



# Landsbankinn's General Terms and Conditions for Investment Services

Landsbankinn hf. | No. 1217-07 | February 2022

## 1. Scope

These Terms and Conditions apply to the following investment services provided by Landsbankinn hf., Reg. No. 471008-0280, Austurstræti 11, Reykjavík (hereafter Landsbankinn or the Bank) to the customer in accordance with laws on markets in financial instruments:

- a) Reception, transmission and execution of customer orders in relation to one or more financial instruments.
- b) Portfolio management.
- c) Investment advice.

The Terms and Conditions also apply to the Bank's custody of the customer's financial instruments and funds, and as the case may be, ancillary services closely connected to investment service or activity.

The General Terms and Conditions of Landsbankinn apply in tandem with these Terms and Conditions. Other agreements between the Bank and the customer and related terms and conditions shall also apply in tandem with these Terms and Conditions, as appropriate.

In the case of any inconsistencies between laws, rules and regulations, other agreements between the Bank and the customer, and their respective terms and conditions, they shall apply with the following priority:

- a) Statutes.
- b) Rules and regulations.
- c) Agreements on specific transactions.
- d) Terms and conditions for specific transactions.
- e) These Terms and Conditions.
- f) The *General Terms and Conditions of Landsbankinn*.

For definitions of words and concepts used in these Terms and Conditions, refer to the Act on Markets in Financial Instruments.

These Terms and Conditions are subject to Icelandic law, rules and regulations.

## 2. Information about LEI or NCI codes

Customers who are legal entities are obligated to provide Landsbankinn with their legal entity identifier code (LEI). This is an international, 20-digit code used to identify legal entities. The customer shall notify the Bank immediately of any changes to its LEI code. If a legal entity does not have a valid LEI code, the Bank may be prohibited from acting as intermediary for the legal entity in transactions with financial instruments that have been admitted for trading on a trading venue.

Customers who are natural persons are obligated to provide Landsbankinn with their national client identifier code (NCI). This is an international identifier of natural persons based on social security numbers, tax identifier numbers and state-issued passport numbers. If an individual holds a simple Icelandic citizenship, the Icelandic Id.No. ("kennitala") is the NCI code. If an individual holds a double citizenship or is the citizen of another state than Iceland, the NCI code may differ from the Icelandic Id.No. If the customer fails to provide the Bank with an NCI code, the Bank may be prohibited from acting as intermediary for the customer in transactions with financial instruments that have been admitted for trading on a trading venue.

Further information about LEI and NCI codes is available on the Bank's website, [www.landsbankinn.is](http://www.landsbankinn.is).

## 3. Customer classification

At the establishment of a business relationship, Landsbankinn classifies the customer into one of the following categories:

- a) Retail investor. Retail investors are afforded the highest level of investor protection. Strict requirements are made of the Bank regarding information disclosure to retail investors.
- b) Professional investor. A professional investor is a customer who possesses the experience, knowledge and expertise to make its own investment decisions and properly assess the risks that it incurs. Professional investors enjoy less protection than retail clients under the Act on Markets in Financial Instruments. This entails, *inter alia*, that less extensive demands are made of the Bank for information disclosure to professional investors and the Bank may assume that professional investors have the experience, knowledge and expertise to make their own investment decisions and properly assess the risks that they incur.

- c) Eligible counterparty. Eligible counterparties enjoy the least protection under the Act on Markets in Financial Instruments. Landsbankinn classifies credit institutions, securities houses and financial institutions and others as eligible counterparties.

The Bank notifies customers of their classification at the establishment of a business relationship. Customers are responsible for notifying the Bank of changes which may affect their classification or if they consider their classification incorrect.

Further information about customer classification, the customer's right to request reclassification and the consequences of reclassification is provided in *Work Procedures for Customer Classification*, available on the Bank's website, [www.landsbankinn.is](http://www.landsbankinn.is).

## 4. Landsbankinn's investment service

### 4.1. Reception, transmission and execution of customer orders in relation to one or more financial instruments

#### 4.1.1 Reception of transaction orders

The customer can communicate transaction orders to Landsbankinn in writing, over the phone, by e-mail, online communication systems approved by Landsbankinn, Landsbankinn online banking (provided the customer is a registered user), or other electronic communication channels specified by Landsbankinn. Transaction orders or other instructions from the customer to Landsbankinn received by the means indicated above are the customer's responsibility and risk. Transaction orders are binding for the customer and constitute an obligation towards the Bank.

The customer bears the entire responsibility and risk for ensuring that transaction orders are satisfactorily received by Landsbankinn.

#### 4.1.2. Content of transaction orders

Transaction orders must include the following information:

- a) Name and Id./Reg. No. of the customer.
- b) Name and Id. No. of the party representing the customer (if appropriate).
- c) Name of the financial instrument in question.
- d) Whether the order is a purchase or sale request.
- e) Information about volume, i.e. number of shares or total amount of the intended transaction.
- f) The time limit of the order. If no time limit is specified for an order, it shall be assumed to be valid until the close of trading on the day the order was sent. Orders sent to Landsbankinn on a day that is not a trading day shall be assumed to be valid until closing of the next trading day on the market concerned.
- g) Whether the transaction is to be executed at market prices or if the order is a limit order, whereby the customer determines the maximum and minimum ask price, as appropriate.
- h) Any other information Landsbankinn considers necessary.

Note that information on execution of orders may be temporarily inaccessible due to a high traffic volume in trading systems or system failures. Landsbankinn is not responsible for information being inaccessible for this reason.

#### 4.1.3. Altering or cancelling orders

The customer may ask Landsbankinn to alter or cancel an order but only until such time as Landsbankinn has commenced actions to execute the order and only if the order can be altered or cancelled without loss or inconvenience for Landsbankinn. Changes to the quantity or price of the financial instrument specified in the order shall be regarded as a cancellation of an order and concurrently as a new order. Changes to orders can affect their priority for execution in trading systems.

#### 4.1.4. Order execution

If the customer is a retail investor or a professional investor, the Bank executes orders in accordance with the *Order Execution Policy of Landsbankinn*, available on the Bank's website, [www.landsbankinn.is](http://www.landsbankinn.is). If the customer is an eligible counterparty, the *Order Execution Policy* does not apply. The Bank operates honestly, professionally and with integrity to execute orders from eligible counterparties. If the customer has not issued a limit order (max./min. price, as appropriate), Landsbankinn shall be authorised to execute the order at the current market price at each time.

Landsbankinn may execute an order in more than one lot unless specified otherwise.

Note that Landsbankinn or related parties may be counterparties in transactions with financial instruments.

If placing an order to sell a financial instrument, the customer is obliged to ensure that the financial instrument concerned is received by Landsbankinn before the transaction is concluded, if market rules so provide or if Landsbankinn so requests. The customer must compensate Landsbankinn for any damage resulting from delays in delivering financial instruments. Landsbankinn may require confirmation that the customer has custody of financial instruments or that the customer can deliver them within specified time limits.

Landsbankinn may ascertain whether the customer has a sufficient balance on a payment account to conclude the transaction. If buy orders are sent to Landsbankinn, the Bank may demand either full or partial pre-payment of the transaction. If sell orders are sent to Landsbankinn, the Bank may further ascertain whether the customer's custody account holds financial instruments to conclude the transaction.

Landsbankinn may demand collateral for executing transaction orders covered by these Terms and Conditions.

Landsbankinn will not provide information on the name of the counterparty in a customer's transaction unless obliged to do so by law or court ruling.

#### 4.1.5. Suspension of trading and orders not executed

Landsbankinn may refrain from executing transaction orders if the customer has not fulfilled his/her duties, with regard to, for example: (i) filling out and delivering orders for transactions; (ii) the provisions of other agreements between the Bank and the customer; (iii) market rules; or (iv) the provisions of these or other terms and conditions of the Bank.

Landsbankinn is authorised to refrain from executing orders for transactions: (i) if the Bank has knowledge or suspicion that the transaction infringes against laws, regulations or rules; (ii) if execution of the order would violate the terms of other agreements between the Bank and the customer; or (iii) if the Bank suspects that the orders do not originate with the customer, there is doubt concerning their substance, their substance is special or unusual compared to previous transactions or unusual compared to customary practice in similar transactions.

Landsbankinn shall be authorised to abandon the execution of orders or cancel transactions if orders are removed from or invalidated in the trading system of Nasdaq Iceland.

Orders shall be cancelled if the market in question withdraws the order from its trading system, e.g. due to the cancellation of dividend or subscription rights, a stock split, a stock offering, a merger of share classes or a merger or division of a company.

Landsbankinn cannot be responsible for any loss which the customer may suffer as the result of cancellation of or failure to execute orders for the above-mentioned reasons. Furthermore, the customer must compensate Landsbankinn for any loss the Bank may suffer as a result of the customer's actions.

#### 4.1.6. Confirmation of order execution

Landsbankinn sends customers confirmation of the execution of transaction orders no later than on the next business day following order execution. If orders are carried out by a third party, Landsbankinn will send the customer confirmation of their execution no later than on the next business day after having received confirmation from the third party, unless the customer is notified directly by the third party.

#### 4.1.7. Settlement instructions and confirmation of transaction terms

The Bank is required to request certain settlement instructions from customers, along with a confirmation of transaction terms. Below is a review of the obligation of the parties under the different rules that apply to retail investors on the one hand and professional investors and eligible counterparties on the other.

The provisions of this Section 4.1.7 apply only when a customer trades in transferable securities, money market instruments or units in collective investment undertakings settled through securities depositories in the European Economic Area (EEA). Nor do the provisions of this Section apply if the customer leaves the financial instruments and funds relevant to settlement of the transaction in the Bank's custody.

##### *Retail investor*

Once the Bank has sent a customer who is categorised as a retail investor confirmation of order execution in accordance with Section 4.1.6, the Bank will request that the customer send certain settlement instructions relevant to the transaction no later than by 12:00 Central European Time (CET) on the next business day after the transaction. The customer shall send to the Bank all requested settlement instructions before this time limit expires.

##### *Professional investor or eligible counterparty*

Once the Bank has sent a customer who is categorised as a professional investor or eligible counterparty confirmation of order execution in accordance with Section 4.1.6, the customer shall send to the Bank settlement instructions for the transaction, specifying the following:

- a) One of the following types of transaction:
  - i) purchase or sale of securities;
  - ii) collateral management operations;
  - iii) securities lending/borrowing operations;
  - iv) repurchase transactions;
  - v) other transactions, which can be identified by more granular ISO codes;
- b) the International Securities Identification Number (ISIN) of the financial instrument or where the ISIN is not available, some other identifier of the financial instrument;
- c) the delivery or the receipt of financial instruments or cash;
- d) the nominal value for debt instruments, and the quantity for other financial instruments;
- e) the trade date;
- f) the trade price of the financial instrument;
- g) the currency in which the transaction is expressed;
- h) the intended settlement date of the transaction;
- l) the total amount of cash that is to be delivered or received;
- j) the identifier of the entity where the securities are held;
- k) the identifier of the entity where the cash is held;
- l) the names and numbers of the securities or cash accounts to be credited or debited.

The customer shall include all other information required by the Bank for facilitating the settlement of the transaction.

The information shall reach the Bank by the following time limits:

- a) By close of business on the business day on which the transaction has taken place where the Bank and the relevant professional investor are within the same time zone;
- b) by 12:00 CET on the business day following that on which the transaction has taken place where one of the following occurs: i) there is a difference of more than two hours between the time zone of the Bank and the time zone of the customer, or ii) the order was executed after 16:00 CET of the business day.

The customer shall submit the information in writing through the communication channels approved by the Bank. The customer agrees that by sending the information, the customer is also confirming in writing agreement of the terms and conditions that apply to the transaction.

The Bank shall confirm reception of the information within the time limit specified in Article 2 of delegated regulation (EU) No. 2018/1229.

The customer is not required to send the Bank information pursuant to this Section 4.1.7 for each and every transaction if the customer has previously provided the Bank with all the information specified above and the Bank has confirmed reception with the customer.

#### 4.1.8. *Delivery of financial instruments and collateral*

Landsbankinn shall deliver financial instruments to the customer on the settlement date of a transaction involving purchase, as provided for in market rules, unless otherwise agreed. The customer shall receive partial delivery of financial instruments if possible, despite the impossibility of full delivery.

In the case of sale, the customer shall deliver the relevant financial instrument to the Bank on the settlement date of the transaction.

The customer is obliged to take all necessary measures to ensure that proper change of ownership of the financial instruments can be affected, if the customer's agency proves necessary. Should the customer refuse to take such measures, Landsbankinn may seek the assistance of a District Commissioner/District Court to undertake such action as the customer neglects to perform.

Financial instruments used as collateral are subject to the rules of the relevant clearing organisation.

#### 4.1.9. *Payment for transactions and set-off*

The customer is obliged to have, on the settlement date, a balance on the specified debit account with Landsbankinn equivalent to the purchase price of financial instruments, plus transaction cost and any taxes and levies. If settlement is not made on the settlement date due to events which concern the customer, e.g. due to an insufficient balance on the debit account, the Bank may sell the said financial instruments, in full or in part, on any market which the Bank chooses or at forced auction, or to realise their value by any means chosen by the Bank. The proceeds of the sale shall go towards payment, on time and without loss, of the purchase price of the financial instrument, including principal, interest, indexation, exchange rate differential, penalty interest, collection cost or other cost, of any and every sort.

Should Landsbankinn exercise this option, the Bank has a claim on the customer for any amount outstanding between the purchase price of the financial instrument in question and their sale price plus costs.

On the settlement date, Landsbankinn is responsible for payment of the sale price, less any costs, taxes and fee to the customer for the sale of the instrument. In case of any debt owed Landsbankinn by the customer, the Bank is authorised to apply payment netting in the form of deducting the amount of the debt from the proceeds of the sale of individual instruments. Any proceeds from the sale outstanding after payment netting shall accrue to the customer.

If the Bank and the customer owe one another as a result of transactions, Landsbankinn may set off payments between them.

#### 4.1.10. *Settlement fail*

According to the provisions of Regulation (EU) No. 909/2014 and delegated Regulation (EU) No. 2018/1229, a securities depository shall fine the Bank for failure to conclude settlement, in part or in full, on the intended settlement date, due to a lack of securities or cash.

If the Bank is fined for settlement fail which may be attributed to the customer's conduct or non-fulfilment, e.g. non-fulfilment by the customer of paying the purchase price or delivering financial instruments, the customer shall, if the Bank makes the claim, compensate the Bank for any loss the Bank incurs as a result.

The customer authorises the Bank to debit the customer's payment accounts with the Bank for the loss incurred in accordance with the above.

#### 4.1.11. *Transactions in foreign financial instruments*

Transactions in foreign financial instruments may be governed by different laws and rules than transactions in domestic financial instruments; the customer shall bear the entire risk arising in this respect. Landsbankinn shall bear no responsibility for the participation of foreign parties in carrying out transactions in foreign financial instruments.

All cost and risk associated with foreign currency trading due to transactions in foreign financial instruments shall be borne by the customer.

#### 4.1.12. *Assessment of suitability and appropriateness*

Prior to providing the customer with services that include the reception, transmission and execution of orders, the Bank gathers information about the customer's knowledge and experience in the investment field relevant to the specific type of product or service. This information is gathered through e.g. a questionnaire sent to the customer and the customer is obligated to respond to the Bank's questions as conscientiously as possible. The Bank shall in no way be responsible

should the customer provide incorrect or insufficient information. If the customer, in the Bank's estimation, does not have the necessary knowledge and experience to understand the risk of the relevant product or service, the Bank will so warn the customer. Should the customer, despite the Bank's warning, decide to move forward with the transaction, the customer does so at own responsibility. In individual cases, the Bank may refuse to act as intermediary for transactions or services the Bank has concluded are unsuitable for the customer.

Landsbankinn is not obligated to assess suitability and appropriateness in the following cases:

- a) When the Bank provides a service that only involves the execution or reception and transmission of orders without any ancillary service, with the exception of lending, cf. sub-paragraph b of Point 66 of the first paragraph of Article 4 of the Act on Markets in Financial Instruments, other than previously approved loans to the customer, including overdrafts, and when the service is provided at the customer's initiative and is connected to simple financial instruments, such as equities and securities traded on a regulated market. In such cases, the customer is not afforded the same protection under the appropriate rules on business practices.
- b) When the Bank provides customers with investment service connected to financial instruments for which the customer has been classified as a professional investor.

## **4.2. Portfolio management**

Portfolio management entails that Landsbankinn manages the customer's asset portfolio based on an investment strategy, previously determined by the customer. The Bank thus takes decisions on behalf of the customer to trade in financial instruments etc. for the customer's account. Portfolio management service is provided to customers on the basis of a special agreement.

## **4.3. Investment advice**

### **4.3.1 General**

The customer may request investment advice from the Bank, i.e. personal recommendation on financial instruments. Investment advice may include recommendation to buy or sell certain financial instruments, such as equities or bonds.

Even though the Bank provides investment advice, it is the customer who decides whether to follow that advice or not. The customer takes decisions on individual transactions and bears the responsibility and risk for own investment decisions.

Fees and service charges for investment advice are provided for in Landsbankinn's current tariff at each time and, as the case may be, agreements to the effect.

### **4.3.2. Non-independent investment advice**

Investment advice provided by the Bank constitutes so-called non-independent investment advice. The investment advice is non-independent as the Bank advises on financial instruments issued by or distributed by itself or closely connected parties or otherwise legally or financially connected to the Bank, such as through a contractual relationship. Advice may also entail investment advice about other selected financial instruments, such as equities or bonds traded on the primary market of Nasdaq Iceland.

### **4.3.3. Suitability assessment**

Prior to providing investment advice, the Bank gathers certain necessary information from the customer about:

- a) The customer's knowledge and experience of investment activity in the investment field relevant to the specific type of product or service,
- b) the financial position of the customer, including the ability to absorb loss; and,
- c) the customer's investment goals, including risk tolerance.

This information is gathered through e.g. a questionnaire sent to the customer. The customer must answer as conscientiously as possible. Incorrect or insufficient information may lead to the customer receiving inappropriate advice. The Bank shall in no way be held liable if the customer provides incorrect or insufficient information.

If the customer is classified as a professional investor, the Bank may assume that the customer has adequate knowledge and experience as defined in item a) above, as regards the products and services for which the customer is classified as a professional investor. The Bank may assume that professional customers have the financial capacity to take on all associated investment risk linked to the investor's investment objectives. This does not apply to so-called upgraded professional investors, i.e. customers who have requested an upgrade by the Bank to the status of professional investors.

### **4.3.4. Suitability report**

When the Bank provides a customer classified as a retail investor with investment advice, the Bank will, prior to the conclusion of a transaction, provide the customer with a suitability report in a durable medium, specifying the advice given and how that advice meets the preferences, objectives and other characteristics of the retail investor.

If an agreement to purchase or sell a financial instrument is concluded as a distance communication, e.g. over the phone, preventing the Bank from providing the customer with a suitability report in advance, the Bank may deliver the report as soon as the customer has undertaken an obligation under such an agreement, provided the following conditions are met:

- a) The customer has agreed to receive the suitability report as promptly as possible following the conclusion of the transaction, and

- b) The Bank has offered the customer the option of delaying the transaction in order to receive the suitability report in advance.

The Bank will not carry out regular assessment of the suitability of financial instruments recommended to the customer. The customer is therefore encouraged to closely monitor investments.

## **5. Preservation of customers' financial instruments and funds**

### **5.1. Establishment of custody account and securities accounts**

Based on these Terms and Conditions, a custody account will be opened for the customer with Landsbankinn. A custody account is a register of the customer's total holding in financial instruments, both de-materialised and physical certificates.

A securities account is also created in the customers' name with a securities depository operating in accordance with the Act on Central Securities Depositories, Settlement and Electronic Registration of Financial Instruments. Landsbankinn has access to the Stock Exchange's systems and is authorised to register title to its systems.

### **5.2. Preservation of customers' financial instruments and funds**

All financial instruments acquired through Landsbankinn's intermediation are registered in the customer's custody account unless the customer specifically requests that they be placed in custody elsewhere. The customer may request that other financial instruments, whether dematerialised or physical, be placed in custody with Landsbankinn. If financial instruments are received directly by the customer, when they should be in Landsbankinn's custody, the customer should notify Landsbankinn thereof and place the securities in the Bank's custody at first opportunity. Landsbankinn shall be obliged to safeguard financial instruments and other valuables in the custody account securely.

The Bank will register the customer's dematerialised securities to the customer's securities account with a stock exchange.

### **5.3. Sub-custodians**

Landsbankinn may engage a sub-custodian to hold the financial instruments and other assets of the customer on behalf of the Bank, and handle settlement and related tasks. The legal relationship between the customer and Landsbankinn shall remain unchanged even if the Bank exercises this option. The Bank's liability in connection with actions, omissions or the insolvency of a sub-custodian shall be governed by currently applicable laws, rules and regulations.

Agreements with sub-custodians outside of the European Economic Area (EEA) may involve the sub-custodian holding security or a pledge on the customer's financial instruments or funds or having the right to set-off against debt unconnected with the customer or service to the customer. No agreement providing for such rights of the sub-custodian is concluded with the sub-custodian unless otherwise provided for in current legislation of the jurisdiction in the country where the funds or financial instruments of the customer are preserved.

### **5.4. Authorisation to preserve financial instruments on a nominee account**

The customer agrees that Landsbankinn and the Bank's sub-custodians shall be authorised to preserve financial instruments owned by the customer in a nominee account. Nominee registration entails that the financial instruments in question are preserved in Landsbankinn's own account, or the account of the Bank's sub-custodian, and not in a separately designated account of the customer.

The Bank and its sub-custodians may receive payment, such as dividends, on the customer's behalf from individual issuers of financial instruments. A sub-custodian who accepts payment, deposits the funds to the Bank which in turn deposits the funds to the customer's payment or custody account.

The customer cannot utilise voting rights arising from financial instruments in a holding account, nor may Landsbankinn utilise such voting rights.

The voting rights conveyed by financial instruments in a nominee account shall be included in assessing whether a customer is subject to flagging obligations or a takeover obligation, even though voting rights do not arise from the nominee account. The obligation to notify of insider trading is not suspended through nominee registration if the customer is an insider in a company that has listed financial instruments on a regulated securities market.

In accordance with Article 7 of Regulation No. 706/2008, on Nominee Registration and Custody of Financial Instruments in Nominee Accounts, Landsbankinn hereby informs the customer that the Bank is obliged to provide the Financial Supervisory Authority of the Central Bank of Iceland (hereafter the FSA) with information pursuant to the Regulation.

### **5.5. Risk of nominee registration**

When financial instruments are preserved in a nominee account, Landsbankinn maintains a register of the holding of each customer so there will be no doubt as to who is the real owner of financial instruments registered there.

In the event that Landsbankinn's estate enters into bankruptcy proceedings or is granted a debt moratorium, or the Bank is wound up or comparable measures taken, the customer can, on the basis of the record provided by Landsbankinn, withdraw his/her financial instruments from the nominee account, provided there is no dispute as to the holding.

In the event of the bankruptcy of the Bank's sub-contractor, the Bank will demand delivery of its customer's financial instruments to the Bank in accordance with laws and regulations.

### **5.6. Preservation of foreign financial instruments or funds on accounts subject to the laws of jurisdictions outside of the European Economic Area**

The customer's attention is drawn to the fact that foreign financial instruments and funds may be held in accounts subject to the laws of jurisdictions outside of the European Economic Area (EEA) and that customer rights connected to such financial instruments or funds may vary.

#### **5.7. Corporate actions connected to financial instruments held in custody**

Corporate actions refers to actions taken by a company that lead to changes that impact stakeholders in the company, such as shareholders and creditors. Common corporate actions include dividend payments on shares, interest payments on bonds and increase/decrease in share capital.

Corporate actions fall into two categories, mandatory events and voluntary events.

Mandatory events are actions that take place without the agency of the owner of a financial instrument, i.e. when the board of directors of a limited liability company takes a decision without submitting the proposal to a shareholders' meeting. Landsbankinn does not notify the customer of mandatory events.

Voluntary events on the other hand may require the agency or response by the owner of a financial instrument. Landsbankinn seeks to notify the customer of voluntary events of which the Bank is informed and relate to financial instruments safeguarded by Landsbankinn at each time. The Bank does not notify the customer of invitations to annual general meetings, shareholders' meetings or other meetings of the owners of financial instruments. The Bank may notify the customer of voluntary events over the phone, by email, through notifications in Landsbankinn online banking or other electronic communication channels determined by the Bank. Landsbankinn endeavours to inform customers of voluntary corporate actions within 48 hours of the Bank first receiving information about such actions.

The customer can communicate orders about voluntary corporate actions to the Bank over the phone, by email or other electronic communication channels determined by the Bank. Instructions from the customer to Landsbankinn received by the means indicated above are on the customer's responsibility and risk. All orders should be clear and concise and clearly state the option selected each time. If there is doubt about the content of the customer's orders, this may lead to delay in their execution and Landsbankinn bears no responsibility for any resulting loss, i.e. if the deadline to execute orders has expired. If the customer's orders entail payment from the customer, e.g. if the customer decides to subscribe to new shares in a limited liability company, the Bank may require the customer to have a sufficient balance on his/her payment account to conclude the transaction before the Bank initiates execution of the customer's orders.

Landsbankinn may demand collateral for executing the customer's transaction orders that relate to corporate actions. If buy orders are sent to Landsbankinn, the Bank may demand either full or partial pre-payment of the transaction.

Corporate actions that include payment to the customer, e.g. the payment of interest or dividend, the Bank receives such payment and disposes of the funds to the customer's payment or custody account with the Bank, as appropriate.

Informing the customer of corporate actions does not constitute investment advice from the Bank.

The Bank does not guarantee that the customer is notified of voluntary corporate actions if the Bank takes up custodianship of a financial instrument after the Bank received information about the corporate actions. Nor does the Bank guarantee that the customer will be notified of all voluntary corporate actions and the Bank bears no responsibility for loss the customer may suffer as a result. The customer is therefore encouraged to monitor corporate actions independently as regards financial instruments preserved by the Bank.

#### **5.8. Power of Attorney**

By accepting these Terms and Conditions the customer grants Landsbankinn full and unlimited power of attorney which means that:

- a) Landsbankinn is authorised to preserve the customer's financial instruments in the specified custody account, to buy and sell financial instruments in accordance with instructions from the customer and to take such measures as are necessary to conclude purchases and sales, including transferring financial instruments in the customer's name.
- b) Landsbankinn may exercise a right or obtain an asset deriving from financial instruments in a custody account, including collecting payments, dividends, inflation indexation, interest and bonus shares. All funds and financial instruments which Landsbankinn obtains for the customer in accordance with the above shall be deposited into the customer's payment or custody account with Landsbankinn.
- c) Landsbankinn may open a payment account in the customer's name with Landsbankinn and make deposits and withdrawal of funds there and may establish a securities account with a securities depository.
- d) Landsbankinn may, upon receiving the customer's verbal or written orders, or in connection with transactions between the customer and the Bank, request and/or obtain the customer's financial instruments held in the custody of other parties, such as commercial banks, securities houses, public entities and others who may hold financial securities in custody, as the case may be.
- e) Landsbankinn is authorised to debit the customer's payment accounts with Landsbankinn for the settlement of transactions in financial instruments.

#### **5.9. Customer's declaration**

In accepting these Terms and Conditions the customer declares that:

- a) All assets, which have been or may be in the future placed in a custody account with Landsbankinn by the customer (or as authorised by the customer), are the customer's property and that the customer is deemed to be their beneficial owner.

- b) The customer's domicile for tax purposes is in the country specified in communications with the Bank in connection with these Terms and Conditions, and that the customer fulfils the necessary conditions to be covered by the provisions of a double taxation agreement, if such exists.

The customer shall notify Landsbankinn without delay of any changes to beneficial ownership and taxation status.

#### **5.10. Disposition of financial instruments upon the customer's demise, bankruptcy, etc.**

Upon the customer's demise, insolvency, winding-up or merger, a competent party shall inform Landsbankinn of the disposition of the financial instruments in the customer's custody account. If Landsbankinn has not received instructions from a competent party on the disposition of financial instruments, information previously provided shall be regarded as correct and Landsbankinn shall not be responsible for any loss incurred as a result. Landsbankinn reserves the right to refuse to follow instructions if there is the least uncertainty as to who is entitled to make decisions concerning financial instruments following the demise, insolvency, winding-up or merger of a customer; Landsbankinn shall not be responsible for loss which may occur as a result.

## **6. Notifications and corrections**

Landsbankinn provides the customer with a statement of the financial instruments or funds in its custody at least quarterly, unless such details been provided through other regular statements. The Bank is not obligated to send the customer a statement if the customer has accessed the statement for financial instruments or funds through Landsbankinn online banking at least once during the relevant quarter.

The Bank will no less frequently than once per annum provide the customer with a statement containing information of all costs and fees, including those linked to investment service and financial instruments, not incurred through underlying market risk.

Other notifications and time limits are governed by the terms and conditions and agreements on individual transactions, in addition to laws and regulations.

Information sent to the customer by Landsbankinn is in electronic form, such as through Landsbankinn online banking, email, or other electronic means of communication decided upon by Landsbankinn. If the customer is classified as retail client, the customer may request to have information provided on paper. In such cases, the Bank sends printed information free of charge to the customer's address as listed in the National Registry.

The customer shall be responsible if his/her server fails to deliver an email message, e.g. due to a failure of the computer system. The customer must notify Landsbankinn of any changes to his/her address, telephone number or e-mail address. If the customer suffers a loss because communications between the customer and the Bank go astray, e.g. if Landsbankinn fails to receive an e-mail for some reason, letters are not delivered or technical difficulties occur, or if there is a misunderstanding due to unclear instructions from the customer, Landsbankinn shall not be liable for such a loss.

The customer authorises the Bank to reverse and/or correct amounts erroneously or due to a system error deposited to the customer's payment account. The Bank may reverse and/or correct the balance of the customer's custody account if financial instruments are deposited to the customer's custody account by mistake or system error. All corrections are included in the customer's statement.

## **7. Cost, commissions and service charges**

Landsbankinn provides information about the estimated cost and fees charged for investment services in the document Information about costs and fees linked to investment services, available on the Bank's website, [www.landsbankinn.is](http://www.landsbankinn.is). The examples in the document are based *inter alia* on Landsbankinn's currently valid tariff and assumptions about such factors as investment amount and time. The examples also show the cumulative impact of total cost on the return on investment over 1-year and 5-year periods. It includes information about commissions Landsbankinn receives from third parties, i.e. commissions from international funds linked to the sale of these funds, and disposition of such commissions. The Bank calls attention to the fact that actual cost incurred by the customer may differ from these examples. The Bank provides the customer with an annual summary of all costs and fees during the year, cf. Section 6 of these Terms and Conditions.

The customer shall pay the Bank's commissions and service charges as provided for in Landsbankinn's current tariff at each time. Landsbankinn's tariff is available on the Bank's website, [www.landsbankinn.is](http://www.landsbankinn.is).

The customer authorises Landsbankinn to debit commissions and service charges from the customer's payment account and must ensure there is always a sufficient balance on this account.

## **8. Right to attach**

Landsbankinn has the right to attach the customer's financial instruments in the Bank's custody at any given time until a final settlement is made of transactions concluded on the basis of these Terms and Conditions.

## **9. Conflict of interest**

Conflict of interest may arise in the provision of investment services based on these Terms and Conditions. Landsbankinn has a Conflict of Interest Policy, the aim of which is to ensure coordinated identification and handling of conflicts of interest and effective organisational and managerial processes to prevent and control any conflicts of interest that may arise with the Bank. The Policy is available on the Bank's website, [www.landsbankinn.is](http://www.landsbankinn.is).



Landsbankinn may only pay or receive fees or commissions if the payment or benefit contributes to increasing the quality of the service in question vis-a-vis the customer and does not prevent the Bank from operating honestly, professionally and with integrity to further the customer's interests.

Landsbankinn may accept and retain minor, non-financial benefits that can increase the quality of the service provided to the customer, and where the scope and nature is such that it does not prevent the Bank from fulfilling its duty to further the customer's interests. Minor, non-financial benefits may include information or data connected to a financial instrument or investment service, public information from an issuer, conservative hospitality and participation in conferences and seminars.

## 10. Customer's precautionary obligation

The customer shall be solely responsible for all his/her investment decisions. Transactions can be very risky and past performance is no indication of future returns.

The customer is therefore encouraged to always familiarise him-/herself intimately with the risks associated with the financial instrument that is the intended object of a transaction. A general description of main risks is provided in the document *Risk Description for Trading in Financial Instruments* available on Landsbankinn's website, [www.landsbankinn.is](http://www.landsbankinn.is).

## 11. Recording of telephone conversations and processing of electronic communication

Phone conversations that lead or may lead to transactions are recorded. Other phone calls between the Bank and customer may also be recorded.

Electronic communications between the Bank and the customer via email, instant messaging or other chat applications approved by the Bank which lead or may lead to transactions are processed in accordance with legal provisions. Other electronic communications may also be processed.

The recording of telephone conversations and processing of electronic communication is intended to ensure traceability and verification of the content of phone calls and electronic communications. The Bank may utilise recorded phone conversations and electronic communication as evidence should a dispute arise about the subject of communication between parties, e.g. about the prerequisites or implementation of transactions, or to investigate possibly criminal and/or punishable conduct by employees or the customer. The Bank's Compliance function may listen to phone recordings as part of its monitoring of transactions with financial instruments.

Only designated employees in control units have access to recorded phone conversations and electronic communication. Certain employees of the Bank who work in the IT division have access to phone recordings and electronic communication to ensure the functionality of systems used to record phone conversations and process electronic communication.

The Bank saves phone recordings and electronic communications, which lead or may lead to transactions, for a minimum of 5 years; the FSA may require the preservation of files for 7 years, if it is deemed necessary. Other recorded phone conversations and electronic communications are preserved for 90 days.

A customer or party empowered to act for a customer may request copies to a recorded phone conversation and electronic communication.

Requests from third parties for copies of recorded phone conversations or other electronic communication, their content or copies of recordings shall only be handed over to parties who have legitimate interests of receiving such copies, i.e. surveillance authorities, law enforcement authorities or others with a legal mandate.

## 12. Confidentiality and treatment of personal data

According to provisions of the Act on Financial Undertakings, Landsbankinn, its employees and any persons undertaking tasks on behalf of the Bank shall be bound by an obligation of confidentiality concerning any information of which they may become aware in the course of their duties about the business or private concerns of the customer, unless obliged by law or court ruling to provide information. The obligation of confidentiality shall remain even after their employment by the Bank ceases.

Acceptance of these Terms and Conditions is equivalent to written consent by the customer, in accordance with Article 60 of the Act on Financial Undertakings, authorising Landsbankinn to communicate information about the customer and the customer's transactions in financial instruments within the Landsbankinn group for business purposes. Communication of information for risk management and supervision on a group-wide basis is also authorised.

The customer further agrees that the Bank may transfer necessary information about the customer, such as the customer's name and identifiers along with information about businesses and financial instruments owned by the customer to domestic and international partners involved in the service provision, e.g. securities depositories, the issuers of relevant financial instruments and managers of the relevant AIFs or UCITS. The Bank may always transfer to a third party information where such information must be provided by law, rules or court rulings. These parties may be located outside of the EEA.

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, security of personal data and about the Bank's Data Protection Officer. Landsbankinn's

Privacy Policy shall apply in tandem with these Terms and Conditions and is available on the Bank's website. [www.landsbankinn.is](http://www.landsbankinn.is). The customer should familiarise him-/herself with Landsbankinn's Privacy Policy. The customer should note that the Bank may communicate personal data to another country, provided the laws of that country afford personal data sufficient protection.

### **13. Right to outsource**

Landsbankinn may outsource services and/or tasks carried out on the basis of these Terms and Conditions, provided that all requirements laid down in laws, rules and regulations are satisfied.

### **14. Liability**

Landsbankinn's liability shall be as provided for in the Act on Markets in Financial Instruments. Landsbankinn also bears liability as an account operator under the Act on Central Securities Depositories, Settlement and Electronic Registration of Financial Instruments

The Bank shall not be responsible for any direct or indirect loss which a customer 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, epidemics, 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, including if orders for transactions provided for under these Terms and Conditions cannot be implemented due to the above-mentioned reasons.

Landsbankinn bears no responsibility for resale of financial instruments or for the price development of financial instruments purchased by customers, whether or not these instruments were regarded as attractive investments when acquired. Landsbankinn cannot take responsibility for aspects concerning the issuers/sellers of financial instruments, either with respect to their payment capacity, operating strength, prompt payment or other aspects.

Landsbankinn shall not be liable for a customer's losses which may result from the ignorance of, misunderstanding of or misuse by the customer or other party of Landsbankinn's rules on use or its Terms and Conditions. Similarly, Landsbankinn does not assume responsibility for any loss which may result from incorrect entries by the customer or other party.

The customer is fully obliged by such terms as Landsbankinn agrees to with third parties concerning transactions on a customer's account abroad (concerning liability and limits of liability, implementation, foreign rules and legislation, etc.). Landsbankinn shall not be responsible for the proper implementation of such agreements by counterparties, whether an agreement has been concluded solely on the part of Landsbankinn or on behalf of the customer.

The customer is responsible for the taxation, legal, financial and accounting consequences of transactions concluded on the basis of these Terms and Conditions and is urged to seek independent advice on these issues. If the customer seeks Landsbankinn's opinion in this regard, it is reiterated that such an opinion is given without warranty and may change without warning due to changes in the customer's premises or in market conditions. The same shall apply to all information provided on websites operated by Landsbankinn.

### **15. Changes to the Terms and Conditions**

Landsbankinn may unilaterally alter these Terms and Conditions. Amendments refer to changes to individual provisions of the Terms and Conditions or their replacement by a newer version of the Terms and Conditions. The Bank notifies the customer of any amendments to these Terms and Conditions either through Landsbankinn online banking, with a general announcement on Landsbankinn's website, or by other electronic means of communication as determined by the Bank. Amendments to the Terms and Conditions take effect as of the first day of the month after the Bank has given notice of the changes. The customer shall be obliged by changes made to the Terms and Conditions unless the customer notifies Landsbankinn in a verifiable manner of termination of the Terms and Conditions before they enter into effect. The customer's notice of termination as referred to in this Section shall take effect upon receipt.

### **16. Licence to operate, insurance, handling of disputes, etc.**

Landsbankinn operates in accordance with the Act on Financial Undertakings and is licensed to operate by the FSA. Should a situation arise where Landsbankinn, in the estimation of the Financial Supervisory Authority, is no longer capable of making payment of deposits, securities or cash to a customer, or if its estate enters into bankruptcy proceedings, the customer is entitled, in accordance with the Act on Deposit Guarantees and an Investor Compensation Scheme, to claim from the Depositors' and Investors' Guarantee Fund the value of any deposits from the deposit division, and the value of securities and cash in connection with securities transactions from the securities division.

Icelandic law shall apply to these Terms. All disputes concerning business 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 customer may also 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 FSA, Kalkofnsvegur 1, 101 Reykjavík, [www.fme.is](http://www.fme.is).

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

These Terms and Conditions replace Landsbankinn's *General Terms and Conditions for Investment Services* that entered into force on 1 September 2021. These Terms shall apply as of and including 1 February 2022.