



# **General Terms and Conditions for Business of Íslandsbanki hf.**

**Effective date: 3 September 2020**

## Table of contents

1. About the terms and conditions, entry into effect and amendments .....	3
2. Start of business .....	3
3. Handling of security information and security measures .....	3
4. Power of attorney .....	3
5. Records.....	4
6. Interest .....	4
6.1. Interest terms .....	4
6.2. Calculation of Interest.....	5
7. Tariff (the Bank's fees) .....	5
8. Measures against money laundering and terrorist financing and due diligence in respect of tax matters .....	6
9. Lending .....	7
10. Trading in financial instruments.....	7
11. Termination of business .....	7
12. Foreign trading .....	7
13. Electronic information and electronic signatures .....	8
14. Voice recordings of telephone calls.....	8
15. Surveillance cameras .....	8
16. Handling of personal data .....	8
17. Confidentiality.....	9
18. Liability for damage .....	9
19. Complaints and comments.....	9
20. Customer Ombudsman .....	9
21. The Complaints Committee on Transactions with Financial Firms .....	10
22. Depositors' and Investors' Guarantee Fund .....	10

## **General Terms and Conditions for Business of Íslandsbanki hf.**

### **1. About the Terms and Conditions, entry into effect and amendments**

The General Terms and Conditions for Business of Íslandsbanki hf., Reg. no. 491008-0160, apply to business between the Bank and its customers. The Terms and Conditions lay down standard provisions on the rights and obligations of the parties. The effective date of these terms and conditions is 3 September 2020. These terms and conditions apply to all customers of Íslandsbanki.

In certain instances, additional special terms will apply to trading between the parties. In the event of any discrepancy between these Terms and Conditions and any such special terms, the terms of the latter shall prevail. Customers of the Bank should read the rules and/or terms that apply to their transactions with the Bank.

Agreements with the Bank providing for specific deviations from these Terms and Conditions or other specific terms of the Bank shall prevail over any standard terms.

These Terms and Conditions can be amended at any time and any such amendments shall take effect without notice if they favour the customer. Otherwise, amendments will take effect with two months' notice. Updated Terms and Conditions will be posted on the Bank's website at [www.islandsbanki.is](http://www.islandsbanki.is).

These terms are translated from Icelandic. If the two versions prove to be inconsistent in any way, the wording and meaning of the Icelandic version shall prevail.

### **2. Start of business**

At the start of business, Íslandsbanki will conduct a process of customer due diligence in respect of any new customers by requesting various information regarding their affairs, such as their names, residence, domicile and ID number, their financial position and purpose of trading, as further laid down in chapter 8 on Measures against money laundering and terrorist financing, FATCA and CRS.

On the first transaction by a customer with Íslandsbanki following the entry into effect of these terms and conditions, the customer will be regarded as having accepted these terms and conditions and any other terms that apply to the transaction in question.

The Bank is permitted to deny any request for any transaction from any party, whether a natural or legal person, except as otherwise requested by law. In general, The Bank is not required to provide reasoning for its rejection except when required by law. If the customer making the request does not accept the Bank's reasoning, a complaint may be submitted to the Banking Complaints Committee, as provided in article 21.

### **3. Handling of security information and security measures**

On the execution of certain transactions, customers will be required to sign in using a password/pin or electronic identification device, e.g. in an online Bank or smart device, or a debit or credit card. The passwords shall meet the conditions regarded by the Bank as necessary to ensure customer security at any time, e.g. in regards to number of digits and/or characters and symbols and their form.

Customers are responsible for safeguarding all security information in a secure manner and ensuring that such information is not accessible by unauthorised parties. The same shall apply to the safeguarding of debit or credit cards.

Customers undertake to change any password immediately if there is any suspicion of unauthorised access. The Bank shall be notified of any such suspicion promptly. The same shall apply in the case of lost cards.

The holder of a password or electronic ID is responsible for any actions carried out in Íslandsbanki's online bank using his or her password or electronic ID. Customers are responsible for any transactions carried out or information obtained where the correct card and/or security information has been used, regardless of the nature of the transaction. The holder of a password or electronic identification device is also liable for any damage suffered by its owner (Auðkenni hf.) and/or Íslandsbanki that may result from inadequate safeguarding or improper use of the password or electronic identification device, e.g. misuse by the customer or any other party.

Íslandsbanki decides which security measures should be used in entering any record or conducting any business with the Bank. The Bank is permitted at any time to recall any debit or credit cards or electronic identification devices for the purpose of updating security factors. The Bank can without notice deactivate any password or electronic identification device or require customers to change them if there is any suspicion of misuse or risk of errors.

### **4. Power of attorney**

Any power of attorney issued by a customer to undertake any business transactions with the Bank shall be in writing and witnessed by two witnesses, or by an attorney to the district courts or the Supreme Court or by a notary public.

The power of attorney shall state precisely the nature of the business transactions it covers. Any amendment or withdrawal of a power of attorney shall also be in writing and witnessed in the same manner as the granting of the power of attorney. Any amendment or withdrawal shall take effect when received by the Bank.

Íslandsbanki is authorised to deny any transaction based on a power of attorney if the Bank regards the power of attorney as inadequate in any respect.

## 5. Records

Statement of bank account's transactions (bank statements) is available in the customer's online bank. If a customer doesn't have access to an online bank she/he can request that the statement will be sent via mail. Account holders shall review their bank statements on a regular basis. In case of a possible statement error, the customer is required to send a written complaint, signed by the customer, within 30 days from payment or within 20 days from when the statement was available. If no complaint is sent the bank statement is considered to be correct.

Íslandsbanki is required to refund customers for any amounts withdrawn in error from their accounts. In the same manner, Íslandsbanki is permitted to withdraw any erroneous payments made into a customer's account, e.g. when the same payment is entered twice, or when entering a wrong recipient of a payment. Such corrections shall be made immediately and shall appear in customers' statements of accounts.

Errors made by customers on transfers, withdrawals from and deposits into a third party's account which result in a payment being made to the wrong account will not be corrected by the Bank without the approval of the recipient of the payment. Such errors are the customer's responsibility.

## 6. Interest

### 6.1. Interest terms

Interest on deposits and loans is variable except where otherwise stated and act in accordance with the Bank's interest rate schedule for the applicable type of account. The Bank's interest rate schedule is available on its website, [www.islandsbanki.is](http://www.islandsbanki.is). Changes to the interest rate schedule are published on the Bank's website, in the online bank, in the Bank's app or in another way the Bank decides. Changes in interest rates will depend, among other things, on changes in the Bank's financing cost (credit terms), operating expenses, public levies and/or other unforeseen expenses, the policy rate of the Central Bank of Iceland, changes in reference rates, e.g. LIBOR or EURIBOR, changes in the consumer price index etc. The weight of the above factors governing any decision on changes in interest rates is variable and may, *inter alia*, depend on decisions of public authorities and market conditions at any time. When interest rate changes are made, all these factors are evaluated jointly and/or separately. If any changes have occurred in any of these factors at the time of the conduct of an interest rate review, this may lead to either a decrease or increase in interest rates. Interest on deposits and loans can be decided and changed without notice in accordance with Íslandsbanki's decisions on interest at any time. Changes in interest on consumer's deposits and loans which result only from changes in the policy rates of the Central Bank of Iceland or other reference rates, e.g. LIBOR or EURIBOR, take effect immediately and without notice. The same applies if changes are based on a reference currency exchange rate. If changes in interest rates are not related to changes in reference rates and the Bank considers the prospective changes in interest rates to be favourable to customers, the changes will take effect without notice. Otherwise, the Bank will post the prospective changes in interest on deposits and loans in the manner provided for by law and regulations as current at any time.

In cases where an account holder is not a consumer as defined by the Act on payment services No.120/2011 or the Act on consumer credit No. 33/2013, as amended, the above provisions on changes in interest rates do not apply, and in such cases interest rates may change without notice in accordance with the decision of Íslandsbanki at any time.

Changes in the interest rates on payment accounts falling within the scope of the Act on payment services No. 120/2011 will take effect within two months' notice in accordance with Article 42 of the cited Act, unless the change is based on a change in reference interest rates or reference exchange rates and/or is favourable to customers.

Changes in the interest rates of loans that constitute consumer loans pursuant to Act No. 33/2013 take effect with 30 days' notice, unless the changes are based on changes in reference interest rates, reference currency exchange rates, indices and/or are favourable to customers.

If the Bank and a customer have contracted on special interest terms, such contract terms shall take precedence over general changes in the Bank's interest rate schedule in accordance with the provisions of the contract in question, where applicable. If the contracted special terms are not referred to in the Bank's interest rate schedule, they shall nevertheless take precedence in the overall changes of accounts of similar nature, given that the changes are due to the factors noted above. The Bank is authorised to change and/or suspend the special interest terms with one month notice, if the contract does not state otherwise.

Information on interest rates on deposits and loans can be accessed on the Bank's website, [www.islandsbanki.is](http://www.islandsbanki.is), in the Bank's Call Centre and branches.

## **6.2. Calculation of Interest**

A payment into a deposit account in the understanding of the Act on payment services No. 120/2011 will carry interest as of the date that the funds are credited to the account. The day before crediting to a payment account is the last interest date of a disbursement. Special rules may apply to calculations of interest on other accounts and to deposits and disbursements carried out on week-ends and on statutory holidays, whether in online banks, in the Call Centre or the Bank's branches.

The nature and type of accounts and loans determine the time at which interest is added to the principal. Interest is generally added to the principal at the end of every year and when an account is terminated. In case of locked in deposit accounts interest, that is added to the principal at the end of the year, may be fixed in accordance with other deposits. Price level adjustments (if it applies) are added to the principal at the end of each month, unless otherwise specifically agreed. The computation of interest is based on 30 interest days per month and 360 interest days per year, except as otherwise agreed in special cases. The beginning and end of a period will depend on the type of deposit account and loan at any time. In case of indexed bank accounts, the price level adjustments are added to the principal at the end of each month according to the consumer price index for indexation. Capital gains tax is deducted from interest income, price level adjustments and exchange rate gains as required by law and is deducted from the applicable bank account.

Account holders undertake to pay interest and expenses on overdraft privileges according to the interest schedule and tariff of the Bank at any time, except as otherwise agreed. Interest on overdraft loans is calculated monthly and credited on the last business day of each month for the interest period, which extends from the 1st day until the last day of the month in question, except as otherwise agreed. Unauthorised withdrawals are subject to a special fee pursuant to the Bank's tariff at any time.

If the balance of a current account/debit card account is insufficient when withdrawn, the resulting debt will incur default interest in accordance with the Act on interest and indexation and the decision of the Central Bank of Iceland on penalty rates from the date of withdrawal to the date of payment, calculated as per diem interest (on a daily basis) in addition to cost pursuant to the Bank's tariff.

Interest on loans vary by type of loan. The disbursement date of a loan is the first interest date, except as otherwise agreed. All payments on a customer's debt accrue first to the payment of interest and cost, including collection fees and attorney's fees.

A banking day is a day on which banks are open for business in Iceland. If a due date which is also a final due date falls on a public holiday or week-end, it is transferred to the banking day immediately following the due date. If the due date and final due date of claims for which the Bank undertakes collection on behalf of a third party are not the same day, the final due date will not be transferred, even if it falls on a public holiday or week-end.

## **7. Tariff (the Bank's fees)**

Customers shall pay fees for services rendered by the Bank and any other costs pursuant to the Bank's current tariff. When fees are stipulated for in other terms or agreements made by the Bank with its customers, those terms shall prevail over the Bank's tariff in the event of any disparity. The Bank can credit fees and costs to the customer's account with the Bank, and all such records shall be displayed in the bank statement for the account in question. The fees are collected variously as a specific amount for services, a percentage of an amount or an hourly rate based on the work done by employees of the Bank, or any combination of the previously mentioned.

Íslandsbanki can change its tariff without notice. If the Act on payment services No. 120/2011 applies to new services, the Bank is required to announce the relevant tariff changes with two months' notice. Changes are posted in the Bank's tariff on its website, [www.islandsbanki.is](http://www.islandsbanki.is). If a customer does not protest changes in the tariff before they take effect, the customer is regarded as having accepted them.

The provisions of special agreements with customers providing for different terms shall prevail over these Terms and Conditions and are subject to amendment in accordance with the provisions of the respective agreements.

Transactions in foreign currencies take place in accordance with the Exchange Rate Table of the Bank as current at any time. The Exchange Rate Table can be accessed on the Bank's website, [www.islandsbanki.is](http://www.islandsbanki.is). The nature of a transaction will determine at which rate of exchange a transaction is executed. If a transaction results in an exchange rate difference, the customer will carry the risk of the difference, except as otherwise agreed.

Information on the Bank's tariff can be accessed on the Bank's website, [www.islandsbanki.is](http://www.islandsbanki.is), in the Bank's Call Centre and branches.

## **8. Measures against money laundering and terrorist financing and due diligence in respect of tax matters**

Íslandsbanki is required to conduct due diligence on customers, pursuant to law as in force at any time, currently Article 10 of Act No. 140/2018 on measures against money laundering and terrorist financing and Article 92 of Act No. 90/2003 on income tax, cf. also Regulation No. 1240/2015, with changing regulations, on the conduct of due diligence for tax information purposes. Accordingly, due diligence is conducted *inter alia* at the commencement of business in the case of new customers and regularly during the business relationship, and on the opening of an account or any business relationship.

The Bank conducts due diligence with a questionnaire and by requesting customer information and the customer's proposed business, as well as documents verifying such information. Among other things, the Bank is required to request individual's principal personal information, such as their names, ID numbers, telephone numbers, e-mail addresses, tax residency and nationality. Legal entities are required, among other things, to provide information on corporate form, legal domicile, mailing address and registration number, sufficient information on customers' operation, information on the board of directors and executive board and who are authorised to commit the entity, in addition to information on beneficial owners. Information on the legal entity's tax residency and country of incorporation will be requested as well. If a legal entity's tax residency is foreign, information shall also be requested on the tax residency of its management.

Furthermore, business information is requested on whether the activities will be conducted for the benefit of any third party, information on the purpose of the business relationship that is being established and the origin of the funds transferred to the Bank for management.

The Bank is also obliged to claim proof of identity from customers through the presentation of valid and approved identification documents (passports, driving licences or ID cards), of which the Bank is required to make copies for safekeeping. Electric identification is also permitted as proof of identity. This shall be done prior to the conduct of any business. If the period of validity of any personal identification document expires while the business relationship between the customer and the Bank is ongoing, the customer is required to resubmit proof of identity. Legal persons are required to prove their identity by presenting a certificate from the Business Register of the Directorate of Internal Revenue or a comparable public record. Parties authorised to commit a legal person, such as executive directors and board members, are also required to prove their identities. Other due diligence information that legal persons are required to present include copies of constitutive documents and audited annual financial statements. In some cases the bank will require a copy of customers' tax return or from the beneficial owner of the customer.

The signature of a guardian is required for certain transactions and agreements when a customer is a minor or he/her has lost the competence to manage his own financial affairs. The guardian of a customer is required to present personal identification documents issued by a government authority.

Íslandsbanki is required to preserve copies of personal identification documents and information on customers which is collected on the basis of the cited act of law for a minimum period of five years from the time of the conclusion of an individual transaction or the termination of a permanent business relationship.

Customers are required to notify Íslandsbanki of any changes in the information supplied to the Bank in respect of measures against money laundering and terrorist financing, FATCA or CRS. For the duration of a business relationship between a customer and Íslandsbanki, the customer's transactions will be subject to regular monitoring to verify whether they are consistent with the available information on the customer. Information on customers shall be updated and further information obtained as needed, e.g. in respect of changes in the board of directors or beneficial ownership of legal entities.

In the event of suspicion that funds intended for use by a customer in transactions with the Bank are the proceeds of any illegal conduct and/or are connected to terrorist financing, the Bank is permitted to halt the intended transaction.

In the case of suspicious transactions regarding money laundering and/or terrorist financing the Bank is required to notify the police of the transaction and supply all pertinent necessary information.

The Bank is permitted to lock an account for deposits and/or disbursements in case of suspicion regarding the bank account being used in relation to illegal activities and/or money laundering.

Íslandsbanki will assess at each given time whether all necessary information and adequate supporting due diligence documents have been supplied as required by law. The Bank is not permitted to execute a transaction or establish a business relationship if the customer does not supply the requested information or present the requested

documents for the purposes of customer due diligence. If a business relationship has already been established without all necessary documents, it should be terminated immediately.

According to Article 92 of the Act on income tax, the Bank is required to deliver to the Directorate of Internal Revenue the information specified in the Article, e.g. regarding loans, account balances and paid and received interest. If the information relates to foreign customers, the information is forwarded by the Directorate of Internal Revenue to the relevant foreign tax authorities in accordance with international agreements ratified by the State of Iceland.

## **9. Lending**

At the outset of any credit transactions, customers shall authorise the Bank to obtain information disclosing their obligations to other financial undertakings, including contingent liabilities and third party obligations collected by a financial firm. Customers are also required to provide any other documents that the Bank may require at any time with regards to credit transactions. The Bank is also authorised to obtain various necessary information from public records, e.g. from the National Register and Lánstraust hf., (Creditinfo) which operates a default credit register. The Bank will request the same authorisation from the spouses of its customers or related parties in the case of joint and/or mutual obligations.

Customers are also required to authorise the Bank to conduct a risk assessment in respect of credit transactions based on the information and documents that the Bank's customers have supplied, or the Bank has obtained on its own initiative.

The Bank will regularly verify whether there is reason to request collateral or increased collateral in respect of any loans or guarantees. If further business or changes in current loan terms are asked for, the Bank reserves the right to request additional collateral.

## **10. Trading in financial instruments**

Íslandsbanki is required pursuant to the Act on securities transactions to examine and evaluate important factors relating to the customer knowledge, financial strength and experience with regards to investment advice or asset management. The Bank classifies its customers trading in financial instruments into three categories: eligible counterparties, professional investors and retail investors.

The Bank's customers are afforded different degrees of investor protection, depending on the assigned category, the greatest protection being afforded to retail investors. Íslandsbanki will notify its customers of the assigned category; however, customers may request to be placed in another category.

Pursuant to the provisions of the same Act, Íslandsbanki maintains records of all services provided by the Bank and all transactions in which it serves as an intermediary in the area of trading in financial instruments. Also, the Bank is required to notify the Financial Supervisory Authority of all transactions that it executes in financial instruments listed on a regulated securities market.

Trading in financial instruments is subject to Íslandsbanki's General Terms and Conditions on such trading, which can be accessed at [www.islandsbanki.is/fjarfestavernd](http://www.islandsbanki.is/fjarfestavernd). Special supplementary terms apply to additional services, such as financial advice or asset management.

## **11. Termination of business**

Íslandsbanki and its customers have the option at any time to terminate their business without notice, except as provided by law or contract terms.

The cancellation of certain loan agreements may be precluded by their respective terms or by law. In certain other cases of credit transactions, where prepayment of a loan is permitted, the Bank may require a prepayment charge in accordance with the Bank's tariff, unless another amount has been specifically agreed.

Time-deposit accounts cannot be terminated prior to their date of maturity.

Termination on the part of the Bank shall be sent in a verifiable manner as promptly as possible. If a termination results from events that entail significant risk of financial loss or reputation risk, including events referred to in Article 8 of these Terms and Conditions, the business in question may be terminated prior to the sending of a notice of termination. Termination of loan agreements by the Bank is subject to prior notice, and then only if a breach of contract or other event of default is in evidence, as defined in the terms of the loan in question.

The bank is permitted, without any notice, to close bank accounts that have no balance and there have been no transactions for three full years, counting from the end of the year of the last transaction.

## **12. Foreign trading**

Íslandsbanki is not liable for any potential errors or negligence that may result from a customer's choice of a foreign business partner and such partner's reliability. The same applies to any errors or negligence on the part of foreign

financial undertakings. Customers are advised to examine the terms of the foreign financial undertaking in question, the current state legislation in force and the execution of trades in that state.

Íslandsbanki's exchange rate table applies in all foreign currencies trading, except as otherwise specifically agreed. It will depend on the trading whether spot rates are applied, closing rates or any specific rate decided by the Bank.

In any trades where an exchange rate difference can ensue, the Bank's customers will bear all the resulting risk unless otherwise specifically agreed.

### **13. Electronic information and electronic signatures**

Íslandsbanki is permitted to provide in electronic form to customers all information that the Bank is required to provide, except as otherwise stipulated by law. Signatures effected electronically by the customers are acceptable when doing business with the Bank.

### **14. Voice recordings of telephone calls**

Íslandsbanki reserves the right to record telephone calls for the purpose of verifying their substance. The Bank also reserves the right to use such information in the event of a dispute between parties or in other circumstances, as considered necessary by the Bank. The Bank does not guarantee that all telephone calls will be recorded.

All recording of telephone calls is in compliance with the provisions of legislation on personal data protection. Only certain employees of the Bank have the authority to examine or disclose recordings. Such information will be disclosed only to competent authorities, such as the police, prosecutors and courts of law, as required for purposes of investigation and proof.

### **15. Surveillance cameras**

Íslandsbanki uses digital cameras (CCTV) for surveillance in its places of business, including ATMs. The use of CCTV is subject to the legislation on personal data protection. Only certain employees of the Bank are authorised to examine or disclose recordings. Such information will be disclosed only to competent authorities, such as the police, prosecutors and courts of law, as required for purposes of investigation and proof.

### **16. Handling of personal data**

Íslandsbanki only requests customer information necessary to serve the customers or as required by law. The same applies to information obtained by the Bank on a customer from public entities, e.g. from the National Register.

Íslandsbanki registers information on customers in the Bank's computer systems. This includes ID number, domicile and other information customers have provided the bank with by filling out forms and applications. The information is accessible to the profit centres of the Bank that may be branded differently (such as VÍB, ERGO and Kreditkort) as applicable, unless the rules on segregation of the division in question from the Bank's core activities (Chinese Walls) apply. Íslandsbanki is also permitted to disclose to other companies within the Íslandsbanki Group personal information on its customers without consent if the Bank's customers have sought services from the companies in question. However, the Bank's customers may request that no disclosure of information for such purposes is provided to other companies in the Bank's consolidation.

The Bank is permitted by law to manage and process such information electronically. Processing may be necessary, e.g., in connection with business agreements, in connection with performance of business agreements during their term of effect, and for the purpose of presenting and disclosing information in the Bank's online banking and mobile banking solutions. The processing of personal information may be used as a basis for customer financial advice and analysis. Processing may also be necessary to comply with the requirements of law regarding risk assessment and risk analysis, e.g. in connection with the calculation of financial undertakings statutory capital adequacy requirements at any time, etc.

The Bank may use personal information for marketing purposes, e.g. to develop new services and business solutions directed at specific groups of recipients. The Bank may engage in communications with customers for this purpose through e-mail communications, text messages, its online bank or any other electronic messages. The Bank uses similar lines of communication to assess the quality of the services it offers. Customers may request to opt out of the use of personally identifiable information or sending of e-mail communications for marketing purposes. The Bank's customers are entitled to information on what personal business information the Bank has filed according to the provisions of Íslandsbanki's Rules on the treatment of customer information. Further information on the Bank's processing of personal information can be found at [www.islandsbanki.is/personuvernd](http://www.islandsbanki.is/personuvernd).

The classification of personal data, e.g. with regard to financial records to which a customer has access through their online bank or mobile phone solutions, may be presented to the customer in any manner that increases its usefulness or transparency or to fulfil the service factor on offer at any time, provided that the security of the information remains ensured in an adequate manner.

Processing and storage of personal information shall be in compliance with what is necessary for the operation of financial undertakings. Also, processing of personal data may be necessary for the purpose of investigation in the event of any suspicion of money laundering or other illegal activities; such processing will be subject to applicable legislation. Íslandsbanki shall ensure that the processing and storage of personal information is in accordance with law and respective rules at any time.

### 17. Confidentiality

Íslandsbanki's employees are bound by confidentiality as to any information relating to the Bank's customers' affairs and other customer matters that they may become aware of and which are subject to confidentiality pursuant to the Act on financial undertakings.

However, the Bank may provide information on its customers at their own request or if they have granted their conditional consent for such disclosure.

Notwithstanding the legal confidentiality obligation to third parties regarding customers' affairs, the Bank is required by law to disclose such information to governmental authorities (e.g. customs, tax and police authorities) in certain circumstances.

Íslandsbanki will provide other financial undertakings with the names and ID numbers of the Bank's customers in cases where they have themselves requested a transfer to an account in another financial undertaking. This disclosure of information serves to enable the recipient to identify the payer.

Anyone who receives information that does not pertain to the recipient, whether it may be by chance, mistake or without express authorisation, is bound by confidentiality of that information and is prohibited to record, transmit or take advantage of such information in any way. The recipient shall delete the information and notify the Bank of the receipt of that information.

### 18. Liability for damage

Íslandsbanki is liable for any damage verifiably suffered by the Bank's customers as a result of errors or negligence on the part of the Bank's employees in the discharge of their functions. Íslandsbanki is not responsible for damage resulting from:

1. Breakdowns in the Bank's communication or computer systems or damage to data files, irrespective of whether the Bank or a third party is responsible for the operation of the systems;
2. Legal requirements, provisions on legal age of maturity or similar provisions, wars or threats of war, insurrections, civil unrest, acts of violence, sabotage, natural disasters, strikes, lockouts, trading bans or embargos, to the extent that such events affect any part of the Bank's operations;
3. Other events of *force majeure*.

The Bank's customers are liable for damage to the Bank that can be attributed to intent, failings or gross negligence on their part.

### 19. Complaints and comments

In the event that Íslandsbanki's customers have any comments or complaints regarding the services or alleged errors on the part of the Bank and/or its employees in the enforcement of law or rules, they can direct their communications to the Bank through the following channels:

1. By e-mail: [islandsbanki@islandsbanki.is](mailto:islandsbanki@islandsbanki.is)
2. By letter:  
Íslandsbanki  
Service matters  
Hagasmári 3  
201 Kópavogur  
[Iceland]
3. By telephone: 440-4000
4. In the nearest Íslandsbanki **branch**

### 20. Customer Ombudsman

Íslandsbanki's customers who believe that they have been unfavourably treated in their dealings with the Bank and feel they were not granted a fair resolution of their affairs with the Bank can contact the Customer Ombudsman. The role of the Ombudsman is to investigate in an impartial manner any matters that are referred to him. Communications can be directed to the Customer Ombudsman with explanations of the issue in question through the following channels:

1. By letter:  
Íslandsbanki Customer Ombudsman  
Hagasmári 3,  
201 Kópavogur  
[Iceland]
2. By e-mail: [umbodsmadur@islandsbanki.is](mailto:umbodsmadur@islandsbanki.is)

3. By an interview: Appointments by telephone: 440-4000

### **21. The Complaints Committee on Transactions with Financial Firms**

If the Bank's customers are dissatisfied with the responses or resolutions they receive from Íslandsbanki they can direct their issues to the Complaints Committee on Transactions with Financial Firms.

Complaints Committee on Transactions with Financial Firms  
Guðrúnartún 1  
105 Reykjavík  
[Iceland]  
Tel. 578-6500

[fjarmal@nefndir.is](mailto:fjarmal@nefndir.is)

In order to request a decision from the Committee a special form needs to be completed, which can be accessed on the website [www.nefndir.is/fjarmala/](http://www.nefndir.is/fjarmala/).

See further information on Íslandsbanki's website regarding the processing of complaints and the website [www.nefndir.is/fjarmala/](http://www.nefndir.is/fjarmala/), where information is provided on the types of complaints that the Committee accepts for process.

### **22. Depositors' and Investors' Guarantee Fund**

The purpose of the Act on deposit guarantees and an investor compensation scheme is to guarantee, through the establishment of a Depositors' and Investors' Guarantee Fund, a minimum level of protection for depositors in commercial and savings banks, and for customers engaging in securities trading companies pursuant to law, in the event of solvency difficulties of a financial services organisation.

The Fund is required to pay to the customer a financial services organisation the amount of deposits, securities and cash relating to trading in securities if the organisation is not capable, in the opinion of the Financial Supervisory Authority, to pay the amount claimed by a customer for reimbursement or settlement. Special rules apply regarding the amount for payment if the assets of the Fund are insufficient to pay the total amount of guaranteed deposits, securities and cash. See further the website of the Depositors' and Investors' Guarantee Fund, [www.tryggingarsjodur.is](http://www.tryggingarsjodur.is).