

Draft dated 8 December 2010

Subject to board approval FSCS

Assignment Agreement

This Assignment Agreement (the "**Agreement**") is entered into between:

1. **Tryggingarsjóður Innstæðueigenda og fjárfesta**, whose registered office is at Borgartún 26, 105 Reykjavík, Iceland; and
2. **Financial Services Compensation Scheme Limited**, whose registered office is at 7th Floor, Lloyds Chambers, 1 Portsoken Street, London E1 8BN, United Kingdom.

The parties referred to under 1 and 2 above are each referred to in this Agreement as a "**Party**" and collectively as the "**Parties**".

WHEREAS

- (A) TIF is a private foundation organised under the laws of Iceland, entrusted under such laws with the execution of the IDGS in accordance with the provisions of Act No. 98/1999 on Deposit Guarantees and Investor Compensation Scheme.
- (B) FSCS is the Scheme Manager of the Scheme. The Scheme is the deposit guarantee scheme established in the United Kingdom for the purposes of the EC Deposit Guarantee Directive (94/19/EC).
- (C) Under the rules of the Scheme, the London Branch elected to join the Scheme to provide "top up" cover to eligible depositors with the UK Branch.
- (D) On 27 October 2008 FME issued its opinion that on 6 October 2008 Landsbanki was unable to pay its debts and that therefore pursuant to Article 9 of the Icelandic Act No. 98/1999 TIF was obligated to pay compensation to clients of Landsbanki, including with respect to Landsbanki London Depositors.
- (E) The Scheme only covered claims of Landsbanki London Depositors to the extent that the level and scope of the Scheme coverage with respect to these Landsbanki London Depositors exceeds the maximum amount payable by TIF to each Landsbanki London Depositor if the IDGS applied exclusively. TIF has confirmed to FSCS that this maximum amount per single Landsbanki London Depositor (or where applicable per joint account-holder) is £16,872.99, in view of the inability of TIF to fund

additional payments. On 4 November 2008, FSCS made a determination under the rules of the Scheme, following which FSCS has, with the knowledge of TIF, proceeded to handle and pay claims of Landsbanki London Depositors with deposits in the “Icesave” product of the UK Branch. All Landsbanki London Depositors with one or more “Icesave” deposits (and in addition certain other Landsbanki London Depositors if eligible within the FSCS compensation rules) have received or will receive from FSCS compensation for their deposits with the UK Branch including in respect of claims which TIF was obligated to pay to each such depositor.

- (F) Accordingly, FSCS has handled the claims of Landsbanki London Depositors for compensation under the Scheme and for the account of the IDGS. Compensation paid by FSCS to Landsbanki London Depositors for the account of the IDGS has been prefinanced by HMT.
- (G) FSCS has acquired from Landsbanki London Depositors, by way of subrogation, assignment or other transfer, in consideration of the compensation payments made by FSCS for the account of the IDGS (on behalf of TIF) and under the Scheme to these Landsbanki London Depositors, their claims against Landsbanki and third parties in respect of the amount of the compensation which has been paid.
- (H) On 23 October 2009 FSCS filed several priority claims in the winding up of Landsbanki. The WuB has made a decision in relation to only one of these claims so far, in which FSCS’s claim was in very large part accepted by the WuB. However, a very small portion of the principal amount of the claim was rejected by the WuB (and is the subject of an ongoing reconciliation process between the FSCS and the WuB) and there is a disagreement between FSCS and the WuB regarding the interest rate applicable to FSCS’s claim for interest. The WuB has also rejected the FSCS’s claim for costs.
- (I) FSCS has objected to certain decisions of the WuB regarding the claim filed by FSCS. Certain creditors of Landsbanki have objected to the WuB’s decision to grant the FSCS’s claim priority as well as the approved amount of FSCS’s claim, both with regards to principal amount and interest. The WuB has referred the dispute to the District Court of Reykjavik for resolution and judicial proceedings (case no. X-36/2010) are currently ongoing.
- (J) On or about the date of this Agreement, TIF, Iceland and HMT have entered into a Disbursement, Reimbursement and Indemnity Agreement

pursuant to which TIF may borrow from HMT funds to (a) reimburse the FSCS in respect of compensation already paid by FSCS to Landsbanki London Depositors up to an amount of £16,872.99 per depositor (or where applicable per joint account-holder), and for certain FSCS costs as agreed in the Settlement Agreement; and (b) allow the payment of compensation by FSCS (on behalf of TIF) in respect of the claims of Landsbanki London Depositors under Icelandic Act No. 98/1999 of an amount up to £16,872.99 per claim.

- (L) FSCS and TIF have entered into this Agreement in order to record the terms on which FSCS will assign the IDGS-claims (including Icelandic Proof IDGS-Claims) and the Costs Claim (including Icelandic Proof Costs-Claim) to TIF to enable TIF to have recourse against Landsbanki for the compensation payments made by FSCS for the account of the IDGS on behalf of TIF.

IT IS AGREED AS FOLLOWS

1. Interpretation

- 1.1 Capitalised words used in this Agreement and the recitals above, have the meaning ascribed to them in Schedule 1 to this Agreement. Words importing the singular shall include the plural and vice versa. In addition, unless the context otherwise requires, terms defined in the Disbursement, Reimbursement and Indemnity Agreement, to the extent not defined in Schedule 1 to this Agreement, have the same meaning when used in this Agreement.

2. Assignment

- 2.1 FSCS hereby, with effect from the Effective Date, assigns to TIF:

- (i) all its rights, title, interest and benefit in and to (a) each IDGS-claim which, as at the Effective Date, has been assigned or otherwise transferred to FSCS by Landsbanki London Depositors or conferred on it by operation of law or otherwise as such claims are set forth in, are identifiable from and may be evidenced by the records of FSCS or any other records that may legitimately be used for the purpose of determining which claims are assigned pursuant to this Agreement; and (b) the Costs Claim;
- (ii) all its rights, title, interest and benefit in and to (a) its Icelandic Proof IDGS-Claims associated with each such IDGS-claim; and

- (b) its Icelandic Proof Costs-Claim associated with the Costs Claim; and
- (iii) all its rights and entitlements incidental to or related to (i) and (ii) above including all interest accrued with respect to the IDGS-claims (and/or the Icelandic Proof IDGS-Claims) and Costs Claim, provided however that no claim against Landsbanki for the costs incurred by FSCS in respect of the handling of the claims of Landsbanki Amsterdam Depositors for compensation under the applicable deposit guarantee scheme is assigned to TIF other than the Costs Claim.

- 2.2 Furthermore, FSCS hereby agrees that, with effect from the date of each such assignment or other transfer to it, all its rights, title, interest and benefit in and to any IDGS-claim which is, after the Effective Date, assigned or otherwise transferred to it by London Branch Depositors or otherwise conferred on it or acquired by it by contract, operation of law or otherwise shall automatically, and without any further formality, be assigned absolutely to TIF.
- 2.3 TIF hereby accepts such assignment and notification thereof will be made by FSCS to Landsbanki Íslands hf in accordance with paragraph 2.7. FSCS will provide to TIF a confirmation of such notification having been sent to Landsbanki Íslands hf.
- 2.4 The Parties agree that if for any reason as a result of FSCS assigning and transferring Icelandic Proof IDGS-claims and/or the Icelandic Proof Costs-Claim to TIF under this Agreement TIF receives any payment or distribution attributable to the part of the Claims that are not IDGS-claims or Costs Claims, it will promptly upon knowledge of receipt of any such recovery transfer such amount to FSCS.
- 2.5 If as a result of the assignment of the IDGS-claims contemplated in this Agreement being wholly or partly invalid or for any other reason FSCS receives any recovery from Landsbanki Íslands hf. and/or the WuB with respect to any IDGS-claim which FSCS by entering into this Agreement agrees to assign to TIF, FSCS will promptly upon knowledge of receipt of any such recovery transfer these amounts to HMT for the account of the State of the Netherlands and HMT for distribution (after any required currency conversion by or on behalf of HMT) in accordance with section 4.5(a) of the Disbursement, Reimbursement and Indemnity Agreement. The payments made by FSCS in accordance with this paragraph 2.5 shall be construed as a payment on behalf of TIF and shall be made in the

currency in which the relevant amount has been received by FSCS, in immediately available funds, without deduction, set-off or counterclaim. Such payments shall be made free and clear of and without deduction or liability for or on account of any Taxes, provided that if FSCS shall be required by Applicable Law to deduct any Taxes from such payments, then the sum payable shall be increased as necessary so that after making all required deductions HMT receives an amount equal to the sum it would have received had no such deductions been made. If any amount has fallen due for payment by FSCS under this paragraph 2.5 but remains unpaid in breach of the terms of this Agreement, FSCS shall pay to TIF interest on such amount at the Arrears Rate. Any such interest shall be compounded on each Payment Date with the amount in respect of which it has accrued.

- 2.6 The aggregate notional principal amount of all the IDGS-claims assigned by FSCS to TIF hereunder will be the subject of determination by the WuB. FSCS believes that it has as of 24th November 2010 made payments to Landsbanki London Depositors in respect of IDGS-claims in an aggregate notional amount of £ 2,254,417,851.51.
- 2.7 FSCS shall, within five Business Days of the Effective Date, deliver a notice of assignment to Landsbanki Íslands hf (att. the Resolution Committee and the WuB) substantially in the form set out in Schedule 2 (*Form of Notice of Assignment*) hereto.
- 2.8 The Parties shall, no later than on the Effective Date or as soon as reasonably possible upon the occurrence of the Effective Date, execute a Claim Transfer Request Form in accordance with the template made available by the WuB in relation to the Icelandic Proof IDGS-Claims and the Icelandic Proof Costs-Claim hereby assigned and transferred. On or before the Effective Date, TIF will provide a draft Claim Transfer Request Form to FSCS which TIF considers to comply with the requirements applied by the WuB. The Parties agree to sign and submit such Claim Transfer Request Form to the WuB on the Effective Date or as soon as reasonably possible upon the occurrence of the Effective Date. Such filing will be conducted in accordance with the procedures set out in the FAQs posted at <http://lbi.is/winding-upboard-claimsprocess/faqwinding-upboard/>. The Parties agree that if for any reason as a result of executing and submitting a Claim Transfer Request Form to the WuB, TIF receives any payment or distribution attributable to the part of the Claims that are not IDGS-claims or Costs Claims, it will hold such amount in trust for FSCS and promptly pay such amount to FSCS.

- 2.9 Subject to the final sentence of paragraph 2.10 below, FSCS shall:
- (i) within five Business Days of the Effective Date, provide a list of the names, account numbers and account balances of the Landsbanki London Depositors whose Claims relate to any of the IDGS-claims which have been assigned to TIF pursuant to paragraph 2.1 above; and
 - (ii) from time to time, provide TIF with such other information which FSCS has available to it as TIF may reasonably request in connection with the IDGS-claims and the Costs Claim which have been assigned to TIF pursuant to paragraph 2.2 above.
- 2.10 The list referred to above shall be for identification purposes only with respect to the IDGS-claims which are the subject of the assignment and a textual or numerical error in this list shall not cause the assignment to be invalid or liable to be nullified. FSCS shall promptly rectify any manifest errors in the list at TIF's request.
- 2.11 TIF hereby confirms that it already possesses, in its capacity as the administrator of the IDGS, a complete list of the names, account numbers and account balances of the Landsbanki London Depositors. TIF further confirms that any processing by it of information provided to it pursuant to paragraph 2.8(i) and 2.8(ii) above shall be carried out in accordance with applicable Icelandic data protection and other laws. The provision of information pursuant to paragraph 2.8(i) and 2.8(ii) above is made in reliance upon these confirmations. FSCS shall not be obliged to provide any information other than the information referred to in paragraph 2.8(i) above to TIF if providing such information would, in FSCS's reasonable opinion, breach or risk breaching any law or regulation (including any law or regulation dealing with data protection) applicable to it.
- 2.12 Payments by TIF under this Agreement, including paragraph 2.4, shall be made in the currency in which the relevant amount has been received by TIF, in immediately available funds, without deduction, set-off or counterclaim, to such account in London as FSCS may have notified to TIF with not less than five Business Days' prior notice. Such payments shall be made free and clear of and without deduction or liability for or on account of any Taxes, provided that if TIF shall be required by Applicable Law to deduct any Taxes from such payments, then the sum payable shall be increased as necessary so that after making all required deductions FSCS receives an amount equal to the sum it would have

received had no such deductions been made. If any amount has fallen due for payment by TIF under paragraph 2.4 but remains unpaid in breach of the terms of this Agreement, TIF shall pay to FSCS interest on such amount at the Arrears Rate. Any such interest shall be compounded on each Payment Date with the amount in respect of which it has accrued.

- 2.13 TIF hereby agrees that, in accordance with Clause 4.2 of the Settlement Agreement:
- 2.13.1 to the extent that, following any assignment of On-Assigned Rights pursuant to paragraphs 2.1 or 2.2 above, FSCS retains any proportion of the Claim in respect of any given Claim (due to the fact that such Claim exceeds £16,872.99 in aggregate), then the proportion of such Claim which comprise the IDGS-claims in respect of that Claim shall, to the fullest extent permitted by applicable law, rank *pari passu* in all respects with the proportion of such Claims which comprise the Scheme-claims in respect of that Claim and are retained by FSCS; and
- 2.13.2 in the event that, for any reason whatsoever (including, without limitation, any preferential status accorded to TIF under Icelandic law), following any assignment of a part of any Claim pursuant to paragraphs 2.1 or 2.2 above, either FSCS or TIF experiences a greater pro rata level of recovery, in respect of the relevant Claim, than that experienced by the other, FSCS or TIF (as appropriate) shall, as soon as practicable and unless paragraph 2.12.3 below applies, make such balancing payment to the other party as is necessary to ensure that each of FSCS's and TIF's pro rata level of recovery in respect of such claim is the same; but
- 2.13.3 if (i) an Icelandic court gives a final and non-appealable judgment which (1) determines that all or part of any Claim assigned to TIF, or the rights retained by FSCS, as the case may be, will be entitled to receive distributions in the Landsbanki estate on a preferential basis relative to other Claims originating from the same deposits, and (2) is not in conflict with an advisory opinion obtained from the Court of the European Free Trade Area on that preferential status; or (ii) the Winding-up Board of Landsbanki determines that all or part of any Claim assigned to TIF or the rights retained by FSCS, as the case may be, will be entitled to receive distributions in the Landsbanki estate on a preferential basis relative to the other Claims originating from the same deposits but such ruling is not challenged in an Icelandic court by any depositor or creditor and such failure to challenge is not the result of a Change of Icelandic Law made after 5 June 2009 which renders such a challenge more difficult or impossible; then, unless that preferential status results from any Change of Icelandic Law made after 5 June 2009, the obligation described in paragraph 2.12.2 above for the TIF or FSCS, as the case may be, to make balancing payments will not apply,

and for the purposes of this paragraph 2.12 the term “Change of Icelandic Law” shall mean the coming into force of any law, regulation or governmental order, or any change to any law, regulation or governmental order, or any change thereto, to the extent required to be made or introduced under any regulation or directive of the European Community (whether directly or as a result of the Agreement on European Economic Area).

3. Incremental Rights

3.1 The Parties agree that each IDGS-claim includes:

- a. the principal amount of such claim, which cannot exceed £16,872.99 per Landsbanki London Depositor (or where applicable, per joint account-holder); and
- b. any claim to interest and/or other sums which have accrued or may accrue on that principal amount or otherwise conferred on it by operation of law.

3.2 TIF hereby confirms that the IDGS-claims shall not include the right of FSCS to claim in the winding-up of Landsbanki for costs and expenses (which are not part of the Costs Claim) incurred by FSCS in pursuing its claim under the Claims (including the IDGS-claims) in the winding-up of Landsbanki.

4. Further assurance

4.1 Each Party shall, at its own expense, do or procure the doing of all such acts and things, and execute or procure the execution of all such documents, as may reasonably be required to give full effect to this Agreement.

4.2 Without limiting paragraph 4.1 and without prejudice to paragraphs 2.7 and 2.8, FSCS will at the reasonable request of TIF execute (as soon as practicable) such documents as TIF may from time to time require to validate or establish FSCS's original interest in the IDGS-claims and Costs Claim, to vest the IDGS-claims, Costs Claim Icelandic Proof IDGS-Claims and Icelandic Proof Costs-Claims in TIF, to elevate any equitable interest to a legal interest (if legally possible), to establish or perfect TIF's interest in the IDGS-claims, Costs Claim, Icelandic Proof IDGS-Claims and Icelandic Proof Costs-Claims and exercise its rights to claim in the winding-up of Landsbanki in respect of the IDGS-claims, Costs Claim, Icelandic Proof IDGS-Claims and Icelandic Proof Costs-Claims.

- 4.3 Without limiting paragraph 4.1, TIF will at the reasonable request of FSCS execute (as soon as practicable) such documents as FSCS may from time to time require to validate or establish FSCS's interest in the Scheme-claims, to ensure that the Scheme-claims remain vested (or vest) in FSCS, to elevate any equitable interest to a legal interest (if legally possible), to establish or perfect FSCS's interest in the Scheme-claims and any other claim of FSCS, including but not limited to a claim for costs and exercise its rights to claim in the winding-up of Landsbanki in respect of the Scheme-claims or other claim.
- 4.4 For the avoidance of doubt, the above does not mean that the Parties make a warranty that the assignments contemplated under this Agreement are effective nor that they are acceptable to or will be accepted by the WuB.
- 4.5 The Parties shall refrain from any action, including but not limited to judicial proceedings, arbitration and third-party rulings, that could reasonably be expected to interfere with TIF's entitlements with respect to the IDGS-claims or Costs Claim transferred pursuant to this Agreement and/or FSCS's rights and entitlements with respect to the part of the Claims retained by FSCS (due to the fact that such claim exceeds £16,872.99 in aggregate) and any other claim of FSCS, including but not limited to a claim for costs. Subject as stated in paragraph 4.6, the Parties shall not apply for or invoke any judgement or ruling concerning such claims if such judgement or ruling would interfere with TIF's entitlements and/or FSCS's rights and entitlements referred to in the preceding sentence.
- 4.6 TIF may, at any time, seek to argue that its claim or claims in the winding-up of Landsbanki should enjoy a higher priority in the payment of distributions from the Landsbanki estate than the remaining claims of FSCS (any such argument a "Higher Priority Argument") and FSCS may bring objections to any such Higher Priority Argument raised by TIF, both with the WuB, in any court proceedings, in any mediation process which may precede any such court proceeding or otherwise. Neither TIF nor the FSCS may, however, bring any argument as to the validity, quantum or (save for any Higher Priority Argument) priority of any claim of the other in the Landsbanki winding-up.
- 4.7 TIF shall, no later than on the Effective Date, withdraw any argument it has raised, whether with the WuB, in any court proceedings or otherwise, against the validity, quantum or (save for any Higher Priority Argument)

priority of any claim of FSCS in the Landsbanki winding-up and shall use its best efforts to ensure that process or proceedings instigated by it, whether with the WuB or in any court or other body with judicial authority, shall be terminated to the extent that they would otherwise breach this paragraph.

5. Waiver and indemnity

- 5.1 The Parties hereby agree that upon the occurrence of the Effective Date (A) FSCS will not have (and to the extent necessary it irrevocably renounces) any claim against TIF or Iceland in relation to the payment of compensation by FSCS in respect of the claims of Landsbanki London Depositors for the account of the IDGS other than those set out in this Agreement and the Disbursement, Reimbursement and Indemnity Agreement or permitted by the terms of either Agreement; and (B) TIF will not have (and to the extent necessary it irrevocably renounces) any claim against FSCS in respect of the claims set-out under (A), including but not limited to claims in respect of FSCS filing such claims with the WuB and/or the dispute referred to in recital (I) above, other than those set out in or permitted by this Agreement.
- 5.2 TIF shall on or within five Business Days of the Effective Date make a payment to FSCS of Euro 333,000 by way of contribution towards the costs incurred by FSCS in relation to (i) FSCS's actions in respect of the verification of the claims referred to under (A) in paragraph 5.1 above with the WuB; and (ii) the dispute with the Reykjavik District Court referred to under (B) in paragraph 5.1 above.

6. Costs and Expenses

- 6.1 TIF shall bear all costs payable to the WuB or any governmental authority in Iceland in connection with the assignment of the Icelandic Proof IDGS-Claims associated with each IDGS-claim and the Icelandic Proof Costs-Claim associated with the Costs Claim.
- 6.2 Without prejudice to the other provisions of this Agreement or the terms of the Disbursement, Reimbursement and Indemnity Agreement, each Party shall bear its own costs and expenses in connection with the preparation, negotiation and execution of this Agreement and all related documents.

7. Incorporation of Terms by Reference

The provisions of sections 10.2, (Waiver) 10.4 (Amendments, Etc), 10.7 (Counterparts) and 10.10 (Waiver of Sovereign Immunity) of the Disbursement, Reimbursement and Indemnity Agreement are incorporated into this Agreement as if set out in full herein and as if references in those paragraphs to “this Agreement” were, except where the context otherwise requires, references to this Agreement and as if references in those paragraphs to a “Party” were, except where the context otherwise requires, references to a Party to this Agreement.

8. Governing Law and Jurisdiction

- 8.1 Subject to paragraph 8.2 and 8.3 below, this Agreement, including the provisions of the Disbursement, Reimbursement and Indemnity Agreement that are incorporated into this Agreement pursuant to paragraph 7 of this Agreement, and any matter, claim or dispute arising out of or in connection with this Agreement, whether contractual or non-contractual, shall be governed by, and construed in accordance with, the laws of England and Wales.
- 8.2 To the extent paragraph 2.1 or paragraph 2.2 of this Agreement operates to assign and transfer the Icelandic Proof IGDS-Claims and/or Icelandic Proof Costs-Claim such assignment and transfer is governed by Icelandic law.
- 8.3 The assignments and transfers implemented by this Agreement are made for the purpose of and in accordance with Article 115 of Icelandic Bankruptcy Act No. 21/1991.
- 8.4 Any dispute between TIF and FSCS concerning or in connection with this Agreement, whether contractual or non-contractual, including a dispute regarding the existence, validity or termination of this Agreement will be subject to the exclusive jurisdiction of the courts of England.

9. Notices

- 9.1 Any communication, other than the communication referred to in paragraph 2.7 above, to be made under or in connection with this Agreement will be made in writing in English and, unless otherwise stated, may be made by letter or fax (and may be copied, but not validly served, by e-mail). The communications referred to in paragraph 2.8 may be provided by e-mail.

9.2 The address and fax number (and the department or official, if any, for whose attention the communication is to be made) of each Party for any communication to be made under or in connection with this Agreement is:

- (i) in the case of FSCS: Financial Services Compensation Scheme, 7th Floor, Lloyds Chambers, 1 Portsoken Street, London E1 8BN, United Kingdom; mark.neale@fscs.org.uk and +44 (0)20 7892 7637 (attention: Mark Neale, Chief Executive), with a copy to HMT, HM Treasury, 1 Horse Guards Road, London SW1A 2HQ, United Kingdom; tom.scholar@hmtreasury.gsi.gov.uk and +44 (0)20 7270 5764 (attention: Tom Scholar); and
- (ii) in the case of TIF: Borgartun 26, 3rd floor, 105 Reykjavik, Iceland and +354 590 2606 (attention: Managing Director),

or, in each case, any substitute address or fax number (or department or official) which any of the above may notify to the others by not less than five (5) Business Days' notice.

IN WITNESS WHEREOF the Parties have executed this Agreement on the respective dates specified below.

Tryggingarsjóður Innstæðueigenda og fjárfesta

By:

Date:

Name:

Title:

Date:

Name:

Title:

Financial Services Compensation Scheme Limited

By:

Date:

Name:

Title:

Date:

Name:

Title:

SCHEDULE 1

Definitions

Applicable Law	any applicable statute, law, regulation, ordinance, rule, judgment, rule of common law, order, decree, approval, concession, grant, franchise, license, agreement, directive, guideline, policy, requirement or other governmental restriction or any similar form of decision of, or determination by (or any interpretation or administration of any of the foregoing by), any Governmental Authority, whether in effect as of the date of this Agreement or thereafter
Arrears Rate	in relation to any amount and as at any day, the statutory interest rate then applicable under section 17 of the Judgments Act 1838
Business Day	a day (other than Saturday or Sunday) on which commercial banks are not authorized or required to close in Reykjavik (Iceland) or London
Claim	a claim on Landsbanki of a Landsbanki London Depositor acquired by FSCS from that Landsbanki London Depositor as a result of or related to FSCS making payment to such Landsbanki London Depositor under and/or for the account of the Scheme and/or the IDGS. Any Claim may include any or both of an IDGS-claim and a Scheme-claim
Costs Claim	the claim against Landsbanki for the costs incurred by FSCS in respect of the handling of the claims of Landsbanki London Depositors for compensation under the applicable deposit guarantee scheme up to an amount of £10 million
Disbursement, Reimbursement and Indemnity Agreement	the Disbursement, Reimbursement and Indemnity Agreement between HMT, Iceland and TIF entered into on or about the date of this Agreement
Effective Date	the date the Disbursement, Reimbursement and Indemnity Agreement becomes effective in accordance with section 7.1 (<i>Conditions Precedent</i>) thereof
FSCS	Financial Services Compensation Scheme Limited (company registration number:

	3943048), whose registered office is at 7th Floor, Lloyds Chambers, 1 Portsoken Street, London E1 8BN, United Kingdom
FME	the Financial Supervisory Authority in Iceland (Fjármálaeftirlitið)
Governmental Authority	any nation or government, any state or municipality, any multi-lateral or similar organization or any other agency, instrumentality or political subdivision thereof and any entity exercising executive, legislative, judicial, monetary, regulatory or administrative functions of or pertaining to government
HMT	The Commissioners of Her Majesty's Treasury
Icelandic Proof IDGS-Claims	claim 1 with reference no. 200910-1459 filed on 23 October 2009 (as amended on 30 October 2009) by FSCS with the WuB in respect of (and to the extent it relates to) the IDGS-claims
Icelandic Proof Costs-Claim	claim 1 with reference no. 200910-1459 filed on 23 October 2009 (as amended on 30 October 2009) by FSCS with the WuB in respect of (and to the extent it relates to) the Costs Claim
IDGS	the Icelandic deposit guarantee scheme established by Icelandic Act No. 98/1999, the maximum amount of coverage with respect to each Landsbanki London Depositor is determined at £16,872.99 (in view of the inability of TIF to fund additional payments)
IDGS-claims	each Claim to the extent acquired by FSCS from the relevant Landsbanki London Depositor as a result of or related to FSCS making payment to such Landsbanki London Depositor for the account of the IDGS
Landsbanki	depending on the context in which it is used, Landsbanki Íslands hf. and/or London Branch
Landsbanki Íslands hf.	Landsbanki Íslands hf., a company with limited liability incorporated under the laws of Iceland
Landsbanki London Depositors	persons or entities that deposited any funds or otherwise had any credit balance with the London Branch
London Branch	the London branch of Landsbanki Íslands hf
Payment Date	means January 1, April 1, July 1 and September 1 of any year
Scheme	Financial Services Compensation Scheme

	established under Part XV of the UK Financial Services and Markets Act 2000
Scheme-claims	each Claim to the extent acquired by FSCS from the relevant Landsbanki London Depositor other than as a result of or related to FSCS making payment to such Landsbanki London Depositor for the account of the IDGS
Taxes	all present and future income, stamp, registration and other taxes and levies, imposts, deductions, charges and withholdings whatsoever, and all interest, penalties or similar amounts with respect thereto or with respect to the non-payment thereof, now or hereafter imposed, assessed, levied or collected by any authority, on or in respect of this Agreement, any payment under this Agreement or the recording, registration, notarization or other formalization of any thereof
TIF	Tryggingarsjóður Innstæðueigenda og fjárfesta, a private foundation incorporated under the laws of Iceland, entrusted under such laws with the execution of the IDGS in accordance with the provisions of Icelandic Act No. 198/1999 on Deposit Guarantees and Investor Compensation Scheme
WuB	the Winding-up Board of Landsbanki Íslands hf

SCHEDULE 2

Form of Notice of Assignment

NOTICE OF ASSIGNMENT

To: **Landsbanki Íslands hf**
Austurstræti 11
155 Reykjavík
Iceland

Attention: The Resolution Committee

CC: **Tryggingarsjóður Innstæðueigenda og fjárfesta**
Borgartún 26
105 Reykjavík
Iceland

Attention: Managing Director

CC: **Landsbanki Íslands hf**
Austurstræti 16
101 Reykjavík
Iceland

Attention: The Winding-up Board

The Winding-Up Board of Landsbanki Islands Hf.
c/o Epiq Systems Limited
11 Old Jewry, 4th Floor
London, EC2R ADU

Attention: Landsbanki Claim Transfer Agent

From: Financial Services Compensation Scheme,
7th Floor, Lloyds Chambers,
1 Portsoken Street,
London E1 8BN, United Kingdom

Dear Sirs

As you will be aware, FSCS has made payments to Landsbanki London Depositors on behalf of TIF to enable TIF to discharge its obligations to those

Depositors under the IDGS.

We hereby notify you that, pursuant to an assignment agreement (the “**Assignment Agreement**”) dated [●] 2010 between FSCS and TIF, a copy of which is enclosed:

- (A) With effect from [] 2010, all our rights, title, interest and benefit in and to the IDGS-claims (and Icelandic Proof IDGS-Claims) which, as at the Effective Date, had previously been assigned or otherwise transferred to us by Landsbanki London Depositors or conferred on us by operation of law or otherwise, have been assigned and transferred by us to TIF. For the avoidance of doubt, we note that each IDGS-claim cannot exceed £16,872.99 per Landsbanki London Depositor (or where applicable per joint account-holder). The remainder of the Claims, will be retained by FSCS. In connection to these IDGS-claims, with effect from [] 2010 the Costs Claim (and Icelandic Proof Costs-Claims) amounting to £10 million has been assigned to TIF.
- (B) Details of the names, account numbers and account balances of the related Landsbanki London Depositors are stated on the list referred to in paragraph 2.8 of the Assignment Agreement provided by us to TIF and attached hereto and/or are identifiable from and may be evidenced by the records of FSCS or any other records that may legitimately be used for the purpose of determining which claims are assigned pursuant to the Assignment Agreement; and

The assignment effected by the Assignment Agreement is an assignment pursuant to article 115 of Icelandic Bankruptcy Act No. 21/1991.

As a result of the above assignment, you should, in the future, deal solely with TIF in respect of the IDGS-claims (and Icelandic Proof IDGS-Claims) and the Costs Claim (and Icelandic Proof Costs-Claims) and you will only be able to discharge yourselves in respect of these claims by making payment to TIF.

We hereby confirm that we remain the holder of the Claims to the extent that these are not IDGS-claims (and Icelandic Proof IDGS-Claims) and you should continue to deal solely with us with respect to such (part of the) Claims, including, among other things, any interest which may have accrued on such (part of the) Claims, and that you will only be able to discharge yourselves in respect thereof by making payment to us.

Capitalised words used in this notice shall have the meaning ascribed to them in Annex A hereto.

Yours faithfully

for and on behalf of

Financial Services Compensation Scheme Limited

ANNEX A

to Notice of Assignment

Definitions

Claim	a claim on Landsbanki of a Landsbanki London Depositor acquired by FSCS from that Landsbanki London Depositor as a result of or related to FSCS making payment to such Landsbanki London Depositor under and/or for the account of the Scheme and/or the IDGS. Any Claim may include any or both of an IDGS-claim and a Scheme-claim.
Costs Claim	the claim against Landsbanki for the costs incurred by FSCS in respect of the handling of the claims of Landsbanki London Depositors for compensation under the applicable deposit guarantee scheme up to an amount of £10 million
Scheme	Financial Services Compensation Scheme established under Part XV of the UK Financial Services and Markets Act 2000
Scheme-claims	each Claim to the extent acquired by FSCS from the relevant Landsbanki London Depositor other than as a result of or related to FSCS making payment to such Landsbanki London Depositor for the account of the IDGS
FSCS	Financial Services Compensation Scheme Limited (company registration number: 3943048), whose registered office is at 7th Floor, Lloyds Chambers, 1 Portsoken Street, London E1 8BN, United Kingdom
Icelandic Proof IDGS-Claims	claim 1 with reference no. 200910-1459 filed on 23 October 2009 (as amended on 30 October 2009) by FSCS with the WuB in respect of (and to the extent it relates to) the IDGS-claims
Icelandic Proof Costs-Claim	claim 1 with reference no. 200910-1459 filed on 23 October 2009 (as amended on 30 October 2009) by FSCS with the WuB in respect of (and to the extent it relates to) the Costs Claim
IDGS	the Icelandic deposit guarantee scheme established by Icelandic Act No. 98/1999, under which the maximum amount of coverage with

	respect to each Landsbanki London Depositor is (in view of the inability of TIF to fund additional payments) determined at £16,872.99
IDGS-claims	each Claim to the extent acquired by FSCS from the relevant Landsbanki London Depositor as a result of or related to FSCS making payment to such Landsbanki London Depositor for the account of the IDGS
Landsbanki	depending on the context in which it is used, Landsbanki Íslands hf. and/or London Branch
Landsbanki Íslands hf.	Landsbanki Íslands hf., a company with limited liability incorporated under the laws of Iceland
Landsbanki London Depositors	persons or entities that deposited any funds or otherwise had any credit balance with the London Branch
London Branch	the London branch of Landsbanki Íslands hf
TIF	Tryggingarsjóður Innstæðueigenda og fjárfesta, a private foundation incorporated under the laws of Iceland, entrusted under such laws with the execution of the IDGS in accordance with the provisions of Icelandic Act No. 198/1999 on Deposit Guarantees and Investor Compensation Scheme