

INVESTMENT SERVICE AGREEMENT

INDIVIDUAL



Name	ID.-No.	
Address	Post code and town/city /	Country
E-mail address	Phone / Mobile	Tax address (country)

This agreement is made between Arion Banki hf., ID-No. 581008-0150, Borgartún 19, Reykjavík, Iceland, ("Arion Bank" or "the Bank") and you the client, and concerns the legal rights of the above parties in relation to Arion Bank's custody of your financial instruments and other valuables and transactions by Arion Bank and you in financial instruments and other valuables.

Arion Bank has categorized you in accordance with the Securities Transactions Act no. 108/2007.

You are categorized as: **Retail Client**.

By signing this agreement you agree to the category in which you have been placed. You also confirm that you have received information on client categorization, the right of clients to request a different categorisation and the consequences thereof.

The General Terms of Business for Investment Services between Arion Bank hf. and its Clients and Arion Bank's General Terms of Business form indissoluble parts of this agreement and by signing this agreement you confirm you have read the contents and agree to them.

This agreement and the above terms apply to all your custody accounts at Arion Bank. By signing this agreement you agree to pay fees for the services relating to the custody account/s as set out in the Bank's current pricelist.

You acknowledge and agree that all actions related to your assets in a custody account in your name will be settled in the currency of each financial instrument in the account at the official buying rate of the Central Bank of Iceland for that particular currency. You can request that the settlement be made in the base currency of the portfolio, i.e. the Icelandic króna (ISK). If you request such a settlement, you must convey instructions to Arion Bank to this effect by verifiable means. You also acknowledge and agree that the balance on a custody account may become negative in which case you shall pay overdraft interest in accordance with Arion Bank's current interest rate table. The applicable interest rate is the rate on overdrafts to personal customers. The Bank is authorized to refuse your request to execute payments from a custody account in accordance with the General Terms of Business for Investment Services between Arion Bank hf. and its Clients.

You confirm that you have read and agreed to Arion Bank's Order Execution Policy. You also confirm that you have read the information on Arion Bank's policy on conflicts of interest and the Bank's overview of the main characteristics and risks of financial instruments.

You agree that Arion Bank is authorized to execute trades on your behalf outside a regulated market or an multilateral trading facilities (MTF) unless you specifically request otherwise in certain transactions.

You confirm that you have regular access to the Internet and agree to receive information on Arion Bank's policy on conflicts of interest, pricelist, General Terms of Business, General Terms of Business for Investment Services between Arion Bank hf. and its Clients, Arion Bank's Order Execution Policy and overview of the main characteristics and risks of financial instruments, and changes to the abovementioned, on the website <http://www.arionbanki.is> (rules and terms are found under information about the Bank).

YES NO – I would like the above in printed format.

You confirm by signing this agreement that you have read this agreement and understood its contents and that you agree to it. You also confirm by signing this agreement that you accept the duties set out in this agreement.

This agreement is signed in the presence of witnesses.

Witnesses to the correct date, signature and financial competence:

Name _____ ID. No. _____

Place and date _____

Name _____ ID. No. _____

Signature of client _____

Name _____ ID. No. _____

Received on behalf of Arion Bank hf. _____

In accordance with the Securities Transactions Act no. 108/2007, financial companies are obliged to categorize all clients who request investment services. Clients are categorized into one of the following three categories:

1. **Retail client:** Personal customers and smaller companies are categorized as retail clients.
2. **Professional client:** Professional clients include large companies, companies with operating licences from the Financial Supervisory Authority and comparable authorities, central and local governments, central banks and international institutions, and other institutional investors.
3. **Eligible counterparty:** Eligible counterparties are generally financial companies and entities operating on the financial markets.

The objective of categorizing clients in this way is investor protection; retail clients enjoy greater protection than professional clients and eligible counterparties. Professional clients and eligible counterparties generally possess greater knowledge and experience to assess the risk involved in securities transactions and are therefore generally thought not to require such specific protection.

The categorization of clients affects the extent to which financial companies are obliged to report information to their clients. Financial companies are obliged to report the most information to those clients who enjoy the highest level of protection. This includes informing the client of the risk associated with securities transactions, information on the status and execution of client's orders and providing clients with a regular overview of the services provided. Icelandic legislation and regulations impose strict requirements on how information is presented. This is designed to ensure that information is clear and not misleading.

The categorization of clients also affects the extent to which financial companies are obliged to obtain information on their clients. In the case of a retail client, a financial company is generally required to ask the client to provide information on its knowledge and experience in transactions similar to the one being requested. If the client does not provide adequate information, the Bank cannot assess whether the requested transaction is appropriate for the client, which means that the client does not enjoy the level of protection the Bank would otherwise provide. A financial company is not obliged, however, to assess whether individual transactions are appropriate with respect to the client's experience when a client provides direct instructions on a transaction with non-complex financial instruments. In the case of a professional client or an eligible counterparty, a financial company may assume, however, that the client has the experience and knowledge necessary to assess risk.

In the case of investment advice or portfolio management services, a financial company must also obtain information on the financial position and investment objectives of the client. This enables the company to understand the client's circumstances and allows it to make an informed decision on whether the transaction in question is suitable for that particular client. Financial companies are, however, permitted to assume that professional clients are financially able to bear the investment risk which corresponds to their investment objectives. Eligible counterparties do not enjoy the same level of protection.

Arion Bank endeavours to get to know its clients and their requirements so that it can provide services which are tailored to the needs of every client. The information provided by the client forms the basis of investor protection. It is therefore important that clients provide the Bank with detailed and correct information so that the protection which is afforded achieves its desired aim.

A retail client can request to dispense with the legal protection afforded by this category. However, this is subject to an assessment by Arion Bank and the Bank will not approve such a change unless the client meets certain minimum requirements regarding experience, knowledge and financial position.

The client may have different reasons for wanting to dispense with legal protection. For example, the client may believe that receiving certain information is unnecessary or that some formalities connected to the protection are restrictive and will delay the progress of the transactions. Certain investment services in which the client is interested may also be almost entirely restricted to professional clients, e.g. certain complex and/or risky transactions.

When a client dispenses with legal protection, the financial company is less obliged to provide the client with information and advice than before. Arion Bank's liability as an expert is also reduced when the counterparty is a professional client or an eligible counterparty as it is assumed that they possess the necessary expertise. It should be noted, however, that professional clients also enjoy a minimum level of legal protection and it must not be assumed that they have not been informed of their legal position or that they do not receive information on the investment services provided. Clients can also request increased protection and more information.

Clients categorized as professional clients or eligible counterparties must inform the Bank of any changes which could affect their current categorization.

Arion Bank strives to meet the needs of its clients and to provide them with the information and advice they request. Arion Bank encourages and advises its clients not to dispense with the legal protection afforded until they have closely looked into the legal consequences of doing so. Any decision on dispensing with this legal protection is the responsibility of the client.