

ARTICLES OF ASSOCIATION OF NBI HF.

Article 1

The name of the Company is NBI hf.

Article 2

The Company is domiciled at Austurstræti 11, 155 Reykjavík, and its legal venue shall be in Reykjavík.

The creation of the Company is part of actions undertaken in accordance with Article 5 of Act No. 125/2008 on authorisation for Treasury disbursement due to unusual financial market circumstances etc.

Article 3

The Company's purpose is to operate a commercial bank. The Company may pursue any and all activities of financial undertakings as provided for by current law, as well as other activities in normal connection with this.

The Company may participate in activities relevant to its operations and acquire holdings in other limited-liability companies for that purpose.

Article 4

The initial capital of the Company shall be ISK 775.000.000, seven hundred seventy five million 00/100-. The Company's share capital is divided into shares of one Icelandic króna or a multiple of this amount. One share may be issued for the entire share capital of the Company and the same applies to increased share capital.

The Board of Directors of NBI hf. is authorised to increase its share capital by up to ISK 200,000,000,000 – two billion – by issuing new shares in NBI hf. Shareholders enjoy pre-emptive subscription rights to new shares, as provided for in Paragraph 1, Article 34 of Act No. 2/1995, on Public Limited Companies. No privileges are conferred by shares in the Company. The Board of Directors is authorised to determine the details of the price and terms of payment for such an increase. This authorisation shall be valid until 21 October 2013.

Article 5

Shares shall be numbered and issued in the name of the shareholder. Share certificates confer full rights on shareholders as stipulated by the Act on Limited-Liability Companies and the Company's Articles.

Article 6

General rules on commercial instruments apply to shares in the Company.

**Article 7**

Final authority in all company dealings rests with the duly constituted shareholders' meeting.

Article 8

Shareholders' meetings shall be announced with at least one week's notice.

Article 9

The Company's annual general meeting (AGM) shall be held before the end of April each year.

Article 10

The following items shall be dealt with at the Annual General Meeting:

1. a report from the Board of Directors;
2. the balance sheet and income statement for the past operating year shall be placed before the meeting for attestation;
3. a decision on the payment of a dividend and disposition of profit or loss from the past accounting year;
4. election of the Board of Directors;
5. a proposal from the Board of Directors on remuneration policy submitted to the meeting for approval;
6. election of the auditor;
7. a decision on remuneration to directors for the next term of office;
8. other business.

Article 11

Each króna of share capital entitles the owner to one vote.

Shareholders may give written authorisation for proxies to attend a shareholders' meeting on their behalf and exercise their voting rights.

The majority of votes shall determine the outcome at shareholders' meetings, unless otherwise provided for by national law or the Company's Articles.

Article 12

Minutes shall be kept of the meetings in which the events of the shareholders' meetings shall be recorded.

Article 13

The company's accounting year shall be the calendar year. The Board shall have compiled the annual accounts no later than one month prior to the AGM.

Article 14

The Company's Board, referred to in these Articles as its Board of Directors (Icel. bankaráð), shall consist of five persons and an equal number of alternates. The Chairman of the Board of Directors shall be elected individually but the Board divides responsibility for other tasks between its members.

The National Audit Bureau shall serve as the Company's auditor.

The term of office of members of the Board of Directors shall be one year.

Article 15

The signature of a majority of the Board of Directors obliges the Company.



The Board of Directors may grant authority to sign for the Company.

The Board of Directors may oblige the Company, including pledge right of ownership. If major assets of the Company are to be sold, meaning assets that have a material affect on its activities and operations, a majority of shareholders must approve.

The majority of votes shall determine the outcome of questions by a simple majority at Board meetings. In the case of a tie the Chairman shall cast the deciding vote.

Each meeting of the Board of Directors shall be noted in the minutes.

Article 16

The Company's Board of Directors shall engage a Chief Executive Officer (CEO) and determine the terms of his/her employment.

The CEO shall be in charge of the Company's day-to-day operations and shall represent it in all matters concerning regular operations. He/She shall be responsible for record keeping and hiring of staff. The CEO shall provide members of the Board and auditors with all information concerning Company operations which they may request and are entitled to by law.

Article 17

No privileges are conferred by shares in the Company. Shareholders shall not be subject to redemption of their shares, unless the Company is dissolved or share capital decreased in accordance with law.

Article 18

These Articles may be amended by a legally constituted AGM or extraordinary general meeting by a majority of 2/3 of votes cast, and by agreement of shareholders controlling at least 2/3 of the Company's share capital represented by the voting rights at the meeting, at least half of shareholders being represented and provided no other majority is specified in the Articles or by national law.

Article 19

Proposals for the winding up or termination of the Company shall be addressed at an AGM or extraordinary general meeting, this item on the agenda of the meeting having been specified in its announcement. For a motion proposing the winding up or termination of the Company to be valid, the votes of shareholders controlling at least 2/3 of the total share capital of the Company are required.

A shareholders' meeting, which has taken a legal decision on the termination or winding up of the Company, shall also decide on the disposal of its assets and payment of debts.

Article 20

Unless provided for in these Articles, the provisions the Act on Public Limited Companies, currently Act No. 2/1995, shall apply with subsequent amendments, as well as provisions of other applicable laws.

Thus adopted at the initial meeting of New Landsbanki Íslands hf. (now NBI hf.), Reykjavík, 7 October 2008 with amendments adopted by a shareholders' meeting on 21 October 2008.

Reykjavík, 21 October 2008

On behalf of NBI hf.

The original Icelandic text is the valid text. In case of any discrepancy between the original Icelandic and the English translation, the original Icelandic shall apply.