The company has full and unlimited authority to endorse the financial instruments of the Customer, sign receipts for all payments and take any action needed that The company considers advantageous. In the event that any further action on the Customer's part is required in order to effect a transfer of title to any financial instruments, e.g. by the delivery of any necessary documents, the Customer undertakes to make all necessary arrangements to this end; in the event of any failure by the Customer to do so, The company may seek the assistance of the District Commissioner or District Court of Reykjavík or other competent authorities, domestic or foreign, to effect the performance of the obligations neglected by the Customer.
- 12.8. The company may, without obligation, convert 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.
- 12.9. The Customer shall pay default interest on The company's claim as of the date of calling, as follows:
 - 12.9.1. The amount of a called or due and payable claim shall carry default interest in accordance with paragraph 1 of Article 6 of Act No. 38/2001 on interest and indexation from the due date until the date of payment. It is of no relevance whether the amount of the claim is in Icelandic krónur or foreign currency or whether The company has decided to convert the amount into Icelandic krónur. If a specific agreement as been made regarding default interest in a contract on a trade the provisions of that contract shall apply. Unpaid default interest shall accrue to the principal every 12 months, for the first time 12 months after the first date of default.
- 12.10. In the event of default by the Customer on his obligations hereunder, the Customer undertakes to pay to The company, in addition to interest and/or default interest, any costs incurred by The company as a result of the default, litigation costs or other court costs, counsel's fees or other expenses payable by The company, together with other legal costs resulting from collection pursuant to these Terms and Conditions, in addition to any cost pursuant to The company's tariff.
- 12.11. In cases where the above measures are insufficient to pay all The company's claims on the Customer, the Customer undertakes to pay in full the entire balance of any unpaid claims.

13. Liability for contracts, declaration of indemnity, force majeure

- 13.1. The acceptance by the Customer of these Terms and Conditions constitutes a declaration to the effect that he understands that the transactions he may engage in with The company and falling within the scope of these Terms and Conditions can involve particular risk. The Customer should therefore seek advice from outside experts if he feels such advice is needed.

If the Customer seeks the opinion of the employees of The company 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.

- 13.2. The Customer is aware that trading by The company under these Terms and Conditions does not include tracking or asset management for the Customer. This means that The company does not guarantee alerts to the Customer regarding the position of contracts or their closing at certain limits unless such services have been specifically negotiated with all the specific and general reservations that may apply at any time. It is therefore entirely the responsibility of the Customer to monitor the position and trends of the contracts he has concluded with The company.
- 13.3. The company is not liable for any direct or indirect damage suffered by the Customer as a result of price changes following calling, e.g. if the Customer would have made a profit on the price trend if the contract had not been called.
- 13.4. Since market conditions can change significantly in a short time, The company cannot guarantee that a Customer's instructions regarding the effecting of a contract or a trade can be processed at the requested price. The company is not responsible for any damage or loss suffered by the Customer as a result of a request for a contract or individual transaction being processed at a less favourable price than assumed in the instructions, e.g. as a result of price trends during the time that it takes to process the request.
- 13.5. The company is not liable if the Customer is in default of his obligations to The company and The company 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 Customer may have anticipated.
- 13.6. The company is not liable for any direct or indirect losses or damage suffered by the Customer if a tax collectible from the Customer 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 and Conditions, the Customer shall pay such additional charges.
- 13.7. The company is not liable for any direct or indirect damage or loss that the Customer may suffer directly or indirectly as a result of the failure of the equipment or computers of The company, or for other similar reasons, e.g. in the use of a postal service, telephone, telex, telefax or e-mail. Furthermore, The company is not liable for damage or losses caused directly or indirectly as a result of the information or actions of any third party.
- 13.8. The company is not liable for any direct or indirect damage or losses resulting from events of force majeure, such as war or impending armed conflict, terrorism, natural disasters, strikes, lockouts, closures of borders or trading bans or embargos.
- 13.9. In the event of a substantial change in the business terms of The company as a result of events for which The company 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 company is unable to obtain loan funding for securities transactions or contracts falling within the provisions of these Terms and Conditions on similar terms as those anticipated on the negotiation of the contract, The company may, following prior notification of the Customer, call in balances of loans with seven days' notice. The same applies in the event of significant changes for the worse in the business terms of the State Treasury on overseas credit markets.

- 13.10. The company 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 company, even if such events are not classified as events of force majeure.
- 13.11. The company is not liable if financial instruments do not return the yield anticipated by The company or the Customer or if currency trends do not develop in the manner that the parties may anticipate. Furthermore, The company is not liable if it does not prove possible to buy or sell the financial instruments or currency that the Customer has requested to buy or sell in the price range requested by the Customer.

14. Statements and disclosures

- 14.1. The company shall send to customers a trade slip regarding each securities trade carried out by The company for customers on the basis of these Terms and Conditions as promptly as possible after the execution of the trade. The company will send such notices in a durable medium unless delivery by regular mail has been requested. If the Customer has not commented in writing on a trade slip or statement within fifteen (15) days from their date The company will assume that the information they contain is correct, except in the case of obvious errors. In the event of errors, they shall be corrected and a notice sent to such effect.
- 14.2. In the event of the calling of a contract, or if the Customer defaults on a payment on its due date, The company shall send to the Customer a notice concerning The company's calculation of the payment obligation and, as applicable, the value of any enforced collateral. The notice shall be sent within twenty-one (21) days from the due date, calling date or enforcement date of collateral.
- 14.3. The Customer is required to notify The company 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 and Conditions or any other terms or agreements between the parties. The Customer is also required to notify The company if he becomes an insider in a listed company or if other similar circumstances restrict the permission of the Customer to trade in certain financial instruments.
- 14.4. The Customer shall, at the request of The company at any time, deliver to The company any information regarded by the Company as necessary with regard to the financial situation of the Customer and/or his knowledge or experience of trading.
- 14.5. The Customer warrants with each request relating to foreign financial instruments that all foreign financial instruments which he, or others acting under his authorisation, may trade in with the intermediation of The company are his personal property and that he is the beneficial owner.
- 14.6. The company will not publish announcements regarding company operations especially. Company operations are operations that lead to changes of the financial commitment of companies, dividend payments etc. The client declares that he is responsible for monitoring announcements of such company operations and that his decision to take part in such operations is his responsibility. The client shall inform the 3rd party which covers his participation.
- 14.7. On the demise of a Customer, or dissolution if the Customer is a legal person, The company shall be notified and a duly authorised party shall inform The company of the disposal of the rights and obligations of the Customer. If The company has not received information from

such party within five (5) banking days from the demise or dissolution of the Customer, previously given information, e.g. concerning authorisation to represent the Customer, shall be regarded as correct, and in addition The company is permitted, without obligation, to call and/or close the contract(s) of the Customer with The company. The company is not liable for any loss that may result. Furthermore, The company reserves the right to refuse to carry out instructions if there is the least uncertainty as to who should be entitled to make decisions relating to the rights and obligations of the Customer following his demise or dissolution, and The company accepts no liability for any losses which may result from such a refusal.

- 14.8. By confirming these Terms and Conditions the Customer declares that The company is permitted to maintain all communications with the Customer in writing, by telephone, by telefax, e-mail or through the access controlled service page of the Customer on The company's website or through The company's website. The Customer accepts the risk inherent in electronic communications, including the risk that an e-mail message may not be delivered in time and the possible risk to confidentiality in such communications. Communications shall be regarded as having taken place if a request to carry out a certain trade has been received through an e-mail address or telefax that the Customer has supplied, unless it is clear to The company that the information has not arrived, e.g. through a responding message saying that the e-mail address is no longer active. The Customer agrees by his confirmation of these Terms and Conditions that the supplied e-mail address is the e-mail address of the Customer which he accesses daily and reads the e-mail messages received.
- 14.9. The Customer is held responsible if his server/telefax machine does not deliver his e-mail/telefax, e.g. as a result of a malfunction in the computer system/telefax machine. The Customer shall notify The company promptly of any change in his address, telephone number, e-mail address or other comparable information. A written request is considered received when it is read by a member of The company's staff.
- 14.10. The company will send to customers further statements and information on services provided as stipulated by law or, as the Customer may request, in a durable medium.
- 14.11. By confirming these Terms and Conditions the Customer declares that The company is permitted to disseminate information that specifically concerns the Customer, such as amendments and updates of the rules on best practices, the policy to prevent conflict of interests and amendments to these Terms and Conditions with notification on The company's webpage or in a durable medium. The Customer can receive such documents by regular mail if requested.

15. Measures against money laundering and terrorist financing

- 15.1. In order to comply with Act No. 64/2006 on measures against money laundering and terrorist financing The company is required to obtain information on the Customer. If the Customer is an individual and has not, at the time of acceptance of these Terms and Conditions, previously entered into business with The company, the Customer shall prove his identity by filling in and signing a form regarding the start of business and supply the requested documents. Also, if the Customer is a legal person and has not, at the time of acceptance of these Terms and Conditions, entered into business with The company, the Customer shall prove his identity by filling in and signing a form regarding the start of business and supply the requested documents, including information on his business activity and the identity of the persons who are authorised to enter the legal person in to binding obligations to The company. Persons empowered to bind the Customer shall prove their identity by presenting personal identification documents.

- 15.2. The company reserves the right, furthermore, to require further documentation concerning the Customer and the funds intended for custody by The company or for use in transactions with The company.
- 15.3. By accepting the Terms and Conditions the Customer confirms that the funds delivered by him or her to The company, are owned by him. If the Customer, at the start of business or later, wishes to submit funds owned by other persons, the Customer shall notify The company in writing and The company may then request all the necessary documentation. The same applies if there are changes in the information or documents supplied by the Customer to The company in accordance with the above.
- 15.4. In other respects, reference is made to The company's rules on measures against money laundering.

16. Recording of telephone conversations, storage and preservation of data

- 16.1. For the purpose of ensuring the security of the Customer and The company, and also as a means of correcting possible misunderstandings, the Customer understands that business telephone calls with The company may be recorded without specific notification each time, and the Customer confirms, by accepting these Terms and Conditions, that he is fully aware that this may be done. The same applies to conversations through Skype for Business.
- 16.2. Telephone recordings are made in compliance with the provisions of Article 48 of the Telecommunications Act No. 81/2003.
- 16.3. By his confirmation of these Terms and Conditions the Customer agrees that recorded conversations may be submitted in court as evidence in the course of legal proceedings or in other circumstances in the event of a dispute regarding the substance of communications between the parties, e.g. as regards the conditions and/or execution of a trade. In other respects, The company shall treat recorded telephone conversations in the same manner as other information which is subject to secrecy pursuant to Articles 58 to 60 of the Act on financial undertakings.

17. Protection of privacy and processing of personal data

- 17.1. It is necessary for The company, and The company is required by law, to process personal data concerning its customers to perform its role as a financial undertaking and in order to ensure security in financial services. The company will be generally responsible for processing and handling of personal data. The information in question includes name, ID number, address and information on individual trades of the Customer.
- 17.2. By accepting these Terms and Conditions the Customer permits The company to process personal information regarding the Customer. In processing personal data, access is restricted to employees of The company on a “need to know” basis.
- 17.3. According to the Act on personal privacy and the processing of personal data the Customer is entitled to know about the personal information that is processed or has been processed by The company. The Customer is also entitled to have false or misleading personal information corrected or deleted.
- 17.4. In other respects, reference is made to The company's rules on the processing of personal information on customers.

18. Protection of privacy and processing of personal data

- 18.1. It is necessary for The company, and The company is required by law, to process personal data concerning its customers to perform its role as a financial undertaking and in order to ensure security in financial services. The company will be generally responsible for processing and handling of personal data. The information in question includes name, ID number, address and information on individual trades of the Customer.
- 18.2. By accepting these Terms and Conditions the Customer permits The company to process personal information regarding the Customer. In processing personal data, access is restricted to employees of The company on a “need to know” basis. According to the Act on personal privacy and the processing of personal data the Customer is entitled to know about the personal information that is processed or has been processed by The company. The Customer is also entitled to have false or misleading personal information corrected or deleted.
- 18.3. In other respects, reference is made to The company's rules on the processing of personal information on customers.

19. Various Provisions

- 19.1. These Terms and Conditions, and any contracts entered into on the basis of these Terms and Conditions, are subject to Icelandic law. In the event of any dispute relating to the interpretation of these Terms and Conditions or any contracts entered into on the basis of these Terms and Conditions the dispute shall be brought before the District Court of Reykjavík. The Customer is aware that he is permitted to refer disputes to the Banking Complaints Committee.
- 19.2. All communications between The company and the Customer relating to transactions under these Terms and Conditions shall take place in Icelandic or English.
- 19.3. The company reserves the right to cancel these Terms and Conditions, add to them or amend them at any time. If this is done the Customer will be notified on a durable medium or by notification on The company's webpage. The Customer can also ask to have amendments sent by regular mail. If the Customer continues to do business after the amended Terms and Conditions have taken effect the Customer will be assumed to have accepted the amendments and the Terms and Conditions, so amended, will apply to the business between the Customer and The company.
- 19.4. These Terms and Conditions are not intended to confer on eligible counterparties and professional investors greater protection than afforded by law and rules. In cases where these contract terms exceed the protection granted to such customers according to law and rules, the provisions of law and rules shall apply.
- 19.5. The Customer cannot assign his rights or obligations pursuant to these Terms and Conditions or contracts made on the basis of these Terms and Conditions without the written consent of The company. The company may assign all or any of its rights and obligations hereunder, in full or in part, to another financial undertaking in the understanding of Act No. 161/2002 on financial undertakings. In such circumstances and for such purpose The company is permitted

to relinquish this contract and other contracts 15 between the parties and it shall be assumed that with these Terms and Conditions the conditions of Article 60 of Act No. 161/2002 on financial undertakings to the effect that the Customer must consent to the communication of confidential information regarding himself are fulfilled.

19.6. These terms go into effect with the signature of The Board of Directors and apply for all contracts made after.

20. Definitions

20.1. The following definitions apply in these Terms and Conditions and in any other transactions concluded and falling within the scope of these Terms and Conditions:

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

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.

Financial instrument means:

- (a) transferable securities;
- (b) money-market instruments;
- (c) unit certificates of undertakings for collective investment;
- (d) derivatives, forward contracts, options, etc.

Investment advice means the provision of personal recommendations to a client in respect of financial instruments, either on the initiative of the Customer or the provider of the service.

A contract date is the date when The company confirms the trade and terms requested by the Customer.

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 date 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 closing date of the contract.

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.

First interest date is the first day of the first interest period.

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 the following:

- (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 16 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.

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

LIBOR: LIBOR (*London Inter Bank Offered Rate*) interest refers to interest on the London Interbank Market as posted at 11 a.m., local time, in London on the Reuter BBA screen.

Durable medium means a measure that allows a customer to store the information directed at him unaltered so he can replicate them and look them up for certain time. Such measures are i.e. e-mails.

Approved by the Board of Directors of Icelandic Investors Ltd. on the 14th of May 2020

The Board of Directors of Icelandic Investors Ltd.