

DRAFT 23 NOVEMBER 2010

To: (i) The Depositors' and Investors' Guarantee Fund of Iceland (the "*Guarantee Fund*"); and
(ii) Iceland ("*Iceland*")

From: The **Commissioners of Her Majesty's Treasury** (*the "HMT Commissioners"*)

Date: [**] 2010

Dear Madam/Sir,

Disbursement, Reimbursement and Indemnity Agreement dated [] 2010**

Reference is made to the Disbursement, Reimbursement and Indemnity Agreement dated [**] 2010 referred to above ("*Disbursement, Reimbursement and Indemnity Agreement*"). As used herein, the terms defined in Schedule I to the Reimbursement and Indemnity Agreement shall have the meaning set out in that Schedule.

The purpose of this letter is to confirm the agreement reached between the Parties relating to the definition of "*ISK Equivalent*" set out below.

The Parties designate this letter as a Relevant Document.

The Parties agree that this letter will take effect simultaneously with the Disbursement, Reimbursement and Indemnity Agreement.

With reference to the definition of "*ISK Equivalent*" in Schedule I to the Disbursement, Reimbursement and Indemnity Agreement, the Parties agree that, if any of (a) Iceland, or (b) any of the United Kingdom and The Netherlands (a "*Reimbursed Country*") changes its lawful currency into another currency, then, following such change:

(a) if as a result Iceland and the relevant Reimbursed Country have a common lawful currency, the ISK Equivalent of any amount which, prior to such change, would have been expressed in the lawful currency of such Reimbursed Country but as a result of such change is expressed in such common lawful currency instead, shall be equal to that amount so expressed in the common lawful currency; and

(b) otherwise, the ISK Equivalent of any amount expressed in the lawful currency of the relevant Reimbursed Country shall be that amount translated into the lawful currency of Iceland in the manner set out in the definition of "*ISK Equivalent*" but using rates of exchange derived from a source reasonably agreed between Iceland and the HMT Commissioner or, if

Iceland and the HMT Commissioners fail to agree such rate prior to the date for which the relevant ISK Equivalent is to be determined, as determined by arbitration in accordance with Section 10.9 of the Disbursement, Reimbursement and Indemnity Agreement.

The Parties agree that Sections 1.2, 10.4, 10.5 and 10.7 through 10.11 the Reimbursement and Indemnity Agreement shall apply to this letter as if set out in this letter in full, *provided* that, for all purposes hereof, all references in those Sections to "this Agreement" will be deemed to refer to this letter.

Please sign and return this letter in evidence of your agreement to this letter.

Yours sincerely,

The Commissioners of Her Majesty's Treasury

Name:

Signed for agreement on

The Depositors' and Investors' Guarantee Fund of Iceland (*Tryggingarsjóður Innstæðueigenda og Fjárfesta*)

Name:

Title:

Iceland

Name:

Title:

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