



General Terms and Conditions of Landsbankinn

Landsbankinn hf. | No. 1532-04 | 1 September 2020

1 Introduction

1.1 Scope

The General Terms and Conditions of Landsbankinn (hereafter the Terms/these Terms) apply to transactions between Landsbankinn hf. (hereafter Landsbankinn or the Bank) and a customer. A customer may be a private individual or a legal entity (hereafter legal entity or company). Special rules, differing from the provisions of these Terms, may apply to customers who are not consumers as provided for by the Act on Consumer Credit and/or the Act on Payment Services. In addition to these Terms, contract provisions, terms and rules may apply to specific products or services provided by the Bank. Such provisions shall take precedence over these Terms, in the case of any discrepancies. The Bank's terms are published on its website and are available in Bank branches.

1.2 Changes to the Terms

The Bank may at any time alter these Terms unilaterally and without notice. Changes to the Terms are communicated to customers through messages sent via online banking or with a general notice on the Bank's website or in another manner chosen by the Bank.

If amendments to these Terms involve changes to a master agreement on payment services and are not to the advantage of customers, the amendments shall enter into effect with two months' notice. Notices of amendments to such provisions of the Terms call attention to the fact that customers may notify the Bank of the termination of the master contract before the changes enter into effect. The customer is considered to have approved changes unless he/she notifies the Bank otherwise before the date of entry into force. If a customer terminates a master agreement before the two months' notice is up yet continues to use the payment account in question or a payment method linked to the account after the two months' notice has lapsed, the customer is considered to have approved the changes.

1.3 About Landsbankinn

Landsbankinn provides individuals, corporations and investors throughout Iceland with financial services based on long-term business relationships. The Bank operates branches, outlets and ATMs throughout Iceland. The Bank is licensed to operate as a commercial bank in accordance with Act No. 161/2002, on Financial Undertakings, and is subject to supervision by the Financial Supervisory Authority of the Central Bank of Iceland, Kalkofnsvegur 1, 101 Reykjavík, cf. Act No. 87/1998, on Official Supervision of Financial Activities, as subsequently amended (see the Financial Supervisory Authority's website, www.fme.is).

Landsbankinn hf., Reg. No. 471008-0280, Austurstræti 11, 101 Reykjavík, Iceland
Tel. +354 410 4000. E-mail address: info@landsbankinn.is, Website: www.landsbankinn.is. Swift/BIC: NBIISRE

2 General Provisions on the Business Relationship

2.1 Processing of personal data

Landsbankinn processes its customers' personal data based on these Terms and, as the case may be, agreements, terms and conditions and rules applying to individual products or services the Bank may provide to the customer. The Bank may also process personal data based on the customer's consent, law, administrative provisions or based on legitimate interest, as detailed in Landsbankinn's Data Protection Policy, published on the Bank's website. The processing of personal data is necessary for the Bank to provide customers with financial services and for customers to undertake transactions with the Bank, as well as to conclude or execute related contracts.

The customer shall provide the Bank with information about his/her name, Id./Reg. No., legal domicile and, as the case may be, place of residence, contact details, as well as other information necessary to the business relationship. The Bank also regularly receives information about customers from third parties in accordance with its Privacy Policy, e.g. information about registered Id./Reg. Nos., names, marital status, children, legal domicile, residency, place of birth and nationality. The Bank is obligated by law to gather certain information from customers, including laws on measures against money laundering and terrorist financing. Legal entities are required to provide information, *inter alia*, about the board of directors, management, persons authorisation to sign for the company and real (beneficial) owners. It is necessary for the Bank to gather information in relation to a customer's applications for loans, other credit facilities or transactions, to monitor lending, transactions and liabilities and for debt collection. The Bank gathers *inter alia* financial information about customers from :

(a) the register of current credit bureaus, e.g. Creditinfo Lánstraust, such as information from customer surveillance, credit scoring, copy of registered obligations and comparable information, (b) from tax reports submitted to the Directorate of Internal Revenue, (c) from the Register of Enterprises, i.e. a company's registration records, articles of association and comparable information and (d) from partners and processors that work with information about collection and default, such as the Icelandic Banks' Data Centre (RB), i.e. information from a receivables pooling database, and Motus. In the case of default, the Bank may be required to share information about loans and customer liabilities with the aforementioned parties, such as to the registers of Creditinfo Lánstraust. Data processors working on behalf of the Bank may receive customers' personal data to carry out transactions or other services on behalf of the Bank. The aforementioned also applies to guarantors. The same applies to customers' spouses in the case of joint obligations. In order to issue credit to a customer, the Bank takes automatic decisions on creditworthiness and other services the business relationship includes based on these Terms and, as the case may be, on the basis of personal profiling of the customer. A customer's personal profile is compiled from personal data the Bank has about the customer, including credit assessments, credit ratings and business history. Automatic decisions include the automatic calculation of credit limits and automatic extensions of overdraft authorisations based *inter alia* on a customer's credit assessment. Customers can object to automatic decisions to the Bank.

In order to provide the customer with securities service, customers' personal data may be shared with domestic or foreign partners involved in the service, custody and/or settlement of transactions, as described in the relevant terms and conditions in more detail.

The Bank also processes personal data on the customer in order to develop and/or introduce its products, services or business solutions. For the aforementioned purposes, a needs and target group analysis is prepared, as the case may be on the basis of customer profiles, in order to offer tailored products and services. Personal data must also be processed to ensure the quality of services performed, maintain oversight of customers' standing and for treasury and/or risk management purposes. The Bank contacts a customer for those purposes through such media as email, telephone or messages to mobiles or via online banking or comparable communication channels.

The Bank stores and processes the aforementioned data for the duration of a contractual relationship and after its termination in accordance with law, these Terms, Landsbankinn's Privacy Policy, agreements, rules and other terms and conditions of the Bank. To ensure accurate authentication and correctness of information about customers, the Bank stores and regularly updates copies of customers' electronic ID based on the validity period thereof. Refusal by the customer to provide the Bank with personal data or authorisation to process such information may prevent the Bank from providing the customer with requested services.

Phone conversations between the Bank's employees and customers may be recorded. The Bank cannot guarantee that all phone conversations are recorded. Recording of telephone conversations is intended to ensure the traceability of transactions and verify the subject of phone conversations. The Bank may utilise recorded conversations as evidence should a dispute arise about the subject of conversations between parties, e.g. about the prerequisites or implementation of transactions, or to investigate possibly criminal and/or punishable conduct. The Bank's Compliance function may listen to phone conversations as part of its monitoring of transactions with financial instruments. Only designated employees in control units have access to recorded phone conversations. Certain employees who work in information technology have access to audio recordings to ensure the functionality of systems used to record phone conversations. A customer or party empowered to act for a customer may request access to a recorded phone conversation. Phone conversations pertaining to transactions with financial instruments are available to customers for 5 years; other recorded phone conversations are available to customer for 90 days. Requests from third parties for access to recordings of phone conversations or copies of recordings shall only be granted to parties who have legitimate interests of receiving such copies, i.e. surveillance authorities, law enforcement authorities or others with a clear legal mandate.

The Bank processes necessary personal data from customers through the use of cookies on its website and online banking for cyber and information security purposes, e.g. by analysing departures from usual customer behaviour. Further information about the Bank's use of cookies is available on the Bank's website. The Bank also examines the technical infrastructure of customers' online banking and customers' connections to online banking, processes data about the device the customer uses each time, such as IP number and device type, as well as other aspects of the connection to the Bank for the purpose of carrying out business transactions. If a customer becomes aware of errors or defects during use of the Bank's online banking, apps or website, he/she must notify Landsbankinn without delay. Resolving errors may require that the Bank logs in to a customer's online banking account.

Landsbankinn's employees are bound by obligations of confidentiality in all matters concerning the situation of the Bank's customers and other matters of which they may become aware in the course of employment and should be kept secret in accordance with legislation on financial undertakings. Notwithstanding legal duty of confidentiality towards third parties as regards customer affairs, the Bank is obliged by law to provide public authorities (i.e. regulators, customs, tax and law enforcement authorities) with such information. The confidentiality obligation of employees and parties to which such information is divulged remains even after employment ceases. Any customer who by chance, mistake or without express authorisation receives information that does not pertain to him/her may not record or take advantage of such information in any way. He/she shall delete the information and notify the Bank that he/she has received such information. The customer shall observe full confidentiality in such instances.

All processing of personal data is in accordance with current data protection legislation at each time. Landsbankinn's Privacy Policy includes a detailed description of the processing and handling of personal data undertaken by the Bank, including what personal data is processed and for what purpose, the rights of individuals, retention time, sharing of personal data with third parties and security of personal data. Landsbankinn's Privacy Policy shall apply in tandem with these Terms and it is available on the Bank's website. Customers are responsible for acquainting themselves with Landsbankinn's Privacy Policy.

2.2 Establishment of a business relationship

A customer establishes a business relationship with the Bank through its website, online banking, its app or in a Bank branch. The customer must undergo due diligence upon the establishment of a business relationship. Upon establishing a business relationship, a customer selects products and/or services and receives access to online banking. The Bank performs due diligence on new customers by requesting verification of identity and information about them, cf. details in the chapter on Actions to combat money laundering and terrorist financing. The application must fulfil conditions to establish business relationships as set out in these Terms and, as the case may be, agreements, terms and conditions or rules that apply to individual products and/or services. The customer attests the application, agreement and/or terms in question in accordance with the Bank's requirements at each time. The Bank may, without providing specific grounds, reject an application to establish a business relationship and/or for a product or service, inter alia if information is insufficient, the application does not meet the Bank's requirements or for other reasons, as determined by the Bank.

2.3 Measures to combat money laundering and terrorist financing

The Bank operates in accordance with Act on measures against money laundering and terrorist financing, as subsequently amended. The Bank is required to carry out due diligence on customers, upon the establishment of a business relationship, as part of regular control and/or for individual transactions. To perform due diligence, the Bank calls for, inter alia, personal information about a customer, including name, Id. No., legal domicile, job position, telephone number, email address, place of birth and nationality, in addition to financial information. Legal entities shall provide information about name, Reg. No., legal address, legal form, board of directors, executive board and person authorised to sign, as well as information about the beneficial owners of the legal entity and persons authorised to oblige the entity. The Bank also gathers information about the origin of the funds customers intend to use in transactions with the Bank, whether transactions are undertaken on behalf of a third party and information about the nature and purpose of the indented business relationship and/or transaction.

As part of due diligence, the customer shall provide proof of identity by showing valid identification issued or attested by a competent authority, e.g. a passport, driver's licence, Icelandic identity card or valid electronic ID. If a business relationship is established on behalf of a legal entity, trust fund or comparable party, all board members, managing directors, authorised signatories and real (beneficial owners) must verify their identity by showing valid identification. Legal entities prove their identity by providing a certificate from the Enterprise Register of the Directorate of Internal Revenue (Fyrirtækjaskrá ríkisskattstjóra) or equivalent registry as proof of their registration. An assessment shall be made on a case-by-case basis whether to request a copy of a company's Articles of Association and/or audited annual financial statements. For underage customers who do not have own personal identification, legal guardians can show their ID.

The Bank uses risk-based monitoring of contractual relationships with customers and gathers updates to information as and when necessary, at any time during a business relationship. Under certain circumstances and in addition to the above, the Bank is required to apply enhanced due diligence in certain sensitive cases. In such cases, the Bank reserves the right to request additional information about the customer to carry out enhanced due diligence. If the Bank suspects that the funds the customer intends to funnel into the Bank's system are earnings from illegal activity and/or linked to terrorist financing, the Bank reserves every right to halt requested transactions without any notice. If the Bank has legitimate grounds or reason to suspect certain transactions of being suspicious with regard to money laundering and/or terrorist financing, the Bank is obliged to report the transaction to the relevant law enforcement authorities and provide all necessary information in connection with the case. Customers are obligated to inform the Bank of any changes to the details submitted to the Bank in relation due diligence.

2.4 Framework contract as defined by the Act on Payment Services

The provisions of these Terms that fall under the scope of the Act on Payment Services (including provisions on ATMs, payment accounts and debit cards) constitute a master agreement for payment service between the customer and the Bank, as defined by the Act on Payment Services.

2.5 Concluding contracts

The customer concludes a binding contract with the Bank and/or confirms his/her approval with a signature to paper, electronic signature, electronic approval, e.g. in online banking, the app or the Bank's website, with a request or approval over the telephone, using a web communication application or via other means of communication, depending on the nature of the obligation at each time and in accordance with the Bank's demands. The customer also attests to the agreements, terms and conditions and/or the Bank's rules specific to certain products or services, as they may be at each time, with his/her reception of such products or services. Non-financially competent customers may confirm their obligation in accordance with the above for products and services that do not require confirmation by a legal guard pursuant to these Terms; contracts for other products and services require confirmation by a legal guardian. If the customer has granted a third party the power of attorney, the agent obliges the customer with his/her signature.

2.6 Permissions of non-financially competent minors

Contracts between non-financially competent individuals and the Bank for products and services involving financial commitment, require the approval of a legal guardian. A customer who has reached 13 years of age may establish a business relationship and enter into contracts with the Bank for the following, and comparable, products and services without the approval of a legal guardian: Create a payment account for deposit and withdrawal for own personal income and/or gift funds, manage the account, apply for a debit card for the account and access to online banking and the app.

Legal guardians are generally not authorised to withdraw funds from such accounts without the customer's approval. Withdrawals by a legal guardian from accounts of minors are contingent on the authorisation of both legal guardians, where there are two, unless either legal guardian has authorised the other to hold all power of attorney over the account, including

authorisation to withdraw funds from the customer's account. In accordance with Icelandic law, the customer becomes financially competent at age 18 and becomes the sole custodian of his/her assets. Any authorisations of the legal guardians become null and void at that time. A legal guardian and minors are both authorised to obtain information about the accounts of a customer who is a minor, including the balance and account statement. Landsbankinn must be notified of any changes to the legal guardianship of a minor or the appointment of a legal guardian. The accounts on non-financially competent individuals are governed by, in addition to these Terms, the Act on Legal Competence and other of the Bank's rules that may provide for conditions additional to these Terms.

2.7 Power of Attorney

The power of attorney a customer grants to a third party to represent the customer in dealings with the Bank shall be in a format the Bank approves, in writing and dated. The power of attorney shall be attested (a) with a hand-written signature and by two witnesses, by a lawyer or his/her agent, a certified estate agent or notary public, or (b) signed with a valid electronic ID. The power of attorney shall specify the transactions to which it pertains and the customer bears full responsibility for transactions undertaken based on the power of attorney. Should a power of attorney fail to meet the Bank's or legal demands for form and/or clarity, the Bank is authorised to reject any dealings based on it. Agents must provide the same proof of identity as customers. The customer is responsible for notifying the Bank of any changes to a power of attorney. All changes to a power of attorney shall be in writing and similarly certified and enter into effect upon reception by the Bank. A power of attorney lacking a fixed term is revoked by the customer. Only the customer can revoke power of attorney, unless otherwise provided for by law. Revocation of power of attorney must in general be in writing and enters into effect upon reception by the Bank. Previously issued powers of attorney remain effective despite the registration of new powers of attorney unless these are specifically revoked. Laws and regulations on granting power of attorney, changing or revoking the mandate apply in other respects.

2.8 Credit transactions and guarantee obligations

Upon initiating credit transactions, the Bank may require customers to provide collateral to guarantee repayment on time and without loss or that a third party guarantee the borrower's obligations or provide collateral. In addition to the Terms, credit transactions are governed by laws, regulations, rules, the terms and conditions of the relevant product or service, the terms and conditions of the relevant debt instrument and/or guarantee obligations and any other rules of the Bank that may apply. The Bank reserves the right to deny customers credit.

2.9 Information provision

The Bank sends messages to customer, information and notifications about banking business through online banking or the app or via other communication means used by the Bank at each time. The Bank may also use mail in exceptional cases. The customer may request to have notifications mailed, for a fee when appropriate. The fee for mailing service is listed in the Bank's tariff. The Bank sends push notifications to the customer via online banking. The customer can change default settings for push notifications in his/her smart device and computer browser. If the customer changes his/her contact details, i.e. phone number or email address, he/she shall update this information in online banking, with the Bank's Customer Service Centre or at a local branch.

2.10 Interest

Interest rates on deposits and loans are subject to change unless otherwise stated or agreed. Deposit and lending rates are determined and amended without prior notice in accordance with the Bank's current tariff. If the Bank has agreed to fixed interest rates or other special interest terms, interest rate changes are subject to the terms of the agreement between the Bank and the customer. Information about the Bank's lending and interest rates are available on the Bank's website, its Customer Service Centre and in branches. In calculating interest, each month shall be considered to have 30 days and each year to have 360 days, unless otherwise agreed. Interest appears on annual statements available through online banking or other electric means at the beginning of each year. Interest on outstanding debt and inflation-indexation is debited monthly unless otherwise agreed. Lending interest varies according to the type of loan. Unless otherwise agreed, interest is calculated on loans as of the first payment date.

A banking day is a day when banks are open in Iceland. If a due date, which is also the final date for payment, falls on a weekend or public holiday it shall be moved to the following banking day. If the due date and final date for payment on claims in collection by the Bank for a third party do not coincide, the final date for payment shall not be moved even though it falls on a weekend or public holiday.

These Terms includes a section on payment accounts which contains special provisions for interest on payment accounts.

2.11 Foreign transactions

Landsbankinn shall bear no responsibility for possible mistakes or negligence resulting from its customer's choice of foreign business partners and their reliability. The same applies to mistakes or negligence on behalf of foreign financial undertakings. The customer is advised to familiarise him-/herself with the terms and conditions of the foreign financial undertaking, as well as current legislation and business conventions of the state in question. Landsbankinn exchange rates apply to all foreign currency transactions, unless expressly agreed otherwise. The nature of the transaction determines the rate used, be it spot rate, closing rate or a special rate determined by the Bank. Any risk of resulting trading gains/losses shall be borne by the customer, unless otherwise expressly agreed.

In these Terms, the section on payment accounts contains special provisions for payment accounts and foreign currency payments.

2.12 Tariff

The customer pays charges for the Bank's products and services and other expenses linked to services rendered in accordance with the Bank's tariff at each time. Should other terms or the Bank's agreements with the customer provide for charging fees, those terms shall take precedence over the Bank's tariff. The Bank is authorised to debit fees and costs from the customer's payment account with the Bank and such direct debit shall appear on account statements. Landsbankinn may change its tariff without notice. Landsbankinn's tariff is available on the Bank's website, www.landsbankinn.is. Customers can also access information about the tariff in branches or from the Bank's Customer Service Centre.

3 Online banking

3.1 General information about online banking

Online banking is an Internet site Landsbankinn's customers log in to using authentication approved by the Bank in order to tend to banking business. Online banking is accessible from the Bank's website, through mobile banking and an app. In order to take advantage of online banking services, the customer must have equipment that is linked to the Internet. The Bank reserves the right to unilaterally determine what services are offered via online banking, and to alter those services. Online banking services may vary according to whether the customer logs in through the Bank's website, mobile banking or the app. Landsbankinn owns the software used in online banking. The customer is authorised to access and use online banking. The customer is completely prohibited from making alterations or having alterations made to software connected with online banking. The customer uses authentication to verify his/her identity vis-à-vis online banking. The customer authenticates his/her identity upon logging on to online banking using personal security methods, such as electronic ID or user name and password, in accordance with the Bank's security requirements at any given time. Landsbankinn reserves the right to amend its security requirements without notice. Once the customer has logged in to online banking using issued authentication, the customer is responsible for and obliged by all actions carried out in online banking. The same applies if a third party gains access to information about access to online banking or is able to access it in another manner. The customer is responsible for adequately ensuring the safety of the personal payment methods he/she uses for authentication. The customer is prohibited from granting third parties access to his/her personal payment methods and shall at all times ensure that no-one can see when he/she uses the personal payment methods. The customer shall keep secret his/her personal payment methods and all information relating to his/her online banking authentication and is responsible for ensuring that such security information is neither divulged nor accessible to unauthorised parties. Failure to adequately safeguard personal payment methods in accordance with the above is considered gross negligence on behalf of the customer. Should the customer become aware that an unauthorised party has acquired knowledge of the customer's personal payment methods, the customer shall notify the Bank without delay and changes his/her personal payment methods. To ensure safety, the customer shall activate locking mechanisms on the equipment he/she uses to log in to online banking. The Bank shall not be responsible for the customer's use of online banking through the app, the Bank's website or mobile banking. The Bank shall not be responsible for damages caused by use of online banking or the use of connections to online banking. The Bank shall not be liable for any direct or indirect damage which may be caused by the suspension of online banking, links or additions to online banking without prior notice, for instance, due to necessary maintenance actions, malfunction of software or hardware, system modifications, or other circumstances beyond its control. If the customer lends, sells or authorises a third party to access a device on which the app has been installed, he/she is obliged to log out of the app first. If the device has been tampered with in a manner that compromises its security in any way, for instance, with the installation of insecure applications, use of the app on that device is no longer secure and thus prohibited.

The customer shall notify the Bank without delay if he/she becomes aware of misuse or unauthorised use of online banking. The customer shall not suffer the damages caused by use of online banking if the Bank fails to take appropriate steps as provided for in the Act on Payment Services, due to notification obligations linked to payment methods that have been lost, stolen or misused. The Bank may, without prior warning or notice, terminate the customer's access to online banking or limit the customer's access to online banking in part or in whole, temporarily or permanently, in the following instances: (a) if there is a suspicion of unauthorised or fraudulent use of online banking or breaches of the Bank's rules or terms and conditions, (b) due to file and system updates and changes or other technical or security reasons, (c) if the customer's estate is sent into receivership or the customer seeks composition, payment moratorium, or if other similar conditions exist. The customer is notified as soon as practicable. If the reasons for termination are removed, the Bank shall grant access again. The Bank is authorised to terminate the customer's access to online banking if the customer's account has been inactive over a 6-month continuous period or longer. Information about customer, including the status of transaction orders, may be temporarily inaccessible in online banking due to a heavy load on the relevant computer and trading systems. Certain services or actions in online banking determine device locations from GPS coordinates, network systems or phone company distribution systems, including information about service points. Access to such services can be controlled through each device's settings. The Bank does not retrieve location information from the device without the customer's approval. The Bank shall not be responsible for invoices that appear on the list of unpaid invoices and where the Bank is not the invoicer. Any objections the customer may have to such invoices shall be directed at the registered invoicer.

3.2 Special provisions for online banking for corporates

An application for corporate online banking, approved by Landsbankinn, and these Terms constitute an agreement for corporate online banking. The persons authorised to oblige a company under its rules or according to the Register of Limited Companies (board of directors, CEO or authorised signatory) shall notify the Bank of the users who are to be granted access to online banking and set out the extent of their access authorisations. The company can also assign the role of access control manager to a user who then has full and unlimited access to the company's online banking account.

The access control manager has authority to assign access authorisation to other company employees in online banking at any given time and to determine the scope of each access authorisation. Users receive access information to their online banking. Companies shall ensure that users are acquainted with these Terms and are aware of the responsibility resting on the company as a result. Once the user has logged in to online banking using his/her authentication, the company is responsible for and obliged by all actions undertaken in online banking. The access control manager and users may not be on a default registry as the subject of unsuccessful attachment or bankrupt. Access control managers and users who have authorisations exceeding viewing and batch entry must be legally and financially competent. The company is responsible for ensuring that all users satisfy these requirements. The company is responsible for notifying the Bank without delay, in writing or other verifiable means, of any decision to terminate a user's access to online banking.

3.2.1 Data portal external to online banking

The company can apply for access to a B2B data portal linking the company and the Bank. B2B is an add-on to corporate online banking that enables data sharing between the Bank and a company's accounting software. Once the Bank has approved a B2B application, the company agrees to take every security precautions concerning users authorised by the company to use this connection. Furthermore, the company is fully aware that access control is completely its responsibility. A service provider internal or external to the company handles instalment of B2B. Instalment is not the Bank's responsibility. The company shall be responsible for all actions carried out by its employees using the B2B connection. Furthermore, the company shall be responsible for any measures it considers necessary to ensure the security of its banking information and personal data, and the traceability of entries carried out through the B2B connection. The company shall be liable for any damages suffered by the Bank or a third party as a result of use of the B2B connection by the company and its employees. The same applies to external parties who gain information about access to the system or access it in another manner. The Bank shall not be liable for any damage resulting from the incorrect functioning of equipment to be provided by the Company or software house. The Bank shall not be liable for any damage suffered by the Company due to its employees' misuse of their authorisations to carry out actions using the B2B connection. In concluding this Agreement, the Company authorises the Bank to obtain information on the Company's accounts payable from RB for use by other parties utilising a BTB connection. The Bank is not responsible for ensuring that information sent via B2B is accurate, reliable or new. Access to B2B may be terminated by either party with one month's notice.

4 Payment accounts

4.1 About payment accounts

A payment account is an account used to carry out payment, cf. the Act on Payment Services, (hereafter "account" unless otherwise noted). In addition to these Terms, individual accounts may be subject to other of the Bank's terms and conditions and rules. Information about the terms and conditions that apply to accounts are available on the Bank's website. The customer applies to open an account on the Bank's website or in a branch. The Bank is authorised to reject account applications, for instance if information about the customer is insufficient, and will notify of such rejection as promptly as possible. Accounts may not be established on behalf of another financially competent party unless the customer has granted power of attorney to the effect, unless otherwise provided for by law. Upon establishing an account, the customer is obliged to provide proof of identity by showing valid identification, such as a passport, Icelandic identity card, driver's licence, valid electronic ID, through identification upon logging in to online banking or other means of identification that meet with the Bank's requirements at each time. The Bank reserves the right to amend its security requirements without notice. When opening an account, the customer is required to divulge information on intended transactions in accordance with the provisions of Act on Measures to Prevent Money Laundering and Terrorist Financing, as well as information about the real (beneficial) owner of funds.

Accounts are in Icelandic króna, unless otherwise expressly agreed. These Terms apply to accounts both in foreign currency and in ISK, having regard for the special provisions these Terms contain for accounts and payments in foreign currency.

Balances on accounts are subject to special rules and/or conditions that apply to each individual account type. Accounts may be indexed to the Consumer Price Index or non-indexed. Fixed-term deposits may not be withdrawn from accounts unless otherwise provided for in terms and conditions. An account has no fixed term unless provided for by law, regulations, rules or terms and conditions for accounts. The current rules of the Central Bank of Iceland on the Price Indexation of Savings and Loans apply to inflation-indexed accounts. The fixed term of vacation pay accounts is provided for in the Act on Vacation Pay.

4.2 Security numbers and access to accounts

The customer holder chooses a security number to use for authentication and confirmation of payments in communication with the Bank, for example, through online banking, telephone banking and with the Customer Service Centre. In selecting a security number, the customer shall take care not to select a number that can easily be traced back to the customer. The customer agrees not to divulge the security number to unauthorised parties. Unauthorised parties here refers to parties who are not authorised to issue payment orders for the customer's account in accordance with these Terms. Should the customer have reason to believe that an unauthorised party may have become aware of the security number, the customer agrees to change the security number immediately and notify Landsbankinn without delay. The customer is responsible for all payments and actions linked to his/her account using the security number.

4.3 Payment service and payments

An account can be linked to the payment method provided by the Bank. A payment method in these Terms refers to any personalised equipment and/or procedure the Bank and customer agree upon and the customer utilises to issue payment

orders, such as debit cards or electronic/digital means of payment. The terms and conditions of the relevant payment method further apply to its use.

When the customer issues orders to initiate a payment from an account, he/she shall provide adequate proof of identity, such as the account's security number, by showing personal identification or other means that satisfy the Bank's requirements. The above applies whether or not the withdrawal is carried out by way of a payment method or not. Orders to make payment from accounts may be given orally at bank branches, over telephone, through online banking or by means of a payment method. Written payment instructions from the customer shall be confirmed over the phone or using electronic ID if the Bank so requests.

Instructions for payment sent before closing of a branch on a banking day shall be considered to have been received on that day. Instructions received after that time shall be considered to have been received on the next business day. Payment instructions issued through corporate online banking before midnight shall be considered to have been received on that day yet may be carried out on the following banking day. The Bank shall not be considered to have received payment instructions until the Bank has received all information necessary to carry out payment.

Domestic payments in ISK and EUR should take no more than one banking day as of reception of instructions for payment. Instructions for payment sent via mail may be carried out as much as two days from reception. In general, payment in foreign currency may take five banking days from the reception of payment instructions and until the recipient bank deposits the payment into the recipient's account. Payments initiated in online banking before 21:00 hours each banking day will be carried out on the date received. Payments initiated after that time will be carried out the following banking day. Payments initiated between 16:15 – 09:00 are also subject to the Central Bank's rules on large payments.

The Bank may delay, halt and/or refuse to carry out payment orders, initiated by either payor or recipient, if the conditions of law, these Terms, other terms and conditions or the Bank's rules have not been met, e.g. of the balance on the account is insufficient, if withdrawals have been suspended for other reasons, for security reasons, if there is considered to be a risk of misuse or fraud, due to significantly heightened risk of the payor being able to make payment, if there is doubt concerning the payor's authority to utilise the account or for regular monitoring of payments that involves gathering information about the connection between payor and recipient, origin of funds, purpose of a transaction, etc. The Bank uses foreign intermediaries to send and receive international payments on behalf of customers. For that reason, the Bank may request details about payments and share that information with foreign intermediaries.

The customer will be notified of Landsbankinn's decision to reject instructions for payment. If the customer is the cause of the Bank's decision to reject payment instructions, a fee may be charged for written notification. If payment instructions are rejected by the Bank, this is equivalent to such instructions not having been received at all. Notwithstanding the above, the Bank may postpone carrying out instructions for payment until sufficient funds are available on the customer's account, including funds to cover fees and other expenses. The Bank may attempt to debit the payment from the customer's account to satisfy payment following reception of payment instructions and until the instructions have been carried out. If Landsbankinn receives multiple instructions for payment the same day, the Bank is not responsible for the order in which the instructions are carried out or which payments are not carried out due to insufficient account balance.

A priori received payment instructions will be carried out despite latterly occurring events that would have prevented their issuance, such as the revocation of power of attorney or death of the customer. The customer may only recall or halt payment instructions if the relevant legal conditions on payment service have been met. A priori received payment instructions will not be carried out after the termination of an account. The Bank is responsible for the payment being carried out in accordance with law until the recipient bank has received the payment. After that time, the recipient bank is responsible for the handling of the payment. The customer is responsible for ensuring the accuracy of payment instructions. The Bank is not responsible for the customer's mistakes, inter alia, the customer entering erroneous identification for the recipient. Such mistakes cannot be corrected one-sidedly by the Bank without the approval of the recipient of the payment. If a customer can provide evidence to show that the amount of a payment, authorised by the customer and initiated by the recipient, was not specified in the issued authorisation and that the customer's account was debited for a higher amount than he/she could reasonably expect based on his/her spending patterns, these Terms and other circumstances of the case, the customer shall notify Landsbankinn within eight weeks of funds being debited from his/her account. These conditions being met, the Bank shall refund the customer such payments within 10 banking days of receiving notice to the effect from the customer. Otherwise the Bank will refuse repayment. The above does not apply when a customer, who is not a consumer as defined by the Act on Payment Services as subsequently amended, orally consents to a third party withdrawing funds from his/her account.

The customer is not entitled to repayment once he/she has authorised the Bank to carry out payment and, if appropriate, the Bank or the recipient provided information about future payments or transmitted such information to the payor in a previously agreed upon manner at least four weeks prior to the due date. If payment instructions have been revoked, Landsbankinn is neither responsible for paying interest nor other fees levied on overdue payments.

Payment services may be subject to limitations provided for in the Act on Foreign Exchange at each time and rules based on the Act. If regular payments have been agreed upon, the notice of termination shall factor in collection of payments following termination of a contract. The Bank is authorised to charge a fee on transfers from the payment account. The Bank may also charge a fee for assistance granted in recovering mistakenly paid funds, e.g. due to erroneous information about the recipient of payment issued along with instructions for payment. Fees are in accordance with the Bank's tariff of charges at each time.

4.4 Information about an account and its use

Messages, information and notices about accounts, such as about changes to terms and conditions, interest rates and costs, are communicated to customers via the Bank's website or in online banking or the app or another manner chosen

by the Bank. The Bank may also use mail in exceptional cases. The customer may request to have notifications mailed, for a fee. The fee for mailing service is listed in the tariff.

4.5 Accounts and payments in foreign currency and reference rate

Payments between accounts in different currencies constitute foreign exchange trading. The Bank bases FX transaction calculations on a reference rate, the general exchange rate. The Bank publishes information about the general exchange rate on its website. The Bank bases purchase and sale of notes in ATMs and branches on a reference rate, the note rate. The Bank may also employ special exchange rates as reference rates in certain types of transactions. Special rates are published in relation to the relevant transactions. Exchange rate changes are based on buy/sell offers on the FX interbank market or on the exchange rate change of foreign currencies, plus a premium. The Bank also uses a reference rate to convert amounts from overseas payment card transactions into ISK and publishes information on this practice on its website. The exchange rate to convert foreign payment card transactions and transactions in a currency other than the base currency of a payment card vary based on changes to the exchange rate quoted by the relevant payment card company plus a premium or, as the case may be, discounts. Changes to exchange rates that are based on changes to a reference rate in accordance with these Terms become effective immediately and without notice. The customer enjoys currency gains or suffers currency loss based on the exchange rate developments of the currencies in question.

Foreign currency accounts and payments are subject to the Act on Foreign Currency and the foreign exchange rules of the Central Bank of Iceland. The customer is responsible for ensuring that all data and information, in any form, that the customer provides the Bank with in relation to foreign currency trading or cross-border capital movement is accurate and authentic and the customer is responsible for its reliability.

4.6 Interest rates and interest rate calculation for payment accounts

Interest rates for accounts vary unless otherwise expressly agree and are in accordance with the Bank's interest rate tariff for each account type. The interest rate tariff is available on the Bank's website. Changes to the interest rate tariff are announced on the Bank's website, through online banking, the app or in another manner chosen by the Bank. Interest rate decisions are, inter alia, based on the Central Bank's policy rate decisions and changes to other reference rates, such as LIBOR. Interest rate decisions are also based on the Bank's other financing terms, public levies, operating costs, the Consumer Price Index as it applies to indexation, etc. Interest rate decisions are based on changes to one or more of the factors listed above. Interest rate changes that are based on changes to the Central Bank's policy rates or other reference rates, such as LIBOR, enter into effect immediately and without notice with the change to Landsbankinn's tariff. The same applies to interest rate changes the Bank deems beneficial to the customer. Other interest rate changes that affect accounts enter into effect two months following notification. With specially negotiated interest rates, changes are provided for in the relevant agreement between the customer and the Bank. Notwithstanding the above, all interest rate changes to accounts of customers other than consumers as defined in the Act on Payment Services, as subsequently amended, become effective immediately upon changes to the interest rate tariff.

Deposits carry deposit rates as of the date of deposit and to the date of withdrawal unless otherwise expressly agreed. The last day included in interest calculations is the date prior to withdrawal. Interest is generally added to the balance at the end of each year or when an account is closed. In the case of fixed-term accounts, interest added to the balance at the end of year may be restricted in the same manner as other deposits. Inflation-indexation is added to the balance at the end of each month unless for certain savings accounts and vacation pay accounts. As a general rule, interest is calculated for 360 days per annum (the interest year). Each month carries an interest term of 30 days. The beginning of each term depends on the account type and the current terms and conditions for each account. For inflation-indexed accounts, indexation is calculated at the end of each month based on the Consumer Price Index for indexation and is in general added to the principal at the end of each month. Special indexation is flexible and in accordance with the rules of the Central Bank of Iceland on the Price Indexation of Savings and Loans. Special indexation is calculated within a month for all deposits and withdrawals. Special indexation is calculated for each day from deposit of withdrawal as 1/30 of the changes to indexation between months for each day throughout that month and added or subtracted from the deposited or withdrawn amount. Financial income tax is levied on paid interest, indexation and currency gains in accordance with law and debited from the account.

4.7 Lending rates, NSF withdrawals, unauthorised overdraft and wrong or unauthorised payments

The customer is obliged to monitor the balance on his/her account and may not withdraw from the account an amount that is in excess of its balance or authorised overdraft. The customer obliges him-/herself to pay interest and the cost associated with overdraft authorisations in accordance with Landsbankinn's current tariff of charges and interest rates unless otherwise agreed. Interest is calculated on drawn overdraft authorisation at the end of each day and calculated from the beginning and until the end of each month. Interest on outstanding debt is debited monthly unless otherwise agreed. The same applies to other costs associated with overdraft authorisations. If the customer overdraws his/her account or exceeds the approved overdraft authorisation (e.g. with an NSF debit card transaction) or the overdraft authorisation is cancelled on other grounds, the customer shall pay a fee for NSF withdrawals according to Landsbankinn's tariff. The fee for NSF withdrawals is charged on each withdrawal. Unapproved overdraft becomes due on the day it is created and bears penalty interest from the transaction date (i.e. the day the payment is registered in Landsbankinn's systems) and to the date of payment. If a customer deposits funds to his/her account after having made NSF withdrawals or exceeded overdraft authorisations, the Bank reserves the right to first utilise those funds to pay the cost of unauthorised overdraft, including collection and legal fees, then to discharge penalty interest, and finally to discharge excess overdraft payments. In the event of failure to rectify default, the Bank reserves the right to foreclose the debt, without notice and with immediate effect, and to enforce the claim through collection. The Bank is authorised to entrust collection of the claim to a third party. Fees for interim collection are in accordance with the Bank's current tariff or the tariff of the external collector and fees for legal collection are in accordance with the tariff of the relevant collection agent.

4.8 Account transactions and statements

Transactions on accounts (account statements) are accessible through online banking. Annual statements are published electronically to online banking. A customer who does not have access to online banking can request to have annual statements mailed. The customer shall regularly review his/her account statements. Any comments the customer may have regarding his/her account statement should be sent in writing and undersigned to Landsbankinn within 30 days of the date of the payment in question or within 20 days of receiving an account statement. If the customer is a legal entity, comments shall be made within 30 days of the date of payment. If no objection is received, the account statement is considered accurate.

Landsbankinn refunds amounts which the Bank verifiably wrongly withdraws from its customers' accounts.

The customer authorises the Bank to reverse and/or correct amounts erroneously or due to a system error deposited to an account. Such corrections shall take place without undue delay and appear on the customer's account statements.

The customer shall review all information prior to making payment to a third-party account, regardless of whether such payment is made with a payment aid, through online banking, via telephone, with a teller or using other means. The customer is responsible for ensuring the accuracy of information about amount, recipient and any accompanying messages. In the case of unauthorised or erroneous payments through no fault of the customer, the customer has not provided wrong information about the recipient and the erroneous payment cannot be traced to circumstances outside the Bank's control (force majeure) or legal requirements the Bank is obliged to comply with, the Bank shall remit to the customer the unauthorised or erroneous payment and, if appropriate, backdate the customer's account balance. The customer shall lodge correction claims without undue delay if he/she becomes aware of or should have become aware of unauthorised or erroneous payments and no later than 13 months following the date of debit. This does not apply if the customer can show that the Bank failed to fulfil the provisions of these Terms and Conditions concerning the customer's access to account statements. The above does not apply to customers who are not consumers as defined by the Act on Payment Services, as subsequently amended.

4.9 Termination of accounts and other services

Account holders may request termination of their account, in part or in full, in writing, by calling Landsbankinn or sending an email. Any fees or costs owed the Bank by the customer for services rendered may be debited from the customer's account prior to its termination.

Should the customer terminate these Terms, the Bank reserves the right to terminate accounts and other services, including online banking, in part or in full, at its own initiative and without first informing the customer. The same applies if a customer is demonstrated to have committed an offence against law, the Bank's rules, its terms and conditions or other rules applying to the customer's business with the Bank, if the customer or a third party is demonstrated to have misused an account, the customer fails to comply with the Bank's request to update or submit information during regular monitoring of money laundering and terrorist financing, if transactions are considered by the Bank to constitute a risk of fraud, money laundering and terrorist financing or if the business relationship might in the Bank's estimation damage its reputation. In such cases, the Bank may deposit the balance of accounts to an account held by the Bank. The Bank further reserves the right to close an account that has been inactive for a period of 2 years or longer, following a notice to the effect to the customer, and deposit the balance to another account held by the customer or, if the customer does not own a second account, to an account held by the Bank. In the case of any negative balance upon termination, e.g. charged fees, the Bank reserves the right to enforce the claim through collection. The customer will be notified of the closing of the account as promptly as possible.

5 Payment cards

5.1 About payment cards

Payment cards refers to debit and credit cards (hereafter referred to jointly as "payment cards" or "cards"). A payment card is a payment method in the form of a personalised plastic card incorporating a microprocessor, card number or token linked to a specific payment account for debit cards or card account for credit cards (hereafter payment accounts and card accounts will be referred to jointly as an "account") with the account holder. Payment cards are issued by the Bank. Cards can be used to pay for goods and services, to withdraw funds or other purposes which accord with the provisions of these Terms and other rules on payment card use and product descriptions that may be valid at each time. Cards are owned by the Bank. The account holder may request the issue of multiple debit cards to his/her payment account. If the account holder requests that the Bank issue a card linked to his/her account to a third party, the account holder authorises that party to oblige the account holder and utilise the card in accordance with these Terms. Payments/withdrawals using a card are debited from a payment account or registered to a card account. The account holder pays interest and costs from the issuance and use of a card in accordance with the Bank's interest rate and price tariffs. The account holder also pays the cost of using a card charged by other service providers, including fees that ATM service providers charge on withdrawals. The card holder is the person to whom a card is issued. The card holder may be the account holder or a person authorised to carry a card by the account holder. The card holder is also an individual who holds a company card. Retail payment cards are issued to individuals. Corporate payment cards are issued to individuals who are sole proprietors or to the registration numbers of legal entities, such as associations, companies and institutions. The legal entity is the account holder and is responsible for all use, payments and withdrawals made by the card holder. Authentication is the method used by the card holder to prove identity using personalised security measures when he/she confirms payment/withdrawal using a card. Authentication involves entering personalised security measures such as a PIN or other security number.

Authentication may also involve other methods, depending on the Bank's security requirements at any given time. The Bank reserves the right to amend its security requirements without notice.

5.2 Application and issuance

The customer applies for cards in a branch, via telephone or electronically, e.g. online banking. The Bank reserves the right to reject card applications. A card is issued to the card holder's name. The card holder uses a security number, PIN, to confirm payment/withdrawal. The card holder of a consumer card has access to the PIN through online banking. Corporate cards and PINs are sent to the company's address unless a branch pick-up is requested. The Bank determines the validity period of the card and registers it on the back of the card. The card is valid until the last day of the month specified on the card. A card holder or account holder who does not wish to renew a card shall notify the Bank in writing no later than one month prior to the end of the validity period. When a card is issued and renewed, a new card is sent to the card holder's legal domicile or registered address. The fee for issuance and renewal is in accordance with the Bank's tariff. If the card holder does not receive the card within a reasonable time frame, he/she shall notify the Bank without delay.

The card holder can purchase goods and services from those merchants and service providers who accept cards. The card holder may also withdraw cash with the card at those banks, savings banks, ATMs, and other parties that offer card holders such services. Debit instructions are sent electronically from the seller for settlement by Landsbankinn. Use of the card may be subject to maximum withdrawal limits, for instance in ATMs and card readers or subject to the Bank's rules. The card holder agrees not to exceed account limits in his/her use of the card. Otherwise charges may apply based on the tariff, and criminal liability base on law. The Bank reserves the right to reject withdrawals and close a card if there are reasoned grounds to suspect unauthorised or fraudulent use of the card. The card holder uses the PIN to confirm payments/withdrawals from an account with the card unless the Bank's terms provide otherwise, including for contactless payment or payment online. If the card holder enters the wrong PIN three times in a row, the Bank may freeze the card, close or recall it. The Bank unilaterally determines withdrawal limits for cards and reserves the right to deny requests to raise such limits. The Bank also reserves the right to withhold authorisation for payment or withdrawal, inter alia for the following reasons: (a) a card has been reported as stolen or lost, (b) a payment account has either been closed or destroyed, (c) withdrawal limit has been fully utilised or a debt owed the Bank foreclosed (d) a card has been closed, (e) amount of payment (with added cost, as the case may be) exceeds the account balance or limit, (f) wrong personalised security measures have been used, e.g. a wrong PIN, (g) the validity period of the card has expired; or, (h) on other grounds, provided for by law, the Bank's terms and conditions or rules. Misuse of the card is a violation of law.

5.3 Obligations and safekeeping

The card holder is responsible for safeguarding the card, PIN and other personalised security measures to prevent third parties from gaining access to the card, PIN or other about the card, such as the card number or security number. The card holder may not lend the card, PIN or other information about the card to a third party and the card holder shall at all times ensure the security of the information. The card holder may not store the PIN with the card, in his/her wallet, mobile phone, online or in other electronic media or in another manner that may be accessible by a third party. The card holder may not copy the card or alter its functionality. Failure by the card holder to adequately safeguard the card, PIN or other personalised payment methods in accordance with the above is considered gross negligence. The card holder shall at all times take care to ensure that no-one observes him/her entering his/her PIN or other personalised security measures.

The card holder or account holder cannot recall payments/withdrawals the card performs with a card. The card holder is responsible for payments/withdrawals his/she has confirmed by signing a sales receipt or entering a PIN, by entering card information in the appropriate fields when purchasing goods or services on the Internet, by divulging information about the security number via telephone payment, by a priori authorisation to merchants, by carrying out contactless payment or by approving the implementation of payment/withdrawal in another manner that accords with the Bank's rules at each time. The card holder shall his-/herself carry out payment/withdrawal and enter the PIN or, as the case may be, other personalised security measures. Failure by the card holder to safeguard the card, PIN or other personalised security measures in accordance with these Terms, results in liability for all payments/withdrawals carried out with the card. The Bank assumes that all payments/withdrawals with the card are carried out by the card holder and in accordance with the account holder's wishes unless otherwise proven. If the card holder is not also the account holder, the account holder and card holder bear full responsibility for usage of the card on all payments/withdrawals made with the card. Payments/withdrawals with the card are entered on the transaction statement of a card account/account statement for payment accounts ("statement"). The statement contains information about the dates and itemised amounts of payments/withdrawals, exchange rates, amount of payment following currency conversion, validity date of debit entries or date of reception of payment instructions, name of merchant and information about payments payable on the next due date for payment. Statements are otherwise subject to these Terms as appropriate.

The card holder is liable for a deductible for unauthorised payments/withdrawals amounting to the equivalent of EUR 150, based on the current reference rate, if the unauthorised payments are due to the card holder losing a debit card, the card has been stolen or misused in any other manner before its loss or misuse was reported and such use can be traced to non-compliance by the card holder with his/her obligations in accordance with the provisions of these Terms. In determining the deductible, regard is had for the manner in which the card holder preserved the card and PIN or other personalised security measures and the circumstances leading to the card being lost or misused. If it is shown that a card has been misused without the card holder's knowledge without it being a case of gross negligence or fraud on the card holder's part, the card holder shall not suffer the damages in excess of a deductible. If it is proven that a person other than the card holder fraudulently carried out contactless payments or other type of payment or withdrawals without using a PIN or other personalised security measure, the card holder shall be liable for damages for such payment, provided the card holder did not engage in any fraudulent activity. The card holder is not responsible for usage of a card after he/she has verifiably reported it as missing, unless he/she has acted in a fraudulent or grossly negligent manner. The card holder is responsible

for all damages caused by unsanctioned payments if he enters into them in a fraudulent manner or wilfully fails to fulfil his/her obligations as provided for in these Terms or acts with gross negligence. When a card holder acts on behalf of a legal entity or sole proprietor, the account holder is liable for all damages incurred by unsanctioned payment, provided the card holder or, as the case may be, the account holder failed to fulfil its obligations as provided for in these Terms. The Bank shall not be liable for damages incurred by the card holder due to technical failure in ATMs or other self-service equipment nor for damages suffered by the card holder if self-service equipment fails to contact the Bank's authorisation system. If a card holder considers him-/herself to have suffered such damages, he/she shall submit a written complaint to the Bank. The Bank forwards such complaints to the acquirer. The Bank shall have no connection with, or bear any responsibility for, any dispute or loss resulting from the purchase of goods or services paid for with the card.

5.4 Lost cards, closing and cancellation

If a card is lost or the card holder thinks that his/her card has been misused, he/she or the account holder shall notify the Bank without delay during office hours or by calling the emergency hotline of the relevant card company outside office hours. Immediately following such notification, the card is closed, temporarily or permanently, or it recalled, to prevent further use or misuse thereof. The card holder is obligated to assist the payment card company and the Bank in such matters and seek to minimise losses in so far as possible. The recipient of the notification manages and registers all lost card notifications. The Bank may require the card holder to submit a written declaration stating that a card has been lost and a written request for a new card. If a card holder loses his/her card while overseas, he/she can get an emergency replacement card or cash through the intermediation of a payment card company. The cost of this service as provided for in the current tariff will be debited from the account holder's account. If a card holder subsequently finds a card which has been reported as lost, he/she may not use this card. The Bank must be notified that the card has been found and it returned to the Bank. If the card holder wishes to reopen the card, he/she shall be responsible for all use of the card during the period it was lost. The request for the reopening of the card shall be made in writing or using a security code.

The card holder and account holder may close a card at any time. If the card holder wishes to terminate a card or rescind his/her application, he/she shall notify the Bank in writing. The Bank may, without prior warning or notice, terminate the card holder's access to a card, temporarily or permanently, or recall it without prior notice if (a) if there is reason to suspect that the card holder has violated the rules and terms and conditions that apply to the card, (b) if an account holder, card holder, or guarantor is subjected to distraint; if a request is made for bankruptcy proceedings against these parties; if these parties request composition of creditors; or if other cards issued to these parties are closed, (c) if the Bank is forced to write off unpaid claims on the card holder or account holder or if the account holder and/or card holder defaults, (d) if a debit card has not been used for a period of 18 continuous months or the annual fee on a credit card has not been paid. The card holder is notified of such closure. If these suspicions prove to be unfounded, the card is re-authorised for use. If a card is recalled, the card holder shall return it to a Landsbankinn branch without delay. If the card holder fails to return the card, the Bank can request repossession of the card. The Bank maintains a registry of closed and recalled cards and shares such information with merchants and service providers. If a merchant or sales provider requests that a card holder return a closed or recalled card, the card holder shall return the card to the merchant or service provider. A card holder may not use the card after it has expired, has been cancelled or is in some other way unusable.

5.5 Special provisions for credit cards

If the account holder or card holder have authorised the Bank to debit payments from a payment account, direct debit is undertaken on the due date for payment of the card invoice. If the balance on the customer's payment account is insufficient the Bank may attempt to debit the amount despite the due date for payment on the card invoice having passed. The transaction date determines the allocation of a payment/withdrawal to a withdrawal period. The registration date of a transaction by merchant may lead to a transaction being registered to the following withdrawal period. The general withdrawal period, on which the card holder's transaction statement is based, is a month, with the end and beginning advertised on the Bank's website. If the due date for payment falls on a weekend or bank holiday, the due date for payment shall be the next banking day. If payment has not been remitted by this time, the card holder is liable for the payment of penalty interest from the payment deadline until the date of payment; penalty interest shall be charged at the rate advertised by the Central Bank of Iceland. The card holder can withdraw the positive balance on a card account on the next due date for payment following the withdrawal period during which the positive balance was created. If the card holder is the account holder, he/she can raise/lower the credit card limit in online banking for a fee according to the Bank's tariff. The card holder's maximum limit is based on his/her credit framework at each time.

The card holder can conclude payment agreements with third parties using a credit card. The card holder is responsible for entering into such agreements and for ensuring that payments fit within the scope of the credit card limit. Where a payment agreement is in place, or payments have been using a card after delivery of a service, such as with a car rental, hotel and cruise ship, the card holder has 8 weeks as of the transaction date to submit a signed objection to the Bank requesting that the payment be remitted. Following a submission of such an objection by the card holder within the time limit, along with substantiating documents, he/she will receive a reasoned refusal or reimbursement within 10 days, with the proviso that the card holder has a rightful claim for repayment as provided for in the rules of international payment card companies. If rules of international payment companies prevent the card holder from having a rightful claim for repayment, the amount will be debited from the card holder's account. If a card has been cancelled or closed, the Bank debits instalments based on payment agreements concluded by the card holder from the card holder's account for debit. Where there is no registered account for debit, the card holder receives an invoice to online banking. If the card holder receives a new card to replace a card that has expired, been cancelled, closed or lost, the Bank is authorised yet not obligated to transfer amounts outstanding on a payment agreement to the new card or another card owned by the account holder. The account for debit and, as the case may be, any collateral pledged to guarantee repayment on time and without loss in connection with the card will be valid for the new card also or another card owned by the account holder.

6 Final provisions

Unless otherwise specified by statute, contractual provisions, these Terms, terms and conditions, the Bank's rules or according to the nature of the matter, the Bank and the customers may end their mutual business relationship at any time without notice. The Bank may terminate a framework agreement with two months' notice, in accordance with these Terms. The customer shall notify the Bank in writing of his/her decision to end the business relationship with the Bank or revocation of authority to process personal data. The Bank reserves the right to end a business relationship, in full or in part, of its own initiative with a unilateral notice to the customer if the customer is demonstrated to have committed an offence against law, the Bank's rules, its terms and conditions or other rules applying to his/her business with the Bank, if the customer or a third party is demonstrated to have misused the business relationship, if transactions are considered by the Bank to constitute a risk of money laundering and terrorist financing or if the business relationship might damage the Bank's reputation, in its estimation.

If communications leading up to and the establishment of this Terms are solely telecommunications, the Terms shall be considered a distance contract as provided for in Act No. 33/2005, on Distance Selling of Financial Services. If the customer is a consumer he/she has the right, having regard for the limitations set out in the Act on Distance Selling of Financial Services, to abandon the Terms if they constitute a distance contract as defined in the aforementioned Act without specifying a reason, provided he/she verifiably notifies the Bank thereof within 14 days of approving the Terms.

The customer may refer any dispute with the Bank to the Complaints Committee on Transactions with Financial Undertakings provided the dispute falls under the Committee's purview. The Complaints Committee is hosted by the Financial Supervisory Authority of the Central Bank of Iceland, Kalkofnsvegur 1, 101 Reykjavík, www.fme.is. All disputes concerning transactions with the Bank shall be resolved in accordance with Icelandic law, unless otherwise agreed. Any dispute which may arise as a result of these Terms may be brought before the Reykjavík District Court.

The Bank shall not be responsible for any direct or indirect loss which a client may incur in connection with these Terms and Conditions or transactions concluded on their basis if such loss can be attributed to events resulting from force majeure, such as natural catastrophes, wars, terrorist activity, strikes, border closures, electricity disruption or failure, disruption of a settlement system, telephone system or other communication routes, or other similar events. Nor shall Landsbankinn be responsible for any inconvenience, expense, missed investment opportunities or other direct or indirect financial loss resulting from the closure, failure, interruption or other disruption of the Bank's activities.

These Terms are originally published in Icelandic. The Icelandic language version shall be the sole valid version of these Terms, regardless of whether the Bank chooses to publish the Terms in another language. Icelandic law shall apply to these Terms.

These terms shall apply as of and including 01 November 2020. This notwithstanding, these Terms shall apply as of and including 01 September 2020 for customers who confirm the Terms as of that date.