AMENDED AND RESTATED DISTRIBUTION AGREEMENT

As of April 23, 2008

J.P. Morgan Securities Inc.
Banc of America Securities LLC
Barclays Capital Inc.
Citigroup Global Markets Inc.
Credit Suisse Securities (USA) LLC
Deutsche Bank Securities Inc.
Greenwich Capital Markets, Inc.
HSBC Securities (USA) Inc.
Lehman Brothers Inc.
Merrill Lynch, Pierce, Fenner & Smith
Incorporated
Morgan Stanley & Co. Incorporated
UBS Securities LLC and
Wachovia Capital Markets, LLC

c/o J.P. Morgan Securities Inc.
270 Park Avenue
New York, NY 10017

Ladies and Gentlemen:

1. Introduction.

Glitnir banki hf., a public limited company incorporated in Iceland (the "Issuer"), confirms its agreement with you and any other person that shall become a dealer hereunder from time to time (each, an "Dealer," and together, the "Dealers") with respect to the issue and sale from time to time by the Issuer of notes (the "Notes") under its US$10,000,000,000 Medium-Term Note Program (the "Program"). The Notes will be offered and sold pursuant to Section 3 of this Agreement. The Notes may be offered and sold in an aggregate amount outstanding not to exceed at any one time US$10,000,000,000 (or the equivalent thereof in foreign currencies), less the aggregate principal amount of any medium-term notes then outstanding issued by the Issuer under the Program. It is understood, however, that the Issuer may from time to time authorize the issuance of additional Notes and that such additional Notes may be sold through or to the Dealers pursuant to this Agreement, all as though the issuance of such Notes were authorized as of the date hereof. The Notes will be issued under an amended and restated fiscal and paying agency agreement, dated as of April 23, 2008, as amended or supplemented (the "Fiscal and Paying Agency Agreement"), among the Issuer, Deutsche Bank Trust Company Americas, as fiscal and paying agent (the "Fiscal and Paying Agent") and Deutsche Bank Luxembourg S.A., as paying agent.

The Notes shall have the terms described in the offering circular relating to the Notes, dated April 23, 2008, as amended, supplemented or updated from time to time (unless otherwise stated, together with the documents incorporated by reference therein, the "Offering Circular"). The Notes will be issued, and the terms thereof established and set forth in a pricing supplement to the Offering Circular to be prepared in connection with each sale of Notes (in "Pricing Supplement"), from time to time by the Issuer in accordance with the Fiscal and Paying Agency Agreement.

2. Representations and Warranties of the Issuer. The Issuer represents and warrants to each of the Dealers as of the date hereof (the "Closing Date"), as of the time of each acceptance (the "Time of Acceptance") by the Issuer of an offer for the purchase of Notes, as of the date of each delivery of Notes (the "Settlement Date"), and as of any time that the Offering Circular shall be amended or supplemented by incorporation by reference or otherwise (each of the times referenced above being referred to herein as a "Representation Time"), as follows:

(a) that:

(i) the most recently published audited consolidated and non-consolidated financial statements of the Issuer (the "audited accounts") included in the Offering Circular and the Disclosure Package (as defined herein); and

(ii) the most recently published unaudited interim consolidated financial statements of the Issuer,

were in each case prepared in accordance with the International Financial Reporting Standards (or, in the case of financial statements for periods ended prior to December 31, 2004, Icelandic GAAP, as the case may be) and that they give a true and fair view of (i) the financial condition of the Issuer as at the date to which they were prepared (the "Relevant Date") and (ii) the results of operations of the Issuer for the financial period ended on the Relevant Date, and that there has been no material adverse change or any development involving a prospective material adverse change in the business, condition (financial or otherwise), results of operations or prospects of the Issuer and its subsidiaries taken as a whole since the date of the audited accounts, except as disclosed in the Offering Circular and the Disclosure Package;

(b) that as of the date hereof and as of each Representation Time (i) the Offering Circular contains all material information with respect to the Issuer and the Notes, (ii) the Offering Circular does not contain an untrue statement of material fact or omit to state a material fact that is necessary in order to make the statements made in the Offering Circular, in the light of the circumstances under which they were made, not misleading and there is no other fact or matter omitted from the Offering Circular which was or is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position and profits and losses of the Issuer and of the rights attaching to the Notes, provided, however, that the representations and warranties in this Section 2(b) shall not apply to statements in or omissions from the Offering Circular made in reliance upon and in conformity with information furnished to the Issuer in writing by or on behalf of a Dealer specifically for use in the Offering Circular, it being understood and agreed that the only such information furnished by or on behalf of any Dealer consists of the information described as such in Section 7(b) hereof, (iii) the summary set out in the Offering Circular is not misleading, inaccurate or inconsistent when read with other parts of the Offering Circular, (iv) the statements of intention, opinion, belief or expectation contained in the Offering Circular are honestly and reasonably made or held and (v) all reasonable enquiries have been made to ascertain such facts and to verify the accuracy of all such statements;

(c) that as of the Initial Sale Time (as defined below) with respect to each offering of Notes, the Disclosure Package, as amended or supplemented as of such time, will not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, however, that the representations and warranties in this Section 2(c) shall not apply to statements in or omissions from the Disclosure Package made in reliance upon and in conformity with information furnished to the Issuer in writing by or on behalf of a Dealer specifically for use in the Disclosure Package, it being understood and agreed that the only such information furnished by or on behalf of any Dealer consists of the information described as such in Section 7(b) hereof (which information may appear in one or more sections of the items included in the Disclosure Package). "Initial Sale Time" means, with respect to each offering of Notes, the time after the Time of Acceptance as to such Notes and immediately prior to a Dealer's initial entry into contracts with investors for the sale of such Notes, which such times shall be recorded by the Dealer and furnished to the Issuer, and deemed to be part of the applicable Terms Agreement (as defined below). The term "Disclosure Package" shall mean, as to any offering of Notes, (i) the Offering Circular, (ii) any preliminary or final offering circular supplement, (iii) any Pricing Supplement, as amended or supplemented, and (iv) any other written or electronic document (including any preliminary or final term sheet) that the parties hereto shall hereafter expressly agree in writing to treat as part of the Disclosure Package, in each case in the form as amended or supplemented at the Initial Sale Time of such offering of Notes.

(d) the subsidiaries listed on Annex A attached hereto are the only "significant subsidiaries" of the Issuer (as defined in Rule 1-02 of Regulation S-X under the Securities Act) (the "Subsidiaries"). None of the Issuer's other subsidiaries considered in the aggregate as a single subsidiary, constitute a "significant subsidiary" (as defined in Rule 1-02 of Regulation S-X under the Securities Act).

(e) that each of the Issuer and its Subsidiaries has been duly incorporated and is validly existing in good standing under the laws of its jurisdiction of incorporation (and the laws of any other jurisdiction in which it carries on business) with full power and authority to own, lease and operate its properties and conduct its business as described in the Offering Circular and the Disclosure Package;

(f) that the execution and delivery of this Agreement, the Fiscal and Paying Agency Agreement and the amended and restated calculation agency agreement, dated as of April 23, 2008, by and between the Issuer and Deutsche Bank Trust Company Americas (the "Calculation Agency Agreement," and together with this Agreement and the Fiscal and Paying Agency Agreement, the "Agreements"), and the issue, offering and distribution of Notes by the Issuer have been duly authorized by the Issuer, and in the case of Notes, upon due execution, issue and delivery in accordance with the Fiscal and Paying Agency Agreement, will constitute, and, in the case of the Agreements constitute, legal, valid and binding obligations of the Issuer enforceable in accordance with their respective terms subject to the laws of bankruptcy and other similar laws affecting the rights of creditors generally;

(g) that the execution and delivery of the Agreements, the issue, offering and distribution of Notes and the performance of the terms of any Notes and the Agreements will not infringe any law, regulation, order, rule, decree or statute applicable to the Issuer or to which its property may be subject and are not contrary to the provisions of the Certificate of Incorporation or Articles of Association of the Issuer and will not result in any breach of the terms of, or constitute a default under, any instrument, agreement or order to which the Issuer is a party or by which the Issuer or its property is bound;

(h) that each of the Issuer and its Subsidiaries (i) is not in breach of the terms of, or in default under, any instrument, agreement or order to which it is a party or by which it or its property is bound and no event has occurred which with the giving of notice or lapse of time or other condition would constitute a default under any such instrument, agreement or order; or (ii) is a party to (whether as defendant or otherwise), nor has the Issuer knowledge of the existence of, or any threat of, any legal, arbitration, administrative or other proceedings the result of which might relate to claims or amounts which might be material in the context of the Program and/or the issue and offering of Notes thereunder or which might have or have had a material adverse effect on the financial condition, results of operations or business of the Issuer or (iii) has taken any action nor, to the best of its knowledge or belief having made all reasonable enquiries, have any steps been taken or legal proceedings commenced by third parties for the winding up or dissolution of the Issuer.

(i) that no consent, approval, authorization, order, filing, registration or qualification of or with any court or governmental authority is required and no other action (including, without limitation, the payment of any stamp or other similar tax or duty) is required to be taken, fulfilled or done by the Issuer for or in connection with (i) the execution, issue and offering of Notes under the Program and compliance by the Issuer with the terms of any Notes issued under the Program or (ii) the execution and delivery of, and compliance with the terms of, the Agreements;

(j) that all corporate approvals and authorizations required by the Issuer for or in connection with (i) the execution, issue and offering of Notes under the Program and compliance by the Issuer with the terms of any Notes issued under the Program and (ii) the execution and delivery of, and compliance with the terms of, the Agreements, have been obtained and are in full force and effect;

(k) that it is not necessary under the laws of Iceland that any noteholder or Dealer or the Fiscal and Paying Agent should be licensed, qualified or otherwise entitled to carry on business in Iceland (i) to enable any of them to enforce their respective rights under the Notes or the Agreements or (ii) solely by reason of the execution, delivery or performance of the Agreements or the Notes;

(l) that all payments of principal, premium (if any), interest and other amounts in respect of the Notes made to holders of the Notes who are non-residents of Iceland will be made without withholding for or deduction of any taxes or duties imposed or levied by or on behalf of Iceland or any political subdivision or any authority thereof or therein having the power to tax;

(m) that all senior Notes will, upon issue, constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and rank pari passu among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer, from time to time outstanding;

(n) that the rights of holders of subordinated Notes will be subordinated in right of payment to the senior Notes and the Issuer's other senior indebtedness in the manner provided in the Fiscal and Paying Agency Agreement;

(o) that in relation to each offering of Notes for which any Dealer is named as a stabilizing manager in the applicable Pricing Supplement, it has not issued and will not issue, without the prior consent of any such Dealer, any press or other public announcement referring to the proposed issue of Notes unless the announcement adequately discloses that stabilizing action may take place in relation to the Notes to be issued and the Issuer authorized such Dealer to make all appropriate disclosure in relation to stabilization instead of the Issuer, if so agreed between the Issuer and the Dealer.

(p) that the Notes have not been and will not be registered under the Securities Act of 1933, as amended (the "Securities Act") and have not been registered or qualified under any state securities or blue sky laws of any state of the United States and, accordingly, the Issuer acknowledges that the Notes may not be offered or sold within the United States or to or for the account or benefit of U.S. persons except pursuant to an exemption from the registration requirements of the Securities Act;

(q) that none of the Issuer, its affiliates, or any persons acting on their behalf has (i) engaged or will engage in any form of general solicitation or general advertising (as those terms are used in Rule 502(c) of Regulation D under the Securities Act) in connection with any offer or sale of Notes in the United States or (ii) engaged in any directed selling efforts (within the meaning of Rule 902(c) of Regulation S ("Regulation S") under the Securities Act) with respect to the Notes; and each of the Issuer and its affiliates and each person acting on its or their behalf has complied with the offering restrictions requirement of Regulation S;

(r) that the Notes satisfy the eligibility requirements of Rule 144A(d)(3) under the Securities Act; and as of the date of issuance, no Note will be, and no securities of the same class (within the meaning of Rule 144A(d)(3)(i) under the Securities Act) as that Note will be, (i) listed on a national securities exchange in the United States which is registered under Section 6 of the Securities Exchange Act of 1934, as amended (the "Exchange Act") or (ii) quoted in any "automated inter-dealer quotation system" (as that term is used in the rules under the Exchange Act) in the United States;

(s) that the Issuer is a "foreign issuer" (as defined in Regulation S);

(t) that the Issuer reasonably believes that there is no substantial U.S. market interest (as defined in Regulation S) in its debt securities;

(u) that the Notes and the Agreements conform in all material respects to the descriptions of them contained in the Offering Circular and the Disclosure Package and that it is not necessary in connection with the Program to qualify an indenture in respect of the Notes under the United States Trust Indenture Act of 1939;

(v) that Notes issued by the Issuer will only be offered, sold or resold by the Issuer in the United States pursuant to private transactions to (i) "qualified institutional buyers" (as defined in Rule 144A under the Securities Act) in transactions that will meet the eligibility requirements under Rule 144A under the Securities Act or (ii) to institutional investors that qualify as "accredited investors" (as defined in Rule 501(a) of the Securities Act);

(w) that it will not be, and the issuance of the Notes will not require the Issuer to be, registered under Section 8 of the Investment Company Act of 1940, as amended (the "Investment Company Act");

(x) that the Issuer is not, and after giving effect to the offering and sale of the Notes and the application of the proceeds thereof as described in the Offering Circular, will not be, an "investment company" as defined in the Investment Company Act, without taking account of any exemption arising out of the number of holders of the Issuer's securities;

(y) that the Issuer is exempt from the reporting requirements of Section 13 or Section 15(d) of the Exchange Act under Rule 12g3-2(b) under the Exchange Act;

(z) that PricewaterhouseCoopers hf., who have certified certain financial statements of the Issuer and its consolidated subsidiaries and delivered their report with respect to the audited consolidated financial statements and schedules included or incorporated by reference in the Offering Circular and the Disclosure Package is the independent registered public accounting firm of the Issuer within the meaning of the Exchange Act;

(aa) that, based upon its discussions with the relevant Dealer and the provisions contained herein, as the same may be modified, amended or supplemented, it reasonably believes that the initial sale and subsequent transfer of all beneficial interests in the Notes will be limited to "qualified institutional buyers" (as defined in Rule 144A under the Securities Act);

(bb) that none of the Issuer, its affiliates, nor any persons acting on any of their behalf has made or will make offers or sales of any securities under circumstances that would require the registration of any of the Notes under the Securities Act;

(cc) no registration under the Securities Act of the Notes is required for the offer and sale of the Notes to or by the Dealers in the manner contemplated herein and in the Offering Circular and the Disclosure Package;

(dd) the Issuer has not paid or agreed to pay to any person any compensation for soliciting another to purchase any securities of the Issuer (except as contemplated in this Agreement);

(ee) all the outstanding shares of capital stock of each Subsidiary that are owned by the Issuer have been duly authorized and validly issued and are fully paid and nonassessable, and except as otherwise set forth in the Offering Circular and the Disclosure Package, all outstanding shares of capital stock of the Subsidiaries are owned by the Issuer either directly or through wholly owned Subsidiaries free and clear of any security interest, claim, lien or encumbrance;

(ff) each of the Issuer and its Subsidiaries owns or leases all such properties as are necessary to the conduct of its operations as presently conducted;

(gg) the Issuer has filed all non-U.S., U.S. federal, state and local tax returns that are required to be filed or has requested extensions thereof (except in any case in which the failure so to file would not have a material adverse effect on the business, condition (financial or otherwise), results of operations or prospects of the Issuer and its Subsidiaries, taken as a whole or its ability to issue the Notes or perform its obligations thereunder or under the Agreements (a "Material Adverse Effect") and except as set forth in or contemplated in the Offering Circular and the Disclosure Package) and has paid all taxes required to be paid by it and any other assessment, fine or penalty levied against it, to the extent that any of the foregoing is due and payable, except for any such assessment, fine or penalty that is currently being contested in good faith or as would not have a Material Adverse Effect and except as set forth in or contemplated in the Offering Circular and the Disclosure Package;

(hh) no labor problem or dispute with the employees of the Issuer or any of its Subsidiaries exists or is threatened or imminent, and the Issuer is not aware of any existing or imminent labor disturbance by the employees of any of its or its Subsidiaries' principal suppliers, contractors or customers, except would not have a Material Adverse Effect, and except as set forth in or contemplated in the Offering Circular and the Disclosure Package;

(ii) the Issuer and each of its Subsidiaries are insured by insurers of recognized financial responsibility against such losses and risks and in such amounts as are prudent and customary in the businesses in which they are engaged; except as would not have a Material Adverse Effect, all policies of insurance and fidelity or surety bonds insuring the Issuer or any of its Subsidiaries or their respective businesses, assets, employees, officers and directors are in full force and effect; except as would not have a Material Adverse Effect, the Issuer and its Subsidiaries are in compliance with the terms of such policies and instruments; except as would not have a Material Adverse Effect, there are no claims by the Issuer or any of its Subsidiaries under any such policy or instrument as to which any insurance company is denying liability or defending under a reservation of rights clause; neither the Issuer nor any of its Subsidiaries has been refused any material insurance coverage sought or applied for; and neither the Issuer nor any of its Subsidiaries has any reason to believe that it will not be able to renew its existing insurance coverage as and when such coverage expires or to obtain similar coverage from similar insurers as may be necessary to continue its business at a cost that would not have a Material Adverse Effect except as set forth in or contemplated in the Offering Circular and the Disclosure Package (exclusive of any amendment or supplement thereto);

(jj) the Issuer and its Subsidiaries possess all licenses, certificates, permits and other authorizations issued by the appropriate U.S. federal, state or non-U.S. regulatory authorities necessary to conduct their respective businesses, and neither the Issuer nor any of its Subsidiaries has received any notice of proceedings relating to the revocation or modification of any such certificate, authorization or permit which, singly or in the aggregate, if the subject of an unfavorable decision, ruling or finding, would have a Material Adverse Effect, except as set forth in or contemplated in the Offering Circular (exclusive of any amendment or supplement thereto) and the Disclosure Package;

(kk) the Issuer and each of its Subsidiaries maintain a system of internal accounting controls sufficient to provide reasonable assurance that (i) transactions are executed in accordance with management's general or specific authorizations; (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with international accounting standards in Iceland and to maintain asset accountability; (iii) access to assets is permitted only in accordance with management's general or specific authorization; and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences;

(ll) none of the Issuer, its Subsidiaries or, to the knowledge of the Issuer, any director, officer, Dealer, employee or affiliate of the Issuer or any of its Subsidiaries is aware of or has taken any action, directly or indirectly, that would result in a violation by such Persons of Foreign Corrupt Practices Act of 1977, as amended, and the rules and regulations thereunder (the "FCPA"), including, without limitation, making use of the mails or any means or instrumentality of interstate commerce corruptly in furtherance of an offer, payment, promise to pay or authorization of the payment of any money, or other property, gift, promise to give, or authorization of the giving of anything of value to any "foreign official" (as such term is defined in the FCPA) or any foreign political party or official thereof or any candidate for foreign political office, in contravention of the FCPA; and the Issuer, its Subsidiaries and, to the knowledge of the Issuer, its affiliates have conducted their businesses in compliance with the FCPA, to the extent applicable to them, and have instituted and maintain policies and procedures designed to ensure, and which are reasonably expected to continue to ensure, continued compliance therewith;

(mm) the operations of the Issuer and its Subsidiaries are and have been conducted in all material respects in compliance with applicable financial recordkeeping and reporting requirements of the Currency and Foreign Transactions Reporting Act of 1970, as amended, the money laundering statutes of all applicable jurisdictions, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any governmental agency (collectively, the "Money Laundering Laws") and no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Issuer or any of its Subsidiaries with respect to the Money Laundering Laws is pending or, to the best knowledge of the Issuer, threatened; and

(nn) none of the Issuer, any of its Subsidiaries or, to the knowledge of the Issuer, any director, officer, Dealer, employee, agent or affiliate of the Issuer or any of its Subsidiaries is currently subject to any U.S. sanctions administered by the Office of Foreign Assets Control of the U.S. Department the Treasury ("OFAC"); and the Issuer will not directly or indirectly use the proceeds of the offering of the Notes hereunder, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other person or entity, for the purpose of financing the activities of any person currently subject to any U.S. sanctions administered by OFAC.

3. Appointment of Dealers; Appointment of Additional Dealers; Agreement of Dealers; Solicitations.

(a) (i) Subject to the terms and conditions stated herein, the Issuer hereby appoints the Dealers as the agents of the Issuer for the purpose of soliciting or receiving offers to purchase the Notes to be issued by the Issuer during any Marketing Time. For purposes of this Agreement, "Marketing Time" shall mean any time when (x) no suspension of solicitation of offers to purchase such Notes shall be in effect pursuant to Section 3(c), or (y) either (A) any Dealer shall own any Notes with the intention of reselling them or (B) the Issuer has accepted an offer to purchase Notes but the related settlement has not occurred.

(ii) So long as this Agreement shall remain in effect, the Issuer shall not, without the consent of the Dealers, solicit or accept offers to purchase Notes otherwise than to or through the Dealers; provided, however, that the Issuer reserves the right, from time to time, to accept a specific offer to purchase Notes solicited by a dealer other than the Dealers (each an "Other Dealer") and to sell Notes directly to an investor, in each such case without obtaining the prior consent of the Dealers, provided that any Other Dealer has agreed to be bound by and subject to the terms and conditions of this Agreement binding on the Dealers by executing an accession letter substantially in the form of Exhibit A hereto.

(iii) Notwithstanding paragraph 3(a)(ii) above, the Issuer may, from time to time, appoint one or more additional institutions as new Dealers hereunder, for the duration of this Agreement or in relation to a particular series of Notes only, in either case, upon the execution by the Issuer of an accession letter (a "Dealer Accession Confirmation") substantially in the form of Exhibit B or Exhibit C hereto, as appropriate, provided that such additional institution shall have first requested appointment as such upon the terms and conditions of this Agreement in writing to the Issuer pursuant to a dealer accession letter (a "Dealer Accession Letter") substantially in the form of Exhibit D or Exhibit E hereto, as appropriate, whereupon such institution shall, subject to the terms and conditions of this Agreement, the relevant Dealer Accession Letter and the relevant Dealer Accession Confirmation, become a party to this Agreement, vested with all the authority, rights and powers and subject to all the duties and obligations of a Dealer as if originally named as one of the Dealers hereunder; provided further that, in the case of an institution which has become a Dealer in respect of a particular series of Notes only, following the issue of the relevant series of Notes, the relevant new Dealer shall have no further authority, rights, powers, duties or obligations except such as may have accrued or been incurred prior to, or in connection with, the issuance of such series of Notes.

(b) (i) On the basis of the representations and warranties contained herein, but subject to the terms and conditions set forth herein, the Dealers agree severally and not jointly, as the agents of the Issuer, to use reasonable efforts to solicit offers to purchase Notes upon the terms and conditions set forth in the Offering Circular and the applicable offering circular supplement; provided, however that no Dealer will solicit or receive offers to purchase Notes in the United States except from those it reasonably believes to be "qualified institutional buyers" (as defined in Rule 144A under the Securities Act) or from those it reasonably believes to be "accredited investors" (as defined in Rule 501(a) of the Securities Act), and each Dealer will take reasonable steps to ensure that any person from whom it solicits or receives an offer to purchase Notes is aware that such sale will be made in reliance on Rule 144A and/or Regulation D under the Securities Act, as the case may be; and provided further, that no Dealer or any person acting on a Dealer's behalf will solicit or receive offers to purchase Notes in the United States by means of any form of general solicitation or general advertising (within the meaning of Regulation D under the Securities Act) in the United States; and provided further, that no Dealer or any person acting on a Dealer's behalf will, directly or indirectly, make offers or sales of any Notes, or solicit offers to buy any Notes, under circumstances that would require registration of the Notes under the Securities Act.

(ii) Upon acceptance by the Issuer of an offer by the Dealers to purchase Notes as principal, unless the Issuer and the Dealers execute a Terms Agreement substantially in the form of Exhibit F hereto (a "Terms Agreement"), any written confirmation or communication transmitted by the Dealers to the Issuer or, in the absence of a Terms Agreement or such other written confirmation or communication, the oral agreement with respect to the terms of the Notes and of their offer and sale evidenced by the offer communicated by the Dealers and accepted by the Issuer, in each case together with the provisions of this Agreement, shall constitute an agreement between the Dealers and the Issuer for the sale and purchase of such Notes (whether or not any Terms Agreement or other written confirmation or communication shall have been executed by the Issuer or the Dealers). Each purchase of Notes by the Dealers shall be at a discount from the principal amount of each such Note which shall be agreed upon by the Issuer and the Dealers.

(iii) The Dealers are authorized to engage the services of any other brokers or dealers in connection with the offer or sale of Notes purchased by the Dealers as principal for resale to others and may reallow any portion of the discount received from the Issuer to such brokers or dealers.

(iv) If expressly agreed by the Dealers and the Issuer, the Dealers shall solicit offers to purchase Notes through the Dealers, acting as agent, in accordance with the provisions of this Agreement. In such event, the Dealers shall communicate to the Issuer, orally or in writing, each reasonable offer to purchase Notes received by it as agent; and the Issuer shall have the sole right to accept offers to purchase the Notes and may reject any such offer, in whole or in part. The Dealers shall have the right, in their discretion reasonably exercised, without notice to the Issuer, to reject any offer to purchase Notes received by it as such agent, in whole or in part, and any such rejection shall not be deemed a breach of its agreement contained herein. At the time of delivery of, and payment for, any Notes sold by the Issuer as a result of a solicitation made by, or offer to purchase received by, the Dealers, acting on an agency basis, the Issuer agrees to pay the Dealers a commission which shall be agreed to by the Issuer and the Dealers.

(v) The Dealers shall not have any responsibility for maintaining records with respect to the aggregate principal amount of Notes sold, or otherwise monitoring the availability of Notes for sale.

(vi) No Note which the Issuer has agreed to sell pursuant to this Agreement shall be deemed to have been purchased and paid for, or sold by the Issuer, until such security shall have been delivered to the purchaser thereof against payment by such purchaser.

(c) The Issuer reserves the right, in its sole discretion, prior to the time at which any Dealer has accepted an offer to purchase Notes to suspend solicitation of offers to purchase the Notes commencing at any time for any period of time or permanently. Upon receipt of at least one Business Day's prior notice from the Issuer, the Dealers shall forthwith suspend solicitation of offers to purchase Notes from the Issuer until such time as the Issuer has advised the Dealers that such solicitation may be resumed. For the purpose of the foregoing sentence, "Business Day" shall mean any day that is not a Saturday or Sunday, and that is not a day on which banking institutions in the City of New York, London, England and Reykjavik, Iceland generally are authorized or obligated by law or executive order to close.

(d) The documents required to be delivered pursuant to Section 5 hereof shall be delivered at the office of Morrison & Foerster LLP, 1290 Avenue of the Americas, New York, New York 10104, or at such other place as may be mutually agreed by the Issuer and the Dealers, not later than 9:30 A.M., New York City time, on the Closing Date or at such later time as may be mutually agreed by the Issuer and the Dealers, which in no event shall be later than the time at which the Dealers commence solicitation of purchases of Notes hereunder.

4. Certain Agreements of the Issuer. The Issuer agrees with the Dealers as follows:

(a) So long as any Notes are outstanding, the Issuer shall furnish to (i) the Dealers, upon request, as soon as practicable after the end of each fiscal year, a copy of the Issuer's annual report to stockholders and the English-language translation thereof for such year, if any, and (ii) holders or prospective purchasers of the Notes, upon request, such copies of the Issuer's annual reports and interim reports (together with any English language translations thereof) as may be set forth under "Documents Deemed to be Incorporated by Reference" in the Offering Circular.

(b) The Issuer shall notify the Dealers of any downgrading in the rating of any debt securities of the Issuer or any proposal to downgrade the rating of any debt securities of the Issuer by any "nationally recognized statistical rating organization" (such term being defined herein as defined for purposes of Rule 436(g) under the Securities Act), or any public announcement that any such organization has under surveillance or review its rating of any debt securities of the Issuer (other than an announcement with positive implications of a possible upgrading, and no implication of a possible downgrading of such rating), as soon as the Issuer learns of such downgrading, proposal to downgrade or public announcement.

(c) The Issuer shall furnish to the Dealers copies of the Offering Circular and all amendments thereof and supplements thereto, together with any other documents included in the Disclosure Package, as soon as practicable after becoming available and in such quantities as are reasonably requested.

(d) The Issuer shall arrange, if necessary, for the qualification of the Notes for sale and the determination of their eligibility for investment under the laws of such U.S. jurisdictions as the Dealers may, with the prior approval of the Issuer, designate and shall continue such qualifications in effect so long as required for the distribution; provided that in no event shall the Issuer be obligated to qualify to do business in any jurisdiction where it is not now so qualified or to take any action that would subject it to service of process in suits in any jurisdiction where it is not now so subject; provided, further that if any Notes offered are not rated in one of the top four categories by a nationally recognized statistical rating organization, the Issuer agrees to designate such Notes as PORTAL eligible.

(e) The Issuer shall pay or reimburse the Dealers for all reasonable expenses incident to the performance of its obligations under this Agreement, including (i) for any reasonable expenses (including reasonable fees and disbursements of counsel) incurred by it in connection with qualification of the Notes for sale and determination of their eligibility for investment under the laws of such jurisdictions in accordance with the provisions of Section 4(d), and the printing of memoranda relating thereto, (ii) for any fees charged by investment rating agencies for the rating of the Notes, (iii) for reasonable expenses incurred by the Dealers in distributing the Offering Circular and the Disclosure Package and amendments thereof and supplements thereto, (iv) for reasonable costs incurred by the Dealers in advertising any offering of Notes and (v) for the fees of the Financial Industry Regulatory Authority for making the Notes eligible for trading in PORTAL.

(f) Prior to the termination of the offering of the Notes pursuant to this Agreement, the Issuer will not distribute any amendment or supplement to the Offering Circular or any other document included in the Disclosure Package and will not distribute any Supplemental Offering Document (as hereinafter defined) unless the Issuer has previously furnished to each Dealer a copy thereof for its review and will not distribute any such proposed amendment, supplement or other document to which the Dealers reasonably object. If at any time prior to the completion of the placement of the Notes by the Dealers the Issuer has issued or shall have issued any written communication, which would be deemed an “issuer free writing prospectus” as defined in Rule 433 of the Securities Act Regulations if the placement of the Notes contemplated by this Agreement were conducted as a public offering made pursuant to a registration statement filed with the Securities and Exchange Commission (the “Commission”) under the Securities Act (a “Supplemental Offering Document”), and there occurred or occurs an event or development as a result of which such Supplemental Offering Document conflicted or would conflict with the information contained in the Offering Circular or included or would include an untrue statement of a material fact or omitted or would omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, the Issuer will promptly notify the Dealers and will promptly amend or supplement, at its own expense, such Supplemental Offering Document to eliminate or correct such conflict, untrue statement or omission.

(g) If, at any time prior to the termination of the offering of the Notes pursuant to this Agreement, any event occurs or condition exists as a result of which the Offering Circular or the Disclosure Package as then amended or supplemented would include an untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances when such Offering Circular or the Disclosure Package is delivered to a purchaser, not misleading, or if, in the opinion of a Dealer communicated in writing to the Issuer or in the opinion of the Issuer, it is necessary at any time to amend or supplement the Offering Circular and the Disclosure Package as then amended or supplemented, to comply with applicable law, such Issuer will immediately notify each Dealer by telephone (with confirmation in writing) to suspend solicitation of offers to purchase Notes and, if so notified, each Dealer shall forthwith suspend such solicitation and cease using the Offering Circular and the Disclosure Package as then amended or supplemented. The Issuer will, at its own expense, forthwith prepare an amendment or supplement to the Offering Circular or the Disclosure Package as then amended or supplemented, reasonably satisfactory in all respects to each Dealer, will supply such amended or supplemented

Offering Circular or other documents included in the Disclosure Package to each Dealer in such quantities as such Dealer may reasonably request and shall furnish to such Dealer such documents, certificates, opinions and letters as such Dealer may request in connection with the preparation of opinions and letters that are satisfactory in all respects to each Dealer, after which the Dealers will then resume the solicitation of offers to purchase Notes hereunder.

(h) Between the date of any agreement by a Dealer to purchase Notes as principal and the Settlement Date with respect thereto, the Issuer will not, without such Dealer's prior consent, offer, sell, contract to sell or otherwise dispose of any medium or long-term debt securities of the Issuer in the international or European capital markets, denominated in any currency that is the same as the Notes that have a maturity within three years of the maturity of the Notes (other than (i) the Notes that are to be sold pursuant to such agreement, (ii) Notes previously agreed to be sold by an Issuer and (iii) commercial paper issued in the ordinary course of business), except as may otherwise be provided in such agreement.

(i) None of the Issuer or any affiliate of the Issuer will directly or through any Dealer sell, offer for sale or solicit offers to buy or otherwise negotiate in respect of any security (as defined in the Securities Act) that will be integrated with the sale of the Notes in a manner or take any other action that would require the registration under the Securities Act of the offering of the Notes contemplated hereby.

(j) The Issuer will not solicit any offer to buy or offer or sell Notes by means of any form of general solicitation or general advertising within the meaning of Rule 502(c) of Regulation D, including: (x) any advertisement, article, notice or other communication published in any newspaper, magazine or similar medium or broadcast over television or radio; and (y) any seminar or meeting whose attendees have been invited by any general solicitation or general advertising.

(k) For so long as the Notes are eligible for resale in reliance on Rule 144A under the Securities Act, the Issuer shall use all reasonable efforts to permit the Notes to be designated PORTAL securities in accordance with the rules and regulations adopted by the Financial Industry Regulatory Authority relating to trading in the PORTAL market.

(l) The Issuer, its affiliates and any person acting on any of their behalf will not engage in any directed selling efforts with respect to the Notes; and the Issuer, its affiliates and any person acting on any of their behalf will comply with the offering restrictions requirement of Regulation S. Terms used in this paragraph have the meanings given to them by Regulation S.

(m) The Issuer will not take any action or omit to take any action (such as issuing any press release relating to any Notes without an appropriate legend) which may result in the loss by any of the Dealer of the ability to rely on any stabilization safe harbor provided by the Financial Services Authority under the Financial Services and Markets Act 2000 (the "FSMA").

(n) The Issuer will not, and will not permit any of its affiliates to, resell any Securities that have been acquired by any of them (other than, in the case of an affiliate, in a bona fide offshore transaction in accordance with Regulation S under the Securities Act).

(o) The Issuer will cooperate with the Dealers and use its best efforts to permit the Notes to be eligible for clearance and settlement through The Depository Trust Company.

(p) None of the Issuer, its affiliates, or any person acting on its or their behalf (other than the Dealers) will, directly or indirectly, make offers or sales of any Note, or solicit offers to buy any Note, under circumstances that would require the registration of the Notes under the Act.

5. Conditions of Obligations. The obligations of each of the Dealers under this Agreement at any time to solicit offers to purchase Notes as an agent of the Issuer and to purchase Notes from the Issuer as principal are subject to the accuracy of the representations and warranties of the Issuer herein, to the accuracy, on each such date, of the statements of the officers of the Issuer made pursuant to the provisions hereof, to the performance, on or

prior to each such date, by the Issuer of its obligations hereunder, and to each of the following additional conditions precedent, provided, however, that the relevant Dealers may agree to waive any such conditions precedent.

(a) There shall not have occurred (i) any downgrading in the rating of any debt securities of the Issuer or any proposal to downgrade the rating of any debt securities of the Issuer by any nationally recognized statistical rating organization, or any public announcement that any such organization has under surveillance or review its rating of any debt securities of the Issuer (other than an announcement with positive implications of a possible upgrading, and no implication of a possible downgrading, of such rating); (ii) any suspension or limitation of trading of securities generally on the Iceland Stock Exchange, the New York Stock Exchange, or the American Stock Exchange, nor shall minimum prices have been established on such exchange; (iii) a banking moratorium declared by U.S. federal or Icelandic authorities; (iv) any attack on, outbreak or escalation of hostilities or act of terrorism involving the United States or Iceland; (v) any major disruption of settlements of securities or clearance services in the United States or the European Economic Area; or (vi) any declaration by the United States or Iceland of a national emergency or war or other calamity or crisis or any other change in international financial, political or economic conditions or currency exchange rates or exchange controls the effect of which on financial markets is such as to make it, in the sole judgment of the relevant Dealers, impractical or inadvisable to proceed with the offering or delivery of the Notes as contemplated by the Offering Circular.

(b) At the Closing Date and at the Settlement Date, the Dealers shall have received a certificate, dated such date of delivery, signed by an authorized officer of the Issuer in which such officer, to the best of his or her knowledge, shall state (i) that the representations and warranties of the Issuer in this Agreement are true and correct, that the Issuer has complied with all agreements and satisfied all conditions on its part to be performed or satisfied hereunder at or prior to such date of delivery, as the case may be, and (ii) that subsequent to the date of the most recent Offering Circular, there has been no change, or any development or event involving a prospective change, in the condition (financial or other), business, properties or results of operations of the Issuer or its consolidated subsidiaries which is material and adverse which is not described in an amendment or supplement to the Offering Circular and the Disclosure Package. In the case of each such certificate delivered pursuant to a Terms Agreement, the statements contained in such certificate relating to the Offering Circular shall relate to the Offering Circular as amended, supplemented or updated as of the Time of Acceptance and Settlement Date for such Notes and to the Disclosure Package as of the Time of Acceptance.

(c) At the Closing Date and at the Settlement Date, the Dealers shall have received an opinion, dated the Closing Date or the Settlement Date, as the case may be, of Morrison & Foerster LLP, special U.S. counsel to the Issuer, substantially in the form of Exhibit G-1 or Exhibit G-2 hereto, as applicable.

(d) At the Closing Date and at the Settlement Date, the Dealers shall have received an opinion, dated the Closing Date or the Settlement Date, as the case may be, of LOGOS legal services, Icelandic counsel to the Issuer, substantially in the form of Exhibit H hereto.

(e) At the Closing Date and at the Settlement Date, the Dealers shall have received an opinion dated the Closing Date or such date of delivery, as the case may be, of Allen & Overy LLP, special U.S. counsel to the Dealers, substantially in the form of Exhibit I hereto.

(f) At the Closing Date and at the date of the applicable Pricing Supplement and the Settlement Date, the Issuer shall have requested and caused PricewaterhouseCoopers hf. to furnish to the Dealers, letters, dated respectively as of the Closing Date, the date of the applicable Pricing Supplement and the Settlement Date, in form and substance satisfactory to the Dealers and their counsel.

(g) The Issuer shall have furnished to the Dealers or their counsel such further certificates and documents as the Dealers reasonably request.

6. Additional Covenants of the Issuer. The Issuer agrees that:

(a) Each acceptance by the Issuer of an offer for the purchase of Notes shall be deemed to be an affirmation that its representations and warranties contained in this Agreement are true and correct at the time of such acceptance and at the Closing Date and a covenant that such representations and warranties will be true and correct at the time of delivery to the purchaser of the Notes as though made at and as of each such time, it being understood that such representations and warranties shall relate to the Offering Circular and the Disclosure Package as amended, supplemented or updated at each such time, including but not limited to, the accuracy of the Disclosure Package as of the applicable Initial Sale Time.

(b) Each time that the Offering Circular shall be amended, supplemented or updated (other than by an amendment or supplement that sets forth only the terms of a particular series of the Notes), the Issuer shall, if requested by the Dealers, (i) concurrently with such amendment, supplement or update, if such amendment, supplement or update shall occur at a Marketing Time, or (ii) immediately at the next Marketing Time if such amendment, supplement or update shall not occur at a Marketing Time, furnish the Dealers with a certificate, dated the date of delivery thereof, of an authorized officer of the Issuer in form reasonably satisfactory to the Dealers, to the effect that the statements contained in the respective certificate covering the matters set forth in Section 5(b) hereof which was last furnished to the Dealers pursuant to this Section 6(b) are true and correct at the time of such amendment or supplement, as though made at and as of such time or, in lieu of such certificate, a certificate of the same tenor as the certificate referred to in Section 5(b); provided, however, that any certificate furnished under this Section 6(b) shall relate to the Offering Circular as amended, supplemented or updated at the time of delivery of such certificate and, in the case of the matters set forth in clause (ii) of Section 5(b), to the time of delivery of such certificate, but shall not relate to the Disclosure Package as required in a certificate delivered pursuant to Section 5(b).

(c) At each Representation Time referred to in Section 6(b) (other than by an amendment or supplement that sets forth only the terms of a particular series of Notes), the Issuer shall, if requested by the Dealers, (i) concurrently if such Representation Time shall occur at a Marketing Time, or (ii) immediately at the next Marketing Time if such Representation Date shall not occur at a Marketing Time, furnish the Dealers with written opinions, each dated the date of such Representation Time, of special U.S. counsel to the Issuer and special Icelandic counsel to the Issuer, in form satisfactory to the Dealers, to the effect set forth in Exhibit G-1 and Exhibit H hereof, respectively; provided, however, that to the extent appropriate, such opinions may reconfirm matters set forth in prior opinions delivered at the Closing Date or under this Section 6(c); provided further, however, that any opinions furnished under this Section 6(c) shall relate to the Disclosure Package as amended, supplemented or updated at such Representation Time and shall state that the Notes sold in the relevant Applicable Period (as defined below) (i) in the form of global notes, have been duly authorized and, when completed, executed and authenticated in accordance with the provisions of the Fiscal and Paying Agency Agreement and delivered against payment of the consideration therefor pursuant to this Agreement, will constitute legal, valid and binding obligations of the Issuer subject, as to enforcement of remedies, to applicable bankruptcy, reorganization, insolvency, moratorium, fraudulent conveyance or other similar laws affecting the rights of creditors now or hereafter in effect, and to equitable principles that may limit the right to specific enforcement of remedies, and (ii) conform, along with the Fiscal and Paying Agency Agreement, in all material respects to the descriptions thereof contained in the Disclosure Package (as amended, supplemented or updated at the relevant date or dates for the delivery of such Notes to the purchaser or purchasers thereof) and the statements under the heading "Description of the Notes" and "Special Provisions Relating to Foreign Currency Notes" in the Offering Circular (as amended, supplemented or updated at the relevant date or dates for the delivery of such Notes to the purchaser or purchasers thereof), insofar as such statements purport to summarize certain provisions of the Notes and the Fiscal and Paying Agency Agreement, provide a fair summary of such provisions in all material respects. For the purpose of this Section 6(c), "Applicable Period" shall mean, with respect to any opinion delivered on a Representation Time, the period commencing on the date as of which the most recent prior opinion delivered to all the Dealers with respect to such Series of Notes at the Closing Date or under this Section 6(c) speaks and ending on such Representation Time.

(d) At each Representation Time referred to in Section 6(b) (other than by an amendment or supplement that sets forth only the terms of a particular series of Notes), the Issuer shall, if requested by the Dealers, (i) concurrently if such Representation Time shall occur at a Marketing Time, or (ii) immediately at the next Marketing Time if such Representation Date shall not occur at a Marketing Time, furnish the Dealers with written letters, each dated the date of such Representation Time, of its independent public accountants, in form and substance satisfactory to the Dealers and their counsel, with regard to the amended or supplemental financial information included or incorporated by reference in the Offering Circular as amended or supplemented to the date of such letters.

(e) At each Representation Time referred to in Section 6(b) (other than by an amendment or supplement that sets forth only the terms of a particular series of Notes), the Issuer shall, if requested by the Dealers, (i) concurrently if such Representation Time shall occur at a Marketing Time, or (ii) immediately at the next Marketing Time if such Representation Date shall not occur at a Marketing Time, furnish the Dealers with such further certificates and documents as the Dealers reasonably request.

(f) So long as any of the Notes are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act, the Issuer will, unless it becomes subject to and complies with Section 13 or 15(d) of the Exchange Act or is exempt from reporting pursuant to Rule 12g3-2(b) under the Exchange Act, provide to each holder of such restricted securities and to each prospective purchaser (as designated by such holder) of such restricted securities, upon the request of such holder or prospective purchaser, any information required to be provided by Rule 144A(d)(4) under the Securities Act. This covenant is intended to be for the benefit of the holders, and the prospective purchasers designed by such holders, from time to time of such restricted securities.

7. Indemnification and Contribution.

(a) The Issuer agrees to indemnify and hold harmless each Dealer, its affiliates, the directors, officers and employees of each Dealer and its affiliates and each person, if any, who controls any Dealer within the meaning of either the Securities Act or the Exchange Act against any and all losses, claims, damages or liabilities, joint or several, to which they or any of them may become subject, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of a material fact contained in the preliminary Offering Circular, the Offering Circular, any Supplemental Offering Document, the Disclosure Package or in any amendments thereof or supplements thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, and agree to reimburse each such indemnified party, as incurred, for any legal or other expenses reasonably incurred by it in connection with investigating or defending any such loss, claim, damage, liability or action; provided, however, that such indemnity shall not apply to the extent that any such loss, claim, damage or liability arises out of or is based upon any such untrue statement or alleged untrue statement or omission or alleged omission made therein in reliance upon and in conformity with written information furnished to the Issuer by or on behalf of any Dealer specifically for inclusion therein. This indemnity agreement shall be in addition to any liability that the Issuer might otherwise have.

(b) Each Dealer, severally and not jointly, agrees to indemnify and hold harmless the Issuer and its directors, officers and employees, and each person, if any, who controls the Issuer within the meaning of either the Securities Act or the Exchange Act, to the same extent as the foregoing indemnity from the Issuer to each Dealer, but only with reference to written information relating to such Dealer furnished to the Issuer by or on behalf of such Dealer specifically for inclusion in the documents referred to in the foregoing indemnity. This indemnity agreement shall be in addition to any liability that any Dealer might otherwise have. The Issuer acknowledges that the statements set forth in the fifth paragraph under the heading "Plan of Distribution" in the Offering Circular constitute the only information furnished in writing by or on behalf of the Dealers for inclusion in the preliminary Offering Circular, the Offering Circular, any Supplemental Offering Document, the Disclosure Package or in any amendments or supplements thereto.

(c) Promptly after receipt by an indemnified party under this Section 7 of notice of the commencement of any action, such indemnified party shall, if a claim in respect thereof is to be made against the indemnifying party under this Section 7, notify the indemnifying party in writing of the commencement thereof; but the failure to so notify the indemnifying party (i) shall not relieve it from liability under paragraph (a) or (b) above unless and to the extent it did not otherwise learn of such action and such failure results in the forfeiture by the indemnifying party of substantial rights and defenses and (ii) will not, in any event, relieve the indemnifying party from any obligations to any indemnified party other than the indemnification obligation provided in paragraph (a) or (b) above. The indemnifying party shall be entitled to appoint counsel (including local counsel) of the indemnifying party's choice at the indemnifying party's expense to represent the indemnified party in any action for which indemnification is sought (in which case the indemnifying party shall not thereafter be responsible for the fees and expenses of any separate counsel retained by the indemnified party or parties except as set forth below); provided, however, that such counsel shall be reasonably satisfactory to the indemnified party. Notwithstanding the indemnifying party's election to appoint counsel (including local counsel) to represent the indemnified party in an action, the indemnified party shall have the right to employ separate counsel (including local counsel), and the indemnifying party shall bear the reasonable fees, costs and expenses of such separate counsel, if (i) the use of counsel chosen by the indemnifying party to represent the indemnified party would present such counsel with a conflict of interest, (ii) the actual or potential defendants in, or targets of, any such action include both the indemnified party and the indemnifying party and the indemnified party shall have reasonably concluded that there may be legal defenses available to it and/or other indemnified parties that are different from or additional to those available to the indemnifying party or other indemnified party (it being understood that, in respect of this clause (ii), the indemnifying party shall not be liable for the expenses of more than one separate counsel (in addition to local counsel) in any one action in the same jurisdiction arising out of the same general allegations or circumstances), (iii) the indemnifying party shall not have employed counsel reasonably satisfactory to the indemnified party to represent the indemnified party within a reasonable time after notice of the institution of such action or (iv) the indemnifying party shall authorize the indemnified party to employ separate counsel at the expense of the indemnifying party. An indemnifying party shall not, without the prior written consent of each indemnified party, settle or compromise or consent to the entry of any judgment with respect to any pending or threatened claim, action, suit or proceeding in respect of which indemnification or contribution may be sought hereunder (whether or not the indemnified parties are actual or potential parties to such claim or action) unless such settlement, compromise or consent (i) includes an unconditional release of such indemnified parties from all liability arising out of such claim, action, suit or proceeding and (ii) does not include a statement as to or admission of fault, culpability or failure to act by or on behalf of any indemnified party.

(d) In the event that the indemnity provided in paragraph (a) or (b) of this Section 7 is unavailable to or insufficient to hold harmless an indemnified party for any reason, the Issuer on the one hand, and the Dealers, severally on the other, agree to contribute to the aggregate losses, claims, damages and liabilities (including legal or other expenses reasonably incurred in connection with investigating or defending the same) (collectively "Losses") to which the Issuer or one or more of the Dealers may be subject in such proportion as is appropriate to reflect the relative benefits received by the Issuer, on the one hand, and by the Dealers, on the other, from the offering of the series of Notes which is the subject of the action giving rise to such Losses; provided, however, that in no case shall any Dealer (except as may be provided in any agreement among the Dealers relating to the offering of the Notes) be responsible for any amount in excess of the discount or commission applicable to the series of Notes which is the subject of such action. If the allocation provided by the immediately preceding sentence is unavailable for any reason, the Issuer on the one hand, and the Dealers, severally on the other, shall contribute in such proportion as is appropriate to reflect not only such relative benefits but also the relative fault of the Issuer, on the one hand, and of the Dealers, on the other, in connection with the statements or omissions which resulted in such Losses, as well as any other relevant equitable considerations. Benefits received by the Issuer shall be deemed to be equal to the total net proceeds received by the Issuer from the offering of the series of Notes which are the subject of such action, and benefits received by the Dealers shall be deemed to be equal to the total discounts and commissions received by the Dealers from the offering of the series of Notes which are the subject of such action pursuant to this Agreement. Relative fault shall be determined by reference to, among other things, whether any untrue or any alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information provided by the Issuer, on the one hand, or the Dealers, on the other, and the intent of the parties and their relative knowledge, access to information and opportunity to correct or prevent such untrue statement or omission. The Issuer and the Dealers agree that it would not be just and equitable if contribution were determined by pro rata allocation or any other method of allocation which does not take account of the equitable considerations referred to above. Notwithstanding the provisions of this paragraph (d), no person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. For purposes of this Section 7, each person who controls a Dealer or an affiliate of a Dealer within the meaning of either the Securities Act or the Exchange Act and each director, officer, employee and agent of a Dealer or an affiliate of a Dealer shall have the same rights to contribution as such Dealer, and each person who controls the Issuer within the meaning of either the Securities Act or the Exchange Act and each director, officer and employee of the Issuer shall have the same rights to contribution as the Issuer, subject in each case to the applicable terms and conditions of this paragraph (d).

8. Offering of the Notes; Restrictions on Transfer.

Each Dealer acknowledges that the Notes have not been and will not be registered under the Act and may not be offered or sold within the United State or to, or for the account or benefit of, U.S. persons, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Act.

(a) Each Dealer, severally and not jointly, represents and warrants to and agrees with the Issuer that:

(i) it has not offered or sold, and will not offer or sell, any Notes within the United States or to, or for the account or benefit of, U.S. persons, as part of their distribution at any time or (y) otherwise until 40 days after the later of the commencement of the offering and the date of closing of the offering except:

(A) to those it reasonably believes to be "qualified institutional buyers" (as defined in Rule 144A under the Act) or

(B) in accordance with Rule 903 of Regulation S;

(ii) neither it nor any person acting on its behalf has made or will make offers or sales of the Notes in the United States by means of any form of general solicitation or general advertising (within the meaning of Regulation D) in the United States;

(iii) in connection with each sale pursuant to Section 6(a)(i)(A), it has taken or will take reasonable steps to ensure that the purchaser of such Notes is aware that such sale is being made in reliance on Rule 144A;

(iv) neither it, nor any of its affiliates nor any person acting on its or their behalf has engaged or will engage in any directed selling efforts (within the meaning of Regulation S) with respect to the Notes;

(v) it is an "accredited investor" (as defined in Rule 501(a) of Regulation D);

(vi) without the prior written consent of the Issuer, it has not given and will not give to any prospective purchaser of the Notes any written information other than materials contained in the preliminary Offering Circular, the Offering Circular, the Disclosure Package, any Supplemental Offering Document (including any amendments or supplements thereto) and any information in the form of Annex I to the Dealer Confirmation; *provided* that the prior written consent of the Issuer shall be deemed to have been given in respect of (x) preliminary and final term sheets relating to the offer and sale of the Notes containing customary terms and (y) material relating to the offer and sale of the Notes prepared by the Dealers that does not contain information provided by or on behalf of the Issuer specifically for use in such materials;

(vii) it and they have complied and will comply with the offering restrictions requirement of Regulation S;

(viii) at or prior to the confirmation of sale of Notes, it shall have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Notes from it during the distribution compliance period (within the meaning of Regulation S) a confirmation or notice to substantially the following effect:

> "The Notes covered hereby have not been registered under the U.S. Securities Act of 1933 (the "Act") and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the date of closing of the offering, except in either case in accordance with Regulation S or Rule 144A under the Act. Terms used in this paragraph have the meanings given to them by Regulation S."

(ix) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes, in circumstances in which section 21(1) of the FSMA does not apply to the Company;

(x) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom; and

(xi) in relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "Relevant Member State"), that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "Relevant Implementation Date") it has not made and will not make an offer of Notes which are the subject of the offering contemplated by the Offering Circular as completed by the applicable Pricing Supplement to the public in that Relevant Member State, except that it may, with effect from and including the Relevant Implementation Date, make an offer to the public in that Relevant Member State:

(A) at any time to legal entities which are authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities;

(B) at any time to any legal entity which has two or more of (i) an average of at least 250 employees during the last financial year, (ii) a total balance sheet of more than €43,000,000 and (iii) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts;

(C) at any time to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior written consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(D) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive;

provided, that no such offer of Notes referred to in (A) and (D) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an "offer to the public" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe to any Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression "Prospectus Directive" means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

If contemplated in the applicable Pricing Supplement, each Dealer agrees with the Issuer that such Dealer may offer and sell Notes to prospective purchasers (x) that (1) are institutional investors that such Dealer reasonably believes to be "accredited investors" within the meaning of Rule 501(a) under the Securities Act ("Accredited Investors") that are purchasing for their own accounts or that are banks (as defined in Section 3(a)(2) under the Securities Act) or savings and loan associations or other institutions (as described in Section 3(a)(5)(A) under the Securities Act) that are purchasing as fiduciaries for the accounts of one or more institutional investors (each an "institutional account"), (2) are Accredited Investors other than banks (as so defined) or savings and loan associations or other institutions (as so described) that are purchasing for one or more institutional accounts, each of which is an Accredited Investor and (y) that in purchasing such Notes will be deemed to have made customary representations and warranties.

9. Status of the Dealers. In soliciting offers to purchase the Notes from the Issuer pursuant to this Agreement and in assuming its other obligations hereunder (other than any obligation to purchase Notes as principals pursuant to Section 3 hereof), the Dealers will be acting solely as agents for the Issuer and not as principals. In connection with the placement of any Notes by any Dealer, acting as agent, (a) the Dealers shall make reasonable efforts to assist the Issuer in obtaining performance by each purchaser whose offer to purchase Notes from the Issuer has been solicited by such Dealer and accepted by the Issuer, but the Dealers shall have no liability to the Issuer in the event any such purchase is not consummated for any reason; and (b) if the Issuer shall default on its obligation to deliver Notes to a purchaser whose offer it has accepted, the Issuer shall hold the Dealers harmless against any loss, claim or damage arising from or as a result of such default by the Issuer, and in particular, but without limitation, shall pay to any Dealer any commission to which it would be entitled in connection with such sale. The Issuer acknowledges that the obligations of the Dealers hereunder are several and not joint.

10. Acknowledgment. The Issuer acknowledges and agrees that (a) each purchase and sale of the Notes pursuant to this Agreement, including the determination of the offering price of the Notes and any related discounts and commissions, is an arm's-length commercial transaction between the Issuer, on the one hand, and the Dealers, on the other hand, (b) in connection with any offering contemplated hereby and the process leading to such transaction each Dealer is and has been acting solely as a principal and is not the agent or fiduciary of the Issuer or its respective stockholders, creditors, employees or any other party, (c) no Dealer has assumed or will assume an advisory or fiduciary responsibility in favor of the Issuer with respect to any offering contemplated hereby or the process leading thereto (irrespective of whether such Dealer has advised or is currently advising the Issuer on other matters) and no Dealer has any obligation to the Issuer with respect to any offering contemplated hereby except the obligations expressly set forth in this Agreement, (d) the Dealers and their respective affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Issuer, and (e) the Dealers have not provided any legal, accounting, regulatory or tax advice with respect to any offering contemplated hereby and the Issuer has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate.

11. Survival of Certain Representations and Obligations. The respective indemnities, agreements, representations, warranties and other statements of the Issuer, or its officers and of the Dealers set forth in or made pursuant to this Agreement shall remain in full force and effect, regardless of any termination of this Agreement, or any investigation, or statement as to the results thereof, made by or on behalf of the Dealers, the Issuer, or any of their respective representatives, officers or directors or any controlling person and shall survive delivery of and payment for the Notes.

12. Termination. This Agreement may be terminated for any reason, at any time (prior to the time at which any Dealer has accepted an offer to purchase Notes) by the Issuer upon the giving of 30 days' written notice of such termination to the Dealers. In addition, each Dealer may terminate its participation as Dealer hereunder (prior to the time that such Dealer has accepted an offer to purchase Notes) upon the giving of 30 days' written notice of such termination to the other parties hereto. In the event of any such termination, no party will have any liability to any other party hereto, except that (i) each Dealer shall be entitled to any commissions earned in accordance with Section 3(b)(iv) hereof, (ii) if at the time of termination (A) a Dealer shall own any of the Notes with the intention of reselling them or (B) an offer to purchase any of the Notes has been accepted by the Issuer but the time of delivery to the purchaser or his agent of the Notes relating thereto has not occurred, the covenants set forth in Sections 4 and 6 hereof shall remain in effect until such Notes are so resold and delivered, as the case may be, and (iii) the provisions of Section 4(e) hereof, the indemnity and contribution agreement set forth in Section 7 hereof, and the provisions of Sections 10, 14, 17 and 18, hereof shall remain in effect.

13. Notices. Except as otherwise provided herein, all notices and other communications hereunder shall be in writing and shall be deemed to have been duly given if mailed or transmitted by any standard form of telecommunication. Notices to the Issuer shall be directed to it at Kirkjusandur 2, 155 Reykjavik, Iceland, Attention: International Funding (Facsimile No.: +354 440 4660); and notices to the Dealers shall be directed to them at J.P. Morgan Securities Inc., 270 Park Avenue, New York, NY 10017, Attention: High Grade Syndicate Desk (Facsimile No.: 212-834-6081); or in the case of any party hereto, to such other address or person as such party shall specify to the other party by a notice given in accordance with the provisions of this Section 13. Any such notice shall take effect at the time of receipt.

14. Benefit of Agreement. This Agreement shall be binding upon, and inure solely to the benefit of, the Dealers, the Issuer, and, to the extent provided in Section 7 hereof, the officers and directors of the Issuer and the Dealers and each person who controls the Issuer, or any of the Dealers, and their respective heirs, executors, administrators, successors and assigns, and no other person shall acquire or have any right under or by virtue of this Agreement. No purchaser of any of the Notes from any of the Dealers shall be deemed a successor or assign by reason merely of such purchase.

15. Waivers. Neither any failure nor delay on the part of any party to exercise any right, remedy, power or privilege under this Agreement (singly and collectively referred to as a "Right") shall operate as a waiver of such Right, nor shall any single or partial exercise of any Right preclude any other or further exercise of any Right, nor shall any waiver of any Right with respect to any occurrence be construed as a waiver of any Right with respect to any other occurrence.

16. Counterparts. This Agreement and any Terms Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all such counterparts shall together constitute one and the same instrument.

17. Applicable Law. This Agreement and any Terms Agreement is governed by, and shall be construed in accordance with, the internal laws of the State of New York.

18. Consent to Jurisdiction Appointment of Dealer to Accept Service of Process.

(a) The Issuer irrevocably consents and agrees, for the benefit of the holders from time to time of the Notes and the Dealers, that any legal action, suit or proceeding against it with respect to its obligations, liabilities or any other matter arising out of or in connection with this Agreement or the Fiscal and Paying Agency Agreement may be brought in the courts of the State of New York for the Southern District or the courts of the United States of America located in The City of New York. EACH DEALER AND THE ISSUER WAIVES ITS RIGHT TO TRIAL BY JURY IN ANY SUIT, ACTION OR PROCEEDING WITH RESPECT TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

(b) The Issuer has designated and appointed CT Corporation System at 111 Eighth Avenue, 13th Floor, New York, NY 10011, in the Borough of Manhattan, City and State of New York, and CT Corporation System has accepted such appointment, as its authorized agent upon which process may be served in any suit or proceeding arising out of or relating to this Agreement or the transactions contemplated hereby which may be instituted in any federal or state court located in the Borough of Manhattan, City and State of New York, but for that purpose only, and agrees that service of process upon said CT Corporation System shall be deemed in every respect effective service of process upon it in any such suit or proceeding in any federal or state court in the Borough of Manhattan, City and State of New York. The Issuer further agrees to take any and all action, including the execution and filing of any and all such documents and instruments, as may be necessary to continue such designation and appointment of said CT Corporation System or its successor in full force and effect so long as any of the Notes shall be outstanding.

(c) The Issuer hereby irrevocably and unconditionally waives, to the fullest extent permitted by law, any objection that it may now or hereafter have to the laying of venue of any of the aforesaid actions, suits or proceedings arising out of or in connection with this Agreement brought in the United States Federal courts located in the City of New York or the courts of the State of New York and hereby further irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

19. Currency Indemnity. The Issuer agrees to indemnify each Dealer against any loss incurred by such Dealer as a result of any judgment or order being given or made for any amount due hereunder and such judgment or order being expressed and paid in a currency (the "Judgment Currency") other than United States dollars and as a result of any variation as between (i) the rate of exchange at which the United States dollar amount is converted into Judgment Currency for the purpose of such judgment or order, and (ii) the rate of exchange at which such Dealer is able to purchase United States dollars with the amount of the Judgment Currency actually received by such Dealer. The foregoing indemnity shall constitute a separate and independent obligation of the

Issuer and shall continue in full force and effect notwithstanding any such judgment or order as aforesaid. The term "rate of exchange" shall include any premiums and costs of exchange payable in connection with the purchase of, or conversion into, the relevant currency.

20. Foreign Taxes. All payments made by the Issuer under this Agreement, if any, will be made free and clear of any withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of the relevant jurisdiction of incorporation and, if different, the tax residence of the Issuer or any political subdivision or any taxing authority thereof or therein.

21. Amendments. This Agreement may be amended or supplemented if, but only if, such amendment or supplement is in writing and is signed by the Issuer and the Dealers.

22. Waiver of Immunity. To the extent that the Issuer has or hereafter may acquire any immunity (sovereign or otherwise) from any legal action, suit or proceeding, from the jurisdiction of any court or from set-off or any legal process (whether service or notice, attachment in aid or otherwise) with respect to itself or any of its property, the Issuer hereby irrevocably waives and agrees not to plead or claim such immunity in respect of its obligations under this Agreement.

[Remainder of Page Intentionally Left Blank]

If the foregoing correctly sets forth our agreement, please indicate your acceptance hereof in the space provided for that purpose below.

Very truly yours,

GLITNIR BANKI HF.

By:____
Name:
Title:

CONFIRMED AND ACCEPTED, as of the
date first above written:

J.P. MORGAN SECURITIES INC.

By:___________________________________
Name:
Title:

BANC OF AMERICA SECURITIES LLC

By:___________________________________
Name:
Title:

BARCLAYS CAPITAL INC.

By:___________________________________
Name:
Title:

CITIGROUP GLOBAL MARKETS INC.

By:___________________________________
Name:
Title:

CREDIT SUISSE SECURITIES (USA) LLC

By:___________________________________
Name:
Title:

DEUTSCHE BANK SECURITIES INC.

By:____________________________________
Name:
Title:

By:____________________________________
Name:
Title:

GREENWICH CAPITAL MARKETS, INC.

By:____________________________________
Name:
Title:

HSBC SECURITIES (USA) INC.

By:____________________________________
Name:
Title:

LEHMAN BROTHERS INC.

By:____________________________________
Name:
Title:

MERRILL LYNCH, PIERCE, FENNER & SMITH
INCORPORATED

By:____________________________________
Name:
Title:

MORGAN STANLEY & CO. INCORPORATED

By:___________________________________
Name:
Title:

UBS SECURITIES LLC

By:___________________________________
Name:
Title:

By:___________________________________
Name:
Title:

WACHOVIA CAPITAL MARKETS, LLC

By:___________________________________
Name:
Title:

ANNEX A

PRINCIPAL SUBSIDIARIES

Bolig- og Næringsbanken ASA
Bolig- og Næringsbanken Invest AS
Bolig- og Næringskreditt ASA
Glitnir AB
Glitnir Bank ASA
Glitnir Capital Investment ehf.
Glitnir eignarhaldsfélag ehf.
Glitnir Factoring ASA
Glitnir Kapitalforvaltning AS
Glitnir Luxembourg SA
Glitnir Norway AS
Glitnir Real Estate Fund I slhf.
Glitnir Securities ASA
Glitnir sjóðir hf.
Kreditkort hf.
Kreditkort hf.
Steinvirki ehf.
Union Group AS

EXHIBIT A

[FORM OF OTHER DEALER ACCESSION LETTER]

[Date]

Glitnir banki hf.
Kirkjusandur 2
155 Reykjavik
Iceland

Re: Glitnir banki hf. US$10,000,000,000 Medium-Term Note Program (the "Program")

Ladies and Gentlemen:

We refer to the Amended and Restated Distribution Agreement dated as of April 23, 2008 (which agreement is herein referred to as the "Distribution Agreement'), entered into in respect of the Program.

In accordance with Section 3(a)(ii) of the Distribution Agreement, we hereby agree that, with effect from the date hereof solely in respect of the issue of [[ ] Notes due [ ]] (the "Issue"), we shall be bound by and subject to the terms and conditions of the Distribution Agreement binding on the Dealers.

We acknowledge that such appointment is limited to the Issue and is not for any other issue of Notes of the Issuer pursuant to the Distribution Agreement and that such obligations will terminate upon issue of the Notes comprising the Issue but without prejudice to any rights, duties or obligations which have arisen prior to such termination.

This letter is governed by, and shall be construed in accordance with, the internal laws of the State of New York.

Very truly yours,

[Other Dealer]

By: ___________________________________
Name:
Title:

CONFIRMED AND ACCEPTED,
as of the date first above written:

GLITNIR BANKI HF.

By:_________________________________
Name:
Title:

EXHIBIT B

[FORM OF DEALER ACCESSION CONFIRMATION - TERM]

[Date]

[New Dealer] [Address]

Re: Glitnir banki hf. US$10,000,000,000 Medium-Term Note Program (the "Program")

Ladies and Gentlemen:

We refer to the Amended and Restated Distribution Agreement dated as of April 23, 2008 (which agreement is herein referred to as the "Distribution Agreement"), entered into in respect of the Program and hereby acknowledge receipt of your Dealer Accession Letter to us dated [ ].

In accordance with Section 3(a)(iii) of the Distribution Agreement, we hereby confirm that, with effect from the date hereof, you shall become a party to, and a Dealer under, the Distribution Agreement, vested with all the authority, rights and powers and subject to all the duties and obligations of a Dealer as if originally named as such under the Distribution Agreement.

This confirmation is governed by, and shall be construed in accordance with, the internal laws of the State of New York.

Very truly yours,

GLITNIR BANKI HF.

By:______________________________
Name:
Title:

EXHIBIT C

[FORM OF DEALER ACCESSION CONFIRMATION - SERIES]

[Date]

[New Dealer] [Address]

Re: Glitnir banki hf. US$10,000,000,000 Medium-Term Note Program (the "Program")

Ladies and Gentlemen:

We refer to the Amended and Restated Distribution Agreement dated as of April 23, 2008 (which agreement is herein referred to as the "Distribution Agreement"), entered into in respect of the Program and hereby acknowledge receipt of your Dealer Accession Letter to us dated [ ].

In accordance with Section 3(a)(iii) of the Distribution Agreement, we hereby confirm that, with effect from the date hereof solely in respect of the issue of [[ ] Notes due [ ]] (the "Issue"), you shall become a party to, and a Dealer under the Distribution Agreement, vested with all the authority, rights and powers and subject to all the duties and obligations of a Dealer in relation to the Issue as if originally named as such under the Distribution Agreement.

Such appointment is limited to the Issue and is not for any other issue of Notes of the Issuer pursuant to the Distribution Agreement, and such appointment will terminate upon issue of the Notes comprising the Issue but without prejudice to any rights, duties or obligations which have arisen prior to such termination.

This confirmation is governed by, and shall be construed in accordance with, the internal laws of the State of New York.

Very truly yours,

GLITNIR BANKI HF.

By:________________________________
Name:
Title:

EXHIBIT D

[FORM OF DEALER ACCESSION LETTER - TERM]

[Date]

Glitnir banki hf.
Kirkjusandur 2
155 Reykjavik
Iceland

Re: Glitnir banki hf. US$10,000,000,000 Medium-Term Note Program (the "Program")

Ladies and Gentlemen:

We refer to the Amended and Restated Distribution Agreement dated as of April 23, 2008 (which agreement is herein referred to as the "Distribution Agreement"), entered into in respect of the Program and made between Glitnir banki hf. (the "Issuer") and the Dealers party thereto.

We confirm that we are in receipt of the documents referenced below (except to the extent we have waived delivery of such documents):

- A copy of the Distribution Agreement;
- A copy of all documents referred to in Section 5 of the Distribution Agreement; and
- A letter in a form approved by ourselves from each of the legal advisers referred to in Section 5 of the Distribution Agreement addressed to ourselves and giving us the full benefit of the existing legal opinions as of the date of such existing legal opinions, and have found them to our satisfaction.

For the purposes of Section 13 of the Distribution Agreement, our notice details are as follows: (insert name, address, telephone, facsimile and attention).

In consideration of the Issuer's appointing us as a Dealer under the Distribution Agreement, we hereby undertake, for the benefit of the Issuer and each of the other Dealers, that we will perform and comply with all the duties and obligations expressed to be assumed by a Dealer under or pursuant to the Distribution Agreement. We also undertake to deliver to The Depository Trust Company of New York such pricing letters as it may reasonably require from us in connection with the offer and sale of the Notes.

This letter is governed by, and shall be construed in accordance with, the internal laws of the State of New York.

Very truly yours,

[Name of New Dealer]

By:_________________________________
Name:
Title:

EXHIBIT E

[FORM OF DEALER ACCESSION LETTER - SERIES]

[Date]

Glitnir banki hf.
Kirkjusandur 2
155 Reykjavik
Iceland

Re: Glitnir banki hf. US$10,000,000,000 Medium-Term Note Program (the "Program")

Ladies and Gentlemen:

We refer to the Amended and Restated Distribution Agreement dated as of April 23, 2008 (which agreement is herein referred to as the "Distribution Agreement"), entered into in respect of the Program and made between Glitnir banki hf. (the "Issuer") and the Dealers party thereto.

We confirm that we are in receipt of the documents referenced below (except to the extent we have waived delivery of such documents):

- A copy of the Distribution Agreement; and

- A copy of all documents referred to in Section 5 of the Distribution Agreement, and has found them to our satisfaction.

For the purposes of Section 13 of the Distribution Agreement, our notice details are as follows: (insert name, address, telephone, facsimile and attention).

In consideration of the Issuer appointing us as a Dealer solely in respect of the issue of [[ ] Notes due [ ]] (the "Issue") under the Distribution Agreement, we hereby undertake, for the benefit of the Issuer and each of the other Dealers, that in relation to the Issue we will perform and comply with all the duties and obligations expressed to be assumed by a Dealer under or pursuant to the Distribution Agreement.

We acknowledge that such appointment is limited to the Issue and is not for any other issue of Notes of the Issuer pursuant to the Distribution Agreement and that such appointment will terminate upon issue of the Notes comprising the Issue but without prejudice to any rights, duties or obligations which have arisen prior to such termination.

This letter is governed by, and shall be construed in accordance with, the internal laws of the State of New York.

Very truly yours,

[Name of New Dealer]

By:________________________________
Name:
Title:

EXHIBIT F

[FORM OF TERMS AGREEMENT]

______ __, 20_

Glitnir banki hf.
Kirkjusandur 2
155 Reykjavik
Iceland

Attention:

Re: US$[ ] [ ]% [ ] Notes, due [ ] (the “Notes”) issued under the Glitnir banki hf. US$10,000,000,000 Medium-Term Note Program (the “Program”)

Ladies and Gentlemen:

We offer to purchase, subject to the terms and conditions of the Amended and Restated Distribution Agreement dated as of April 23, 2008, entered into in respect of the Program (the “Distribution Agreement”), the Notes on the terms set out in the Pricing Supplement in connection with such Notes attached as Annex I hereto (the “Pricing Supplement”). The amount of Notes to be purchased by each Initial Purchaser (as defined below) is set out in Schedule 1 attached hereto. The terms set out in the Pricing Supplement include the following:

Title:

Stated Maturity:

Authorized Denominations:

Principal Amount:

Offering Price: [__%, subject to change by the undersigned – The Dealer[s] propose[s] to reoffer the above Notes from time to time at market prices prevailing at the time of sale, at prices related to such prevailing market prices or at negotiated prices.]

Purchase Price (to be paid in [New York Clearing House (next day) - immediately available] funds): % [, plus accrued interest, if any, from the Trade Date to the Settlement Date]

Underwriting Discount (%):

Redemption Date(s):
Redemption Price(s)(%):
Notice Period:

Repayment (option of the Holder), if any:

Redemption Date(s):
Redemption Price(s)(%):
Notice Period:

Interest Rate:

Trade Date:

Initial Sale Time:

Settlement Date (Original Issue Date):

Disclosure Package: For purposes of the Distribution Agreement, the Disclosure Package shall consist of: [ ]

* * * * *

Our agreement to purchase the Notes hereunder is subject to the conditions set forth in the Distribution Agreement, including the conditions set forth in paragraphs (a), (b), (c), (d), (e) and (f) of Section 5 thereof [, and *[specify additional conditions, if any]]*. If for any reason the purchase by the undersigned of the Notes is not consummated other than because of a default by the undersigned or a failure to satisfy a condition set forth in clause (iii), (iv) and (v) of Section 5(a) of the Distribution Agreement, the Issuer shall reimburse the undersigned for all out-of-pocket expenses reasonably incurred by the undersigned in connection with the offering of the Notes and not otherwise required to be reimbursed pursuant to Section 4(e) of the Distribution Agreement.

If any one or more of the undersigned purchasers (each, an "Initial Purchaser") shall fail to purchase and pay for any of the Notes agreed to be purchased by such Initial Purchaser hereunder and such failure to purchase shall constitute a default in the performance of its or their obligations under this Agreement or the Distribution Agreement, the remaining Initial Purchasers shall be obligated severally to take up and pay for (in the respective proportions which the principal amount of Notes set forth opposite their names under clause [37][38] of the Pricing Supplement bears to the aggregate principal amount of Notes set forth opposite the names of all the remaining Initial Purchasers) the Notes which the defaulting Initial Purchaser or Initial Purchasers agreed but failed to purchase; provided, however, that in the event that the aggregate principal amount of Notes which the defaulting Initial Purchaser or Initial Purchasers agreed but failed to purchase shall exceed 10% of the aggregate principal amount of Notes, the remaining Initial Purchasers shall have the right to purchase all, but shall not be under any obligation to purchase any, of the Notes, and if such nondefaulting Initial Purchasers do not purchase all the Notes, this Agreement will terminate without liability to any nondefaulting Initial Purchaser or the Issuer. In the event of a default by any Initial Purchaser as set forth in this paragraph, the Settlement Date shall be postponed for such period, not exceeding five Business Days, as the nondefaulting Initial Purchasers shall determine in order that the required changes in the Pricing Supplement or in any other documents or arrangements may be effected. Nothing contained in this Agreement or the Distribution Agreement shall relieve any defaulting Initial Purchaser of its liability, if any, to the Issuer or any nondefaulting Initial Purchaser for damages occasioned by its default hereunder.

All defined terms used herein shall have the meanings given to them in the Offering Circular dated April 23, 2008, as amended, supplemented or updated from time to time, relating to the Program.

This agreement is governed by, and shall be construed in accordance with, the internal laws of the State of New York.

[Insert any additional agreements, conditions, etc.]

If the foregoing correctly sets forth our agreement, please indicate your acceptance hereof in the space provided for that purpose below.

Very truly yours,

GLITNIR BANKI HF.

By:_________________________________
Name:
Title:

Accepted and agreed to
as of the date set forth above.

[_______________________________]

By:_________________________________
Name:
Title:

SCHEDULE 1

Name	**Principal Amount of Notes to be Purchased**
[ ]	US$[ ]
[ ]	US$[ ]
Total	**US$[ ]**

ANNEX I

[PRICING SUPPLEMENT]

EXHIBIT G-1

[OPINION OF MORRISON & FOERSTER LLP FOR PROGRAM]

1. The forms of the Notes and the Fiscal and Paying Agency Agreement conform in all material respects to the descriptions thereof contained in the Offering Circular and the statements under the heading "Description of the Notes" and "Special Provisions Relating to Foreign Currency Notes" in the Offering Circular, insofar as such statements purport to summarize certain provisions of the Notes and the Fiscal and Paying Agency Agreement, provide a fair summary of such provisions in all material respects.

2. The statements in the Offering Circular under the heading "United States Federal Income Taxation" in so far as such statements constitute summaries of law or legal conclusions, are accurate in all material respects.

3. The Notes, in the form of global notes, will have been duly authorized and, when completed, executed and authenticated in accordance with the provisions of the Fiscal and Paying Agency Agreement and delivered against payment of the consideration therefor pursuant to the Distribution Agreement, will constitute legal, valid and binding obligations of the Issuer (other than those provisions which are expressed to be governed by Icelandic law) enforceable against the Issuer in accordance with their terms subject, as to enforcement of remedies, to applicable bankruptcy, reorganization, insolvency, moratorium, fraudulent conveyance or other similar laws affecting the rights of creditors now or hereafter in effect, and to equitable principles that may limit the right to specific enforcement of remedies.

4. Each of the Distribution Agreement, the Fiscal and Paying Agency Agreement (other than those provisions which are expressed to be governed by Icelandic law) and the Calculation Agency Agreement constitutes a legal, valid and binding agreement enforceable against the Issuer in accordance with their respective terms, subject, as to enforcement of remedies, to applicable bankruptcy, reorganization, insolvency, moratorium, fraudulent conveyance or other similar laws affecting the rights of creditors now or hereafter in effect, and to equitable principles that may limit the right to specific enforcement of remedies.

5. No authorization, approval or consent of any court or governmental authority or agency of the United States or the State of New York is required in connection with the transactions and the performance by the Issuer of its obligations, if any, under the Notes or contemplated by the Fiscal and Paying Agency Agreement and the Distribution Agreement, except such as may be required by the securities or blue sky laws of the various states in connection with the offer and sale of the Notes.

6. Assuming the accuracy of, and compliance with, the representations, warranties and covenants of the Issuer and the Dealers in the Distribution Agreement with respect to factual matters, it is not necessary in connection with the offer, sale and delivery of the Notes, or the initial resale thereof, in the manner contemplated by the Offering Circular, the Fiscal and Paying Agency Agreement and the Distribution Agreement to register the Notes under the Securities Act of 1933, as amended, or to qualify an indenture under the Trust Indenture Act of 1939, as amended, provided, however, that we express no opinion as to any subsequent resale of the Notes.

7. The Issuer has validly submitted to the non-exclusive jurisdiction of the state and U.S. federal courts located in the City of New York and County of New York and has validly appointed CT Corporation System as its authorized agent for service of process pursuant to the Distribution Agreement, the Fiscal and Paying Agency Agreement, the Calculation Agency Agreement and the Notes for the purposes set forth therein; and service of process in the manner set forth in the Distribution Agreement, the Fiscal and Paying Agency Agreement and the forms of the Notes is effective to confer valid personal jurisdiction over the Issuer for such purposes.

8. Neither the execution and delivery by the Issuer of the Fiscal and Paying Agency Agreement or the Distribution Agreement, the issuance and sale of the Notes, nor the consummation of the transactions contemplated by the Distribution Agreement and the Fiscal and Paying Agency Agreement, will conflict with or result in a breach or violation of, or imposition of any lien, charge or encumbrance upon any property or asset of the

Issuer or any of its Subsidiaries pursuant to any provision of any applicable United States Federal law or the law of the State of New York, except that we do not express any opinion with respect to state securities or blue sky laws.

9. The Issuer is not an "investment company" or a company "controlled" by an "investment company" within the meaning of the United States Investment Company Act of 1940, as amended, and the rules and regulations thereunder, without taking into account of any exemption arising out of the number of holders of the Issuer's securities.

10. To our knowledge, there is no pending or threatened action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Issuer or any of its Subsidiaries that is not adequately disclosed in the Offering Circular, except in each case for such proceedings that, if the subject of an unfavorable decision, ruling or finding would not singly or in the aggregate, have a Material Adverse Effect.

In addition, we have participated in conferences with your representatives and with representatives of the Issuer, its counsel and its accountants concerning the Offering Circular, and have considered the matters and statements contained therein, although we have not independently verified the accuracy, completeness or fairness of such statements (other than as stated in paragraphs 1 and 2 above). Based upon and subject to the foregoing, nothing has come to our attention that leads us to believe that the Offering Circular, as of the date hereof, contained or contains an untrue statement of a material fact or omitted or omits to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading (in each case other than the financial statements and other financial information contained therein, as to which such counsel need express no opinion).

EXHIBIT G-2

[OPINION OF MORRISON & FOERSTER LLP FOR TAKEDOWN]

1. The Notes and the Fiscal and Paying Agency Agreement conform in all material respects to the descriptions thereof contained in the Offering Circular and the Disclosure Package and the statements under the heading "Description of the Notes" and "Special Provisions Relating to Foreign Currency Notes" in the Offering Circular and the Disclosure Package, insofar as such statements purport to summarize certain provisions of the Notes and the Fiscal and Paying Agency Agreement, provide a fair summary of such provisions in all material respects.

2. The statements in the Offering Circular and the Disclosure Package under the heading "United States Federal Income Taxation" in so far as such statements constitute summaries of law or legal conclusions, are accurate in all material respects.

3. The Notes, in the form of global notes, have been duly authorized and, when completed, executed and authenticated in accordance with the provisions of the Fiscal and Paying Agency Agreement and delivered against payment of the consideration therefor pursuant to the Distribution Agreement, will constitute legal, valid and binding obligations of the Issuer (other than those provisions which are expressed to be governed by Icelandic law) enforceable against the Issuer in accordance with their terms subject, as to enforcement of remedies, to applicable bankruptcy, reorganization, insolvency, moratorium, fraudulent conveyance or other similar laws affecting the rights of creditors now or hereafter in effect, and to equitable principles that may limit the right to specific enforcement of remedies.

4. Each of the Distribution Agreement and the Fiscal and Paying Agency Agreement (other than those provisions which are expressed to be governed by Icelandic law) constitutes a legal, valid and binding agreement enforceable against the Issuer in accordance with their respective terms, subject, as to enforcement of remedies, to applicable bankruptcy, reorganization, insolvency, moratorium, fraudulent conveyance or other similar laws affecting the rights of creditors now or hereafter in effect, and to equitable principles that may limit the right to specific enforcement of remedies.

5. No authorization, approval or consent of any court or governmental authority or agency of the United States or the State of New York is required in connection with the transactions and the performance by the Issuer of its obligations, if any, under the Notes or contemplated by the Fiscal and Paying Agency Agreement or the Distribution Agreement, except such as may be required by the securities or blue sky laws of the various states in connection with the offer and sale of the Notes.

6. Assuming the accuracy of, and compliance with, the representations, warranties and covenants of the Issuer and the Dealers in the Distribution Agreement with respect to factual matters it is not necessary in connection with the offer, sale and delivery of the Notes, or the initial resale thereof, in the manner contemplated by the Offering Circular, the Disclosure Package, the Pricing Supplement, the Fiscal and Paying Agency Agreement and the Distribution Agreement to register the Notes under the Securities Act of 1933, as amended, or to qualify an indenture under the Trust Indenture Act of 1939, as amended, provided, however, that we express no opinion as to any subsequent resale of the Notes.

7. The Issuer has validly submitted to the non-exclusive jurisdiction of the state and U.S. federal courts located in The City of New York and County of New York and has validly appointed CT Corporation System as its authorized agent for service of process pursuant to the Distribution Agreement, the Fiscal and Paying Agency Agreement and the forms of the Notes for the purposes set forth therein; and service of process in the manner set forth in the Distribution Agreement, the Fiscal and Paying Agency Agreement and the forms of the Notes is effective to confer valid personal jurisdiction over the Issuer for such purposes.

8. Registration or other action on the part of the Issuer under the Investment Company Act of 1940, as amended, is not required for, and will not be required as a consequence of, the issuance, offering and sale of the

Notes pursuant to the Distribution Agreement and in the manner contemplated in the Offering Circular, the Disclosure Package, the Pricing Supplement and the Fiscal and Paying Agency Agreement.

9. Neither the execution and delivery by the Issuer of the Fiscal and Paying Agency Agreement or the Distribution Agreement, the issuance and sale of the Notes, nor the consummation of the transactions contemplated by the Distribution Agreement and the Fiscal and Paying Agency Agreement, will conflict with or result in a breach or violation of, or imposition of any lien, charge or encumbrance upon any property or asset of the Issuer or any of its Subsidiaries pursuant to any provision of any applicable United States Federal law or the law of the State of New York, except that we do not express any opinion with respect to state securities or blue sky laws.

10. The Issuer is not an "investment company" or a company "controlled" by an "investment company" within the meaning of the United States Investment Company Act of 1940, as amended, and the rules and regulations thereunder, without taking into account of any exemption arising out of the number of holders of the Issuer's securities.

11. To our knowledge, there is no pending or threatened action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Issuer or any of its Subsidiaries that is not adequately disclosed in the Offering Circular and the Disclosure Package, except in each case for such proceedings that, if the subject of an unfavorable decision, ruling or finding would not singly or in the aggregate, have a Material Adverse Effect.

In addition, we have participated in conferences with your representatives and with representatives of the Issuer, its counsel and its accountants concerning the Offering Circular, the Disclosure Package and the Pricing Supplement, and have considered the matters and statements contained therein, although we have not independently verified the accuracy, completeness or fairness of such statements (other than as stated in paragraphs 1 and 2 above). Based upon and subject to the foregoing, nothing has come to our attention that leads us to believe that the Offering Circular, as of its date or the date hereof, the Disclosure Package, as of the Applicable Time, and the Pricing Supplement, as of its date and the date of this opinion, contained or contain an untrue statement of a material fact or omitted or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading (in each case other than the financial statements and other financial information contained therein, as to which such counsel need express no opinion).

EXHIBIT H

[OPINION OF ICELANDIC COUNSEL]

1. The Issuer has been duly incorporated and is validly existing as a corporation under the laws of Iceland, with full corporate power and authority to own or lease, as the case may be, and to operate its properties and conduct its business as described in the Offering Circular and the Disclosure Package at the Applicable Time and as of the date hereof, and is duly qualified to do business as an Icelandic corporation and the Issuer is duly registered as a commercial bank under Icelandic Act No. 161/2002 on Financial Undertakings;

2. All the outstanding shares of capital stock of the Issuer have been duly authorized and validly issued and are fully paid and nonassessable, and, except as otherwise set forth in the Offering Circular and the Disclosure Package at the Applicable Time and as of the date hereof, all outstanding shares of capital stock of the Icelandic Subsidiaries are owned by the Issuer either directly or through wholly owned subsidiaries free and clear of any perfected security interest and, to the knowledge of such counsel, after due inquiry of the presented documentation, any other security interest, claim, lien or encumbrance;

3. The form of the Notes is in a form contemplated by the Fiscal and Paying Agency Agreement, and, when duly approved and authorized and executed by the Issuer and duly executed and authenticated by the Fiscal and Paying Agent or its agent in accordance with the Fiscal and Paying Agency Agreement and delivered against payment pursuant to the Distribution Agreement, will be the legal, valid and binding obligations of the Issuer, enforceable against the Issuer in accordance with the terms thereof and entitled to the benefits of the Fiscal and Paying Agency Agreement, except as may be limited by winding-up, bankruptcy, insolvency, reorganization, moratorium or other similar laws relating to or affecting the rights of creditors generally and except as the enforceability of the Notes is subject to the following, without limitation, (a) the possible unavailability of specific performance, injunctive relief or any other equitable remedy, and (b) concepts of materiality, reasonableness, good faith and fair dealing.

4. The (a) form of the Notes and (b) the Fiscal and Paying Agency Agreement conform to the descriptions thereof contained in the Offering Circular and the Disclosure Package, at the Applicable time and as of the date hereof, and the statements set forth under the heading “Description of the Notes” and “Special Provisions Relating to Foreign Currency Notes” in the Offering Circular and the Disclosure Package, at the Applicable Time and as of then date hereof, insofar as such statements purport to summarize certain provisions of the Notes and the Fiscal and Paying Agency Agreement, provide a fair summary of such provisions.

5. Each of the Fiscal and Paying Agency Agreement, the Distribution Agreement and the Calculation Agency Agreement has been duly authorized, executed and delivered, and constitutes a legal, valid and binding instrument enforceable against the Issuer in accordance with its terms (subject, as to the enforcement of remedies, to applicable winding-up, bankruptcy, reorganization, insolvency, moratorium or other laws affecting creditors’ rights generally from time to time in effect); the Notes issued on the date hereof have been duly authorized and, when executed and authenticated in accordance with the provisions of the Fiscal and Paying Agency Agreement and delivered to and paid for by the Dealers under the Distribution Agreement, will constitute legal, valid, binding and enforceable obligations of the Issuer entitled to the benefits of the Fiscal and Paying Agency Agreement (subject, as to the enforcement of remedies, to applicable winding-up, bankruptcy, reorganization, insolvency, moratorium or other laws affecting creditors’ rights generally from time to time in effect);

6. The Issuer’s payment obligations on the senior Notes are its senior unsecured obligations ranking in right of payment as described in the Offering Circular and the Disclosure Package at the Applicable Time and as of the date hereof; the Issuer’s payment obligations on the subordinated Notes are its subordinated unsecured obligations ranking in right of payment as described in the Offering Circular and the Disclosure Package at the Applicable Time and as of the date hereof;

7. We are not aware of any pending or threatened action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Issuer or any of its subsidiaries or its or their property that is not adequately disclosed in the Offering Circular and the Disclosure Package, at the Applicable

Time and as of the date hereof, except in each case for such proceedings that, if the subject of an unfavorable decision, ruling or finding would not singly or in the aggregate, have a Material Adverse Effect;

8. We have no reason to believe that the Offering Circular as of its date and as of the date hereof, the Disclosure Package at the Applicable Time and the Pricing Supplement as of its date and the date hereof contained or contains any untrue statement of a material fact or omitted or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading (in each case, other than the financial statements and other financial information contained therein, as to which such counsel need express no opinion);

9. All authorizations, approvals, consents, licenses, exemptions, filings, registrations, notarizations and other requirements of governmental, judicial and public bodies and authorities of or in Iceland required in connection with the transactions contemplated by the Principal Agreements or advisable in connection with the entry into, performance, validity and enforceability of the offering of the Notes and the transactions contemplated thereby have been obtained or effected and are in full force and effect;

10. Neither the execution and delivery of the Fiscal and Paying Agency Agreement or the Distribution Agreement, the issuance and sale of the Notes, nor the consummation of any other of the transactions herein or therein contemplated, nor the fulfillment of the terms hereof or thereof will conflict with, result in a breach or violation by the Issuer or any of its Icelandic subsidiaries pursuant to (i) the provisions of the Certificate of Incorporation or Articles of Association of the Issuer, (ii) the terms of any of the instruments or agreements identified on Schedule I or (iii) any Icelandic statute, law, rule, regulation, judgment, order or decree applicable to the Issuer or any of its Icelandic subsidiaries of any court, regulatory body, administrative agency, governmental body, arbitrator or other authority having jurisdiction over the Issuer, any of its Icelandic subsidiaries or any of their respective properties;

11. The choice of law provisions set forth in the Distribution Agreement, the Fiscal and Paying Agency Agreement and the Notes are legal, valid and binding under the laws of Iceland and such counsel knows of no reason why the courts of Iceland would not give effect to the choice of New York law as the proper law of the Distribution Agreement, the Fiscal and Paying Agency Agreement and the Notes; the Issuer has the legal capacity to sue and be sued in its own name under the laws of Iceland; the Issuer has the power to submit, and has irrevocably submitted, to the non-exclusive jurisdiction of the New York courts and has validly and irrevocably appointed CT Corporation System as its authorized agent for the purpose described in the Distribution Agreement, the Fiscal and Paying Agency Agreement and the Notes; the irrevocable submission of the Issuer to the non-exclusive jurisdiction of the New York courts and the waivers by the Issuer of any immunity and any objection to the venue of the proceeding in a New York court herein, in the Distribution Agreement, the Fiscal and Paying Agency Agreement and the Notes are legal, valid and binding under the laws of Iceland and such counsel knows of no reason why the courts of Iceland would not give effect to such submission and waivers; service of process in the manner set forth in the Distribution Agreement, the Fiscal and Paying Agency Agreement and the Notes will be effective to confer valid personal jurisdiction over the Issuer under the laws of Iceland;

12. No stamp or other issuance or transfer taxes or duties and no capital gains, income, withholding or other taxes are payable by or on behalf of the Dealers to Iceland or to any political subdivision or taxing authority thereof or therein in connection with the sale and delivery by the Issuer of the Notes to the Dealers or the sale and delivery by the Dealers of the Notes as contemplated herein.

13. Other than as described in the Offering Circular and the Disclosure Package, at the Applicable Time and as of the date hereof, under the current laws and regulations of Iceland, all payments of principal, premium (if any) and interest on the Notes may be paid by the Issuer to the registered holder thereof in U.S. dollars (that may be obtained through conversion of the official currency of Iceland) that may be freely transferred out of Iceland, and all such payments made to holders of the Notes who are non-residents of Iceland will not be subject to Icelandic income, withholding or other taxes under the laws and regulations of Iceland and are otherwise free and clear of any other tax, duty withholding or deduction in Iceland and without the necessity of obtaining any governmental authorization in Iceland.

14. The statements in the Offering Circular and the Disclosure Package under the headings “Icelandic Taxation,” “Regulation—Primary Icelandic Regulation” and “Regulation—Other Relevant Laws and Regulations,” in so far as such statements constitute summaries of Icelandic law or legal conclusions, are accurate in all material respects.

EXHIBIT I

[OPINION OF ALLEN & OVERY LLP]

1. Each of the Distribution Agreement and the Fiscal and Paying Agency Agreement is a legal, valid and binding obligation of the Issuer, enforceable against it in accordance with its respective terms, except (i) as may be limited by bankruptcy, insolvency, reorganization, fraudulent conveyance or transfer, moratorium or other similar laws relating to or affecting the rights of creditors generally, (ii) as the enforceability thereof is subject to the application of general principles of equity (regardless of whether considered in a proceeding at law or in equity), including without limitation the possible unavailability of specific performance, injunctive relief or any other equitable remedy, and concepts of materiality, reasonableness, good faith and fair dealing, (iii) possible judicial action giving effect to foreign governmental actions or laws, and (iv) as rights to indemnity and contribution may be limited by applicable law or principles of public policy.

2. The Notes, when executed, authenticated and issued in accordance with the Fiscal and Paying Agency Agreement, and delivered to and paid for by you in accordance with the Distribution Agreement, will constitute legal, valid and binding obligations of the Issuer enforceable against the Issuer in accordance with their terms, except (i) as may be limited by bankruptcy, insolvency, reorganization, fraudulent conveyance or transfer, moratorium or other similar laws relating to or affecting the rights of creditors generally, (ii) as the enforceability of the Notes is subject to the application of general principles of equity (regardless of whether considered in a proceeding at law or in equity), including without limitation the possible unavailability of specific performance, injunctive relief or any other equitable remedy, and concepts of materiality, reasonableness, good faith and fair dealing and (iii) possible judicial action giving effect to foreign governmental actions or laws.

3. The statements in the Offering Circular [and the Disclosure Package]* set forth under the caption "Description of the Notes," insofar as they purport to summarize certain provisions of the Notes and the Fiscal and Paying Agency Agreement, provide a fair summary of such provisions of the Notes and the Fiscal and Paying Agency Agreement.

4. Assuming the accuracy of the representations and warranties as to factual matters of the Issuer set forth in the Distribution Agreement, the due performance of the Issuer of the covenants and agreements set forth in the Distribution Agreement, the accuracy of the representations and warranties of the Dealers set forth in the Distribution Agreement and the due performance by the Dealers of the covenants and agreements set forth in the Distribution Agreement, neither the offer, sale and delivery of any of the Notes to you under nor the initial resale thereof by you in the manner contemplated in the Offering Circular [and the Disclosure Package]* and the Distribution Agreement require registration under the United States Securities Act of 1933, as amended, or qualification of an indenture under the Trust Indenture Act of 1939, as amended (it being understood that we express no opinion in this paragraph as to any subsequent resale of any Notes).

In the course of the Issuer's preparation of the Offering Circular [and the Disclosure Package]*, we participated in conferences with representatives of the Dealers, the Issuer, the Issuer's auditors, Icelandic counsel to the Issuer and the Dealers and United States counsel to the Issuer, at which conferences the contents of the Offering Circular [and the Disclosure Package]* and related matters were discussed. Other than as set forth in paragraph 3 above, we have not independently verified the accuracy, completeness or fairness of the statements of fact contained in the Offering Circular [and the Disclosure Package]* and the limitations inherent in the review made by us and the knowledge available to us are such that we are unable to assume, and we do not assume, any responsibility for the accuracy, completeness or fairness of statements of fact contained in the Offering Circular [and the Disclosure Package]*. However, on the basis of the information made available to us in the course of the foregoing, no facts have come to our attention that cause us to believe that the Offering Circular, as of its date and at the date hereof, [or the Disclosure Package at the Applicable Time]* contains an untrue statement of a material fact or omits to state a material fact necessary in order to make statements therein, in the light of the circumstances under which they were

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* For takedown opinion

made, not misleading. We express no opinion or belief as to the financial statements, the notes thereto and other financial and accounting data included in or omitted from Offering Circular [and the Disclosure Package][*].

[*] For takedown opinion