

## 7. VIÐAUKAR (PRENTÚTGÁFA)

**Viðauki 1** Söluréttarsamningur (e. „Put Option Agreement“), dags. 16. janúar 2003, milli Hauck & Aufhäuser Privatbankiers KGaA og Welling & Partners Limited.

### Put Option Agreement

PUT OPTION AGREEMENT, dated as of 16<sup>th</sup> of January, 2003 (this "Agreement"), between Welling & Partners Limited, Akara Bldg., 24 De Castro Street, Wickhams Cay I, Road Town, Tortola, British Virgin Islands, a British Virgin Island limited liability company ("WELLING & PARTNERS LIMITED"), and Hauck & Aufhäuser Privatbankiers KGaA, Kaiserstrasse 24, D-60311, Frankfurt am Main, Germany, a German bank, incorporated as a partnership limited by shares under the laws of Germany (the "Bank").

WITNESSETH:

WHEREAS, the Bank has – under the condition precedent that a Share Purchase Agreement between the Republic of Iceland and the investor group, including EGLA, a corporation with shares, incorporated under Icelandic law – hereinafter called "EGLA" - has been signed, by the Closing of which the investor group will acquire 45.8 % of the share capital of BUNADARBANKI, a bank under the laws of the Republic of Iceland - committed itself to acquire 50% of the nominal share capital of EGLA after a capital increase of its nominal share capital from ISK 10,000,000,--- has taken place- , on the basis of an Shareholder agreement, dated as of January 16<sup>th</sup> of January 2003 (the "Shareholders' Agreement"), entered into with Ker hf. and VÍS hf. (as defined in the Shareholders' Agreement);

WHEREAS, the share capital increase will be in two steps, the First Stage whereby the delivery of the shares shall take place within 30 days of the signature of the Purchase Agreement, subject to a payment of USD 15,313,434 and ISK1,969,488,580 by EGLA and fulfilment of other conditions stipulated in the Purchase Agreement, leading to the capital contribution of USD 20,050,184 (USD 7,656,717 plus ISK 981,744,290) on the Bank's behalf, and the Second Stage, whereby the delivery of shares shall take place no later than 20 December 2003, subject to the fulfilment of conditions under the Purchase Agreement, one of the conditions being a payment of up to USD 26,808,375 by EGLA, leading to the capital contribution of up to USD 13,404,187.50 on the Bank's behalf;

WHEREAS, the shares in EGLA, or proportional number (50%) of shares in BUNADARBANKI and other assets held by EGLA should EGLA be dissolved, will hereinafter be called the "Shares";

WHEREAS, after the date of the Deferred Closing of the aforementioned Share Purchase Agreement with the Republic of Iceland - hereinafter called "the Purchase Agreement" -, the investor group will own 45.8 % of the share capital in BUNADARBANKI.

WHEREAS, the Bank wishes to have the right to require that WELLING & PARTNERS LIMITED purchases the Shares under certain circumstances as hereinafter described.

WHEREAS, after the expiry of the lock-up period of 21 months the Bank is free to dispose of its shares in EGLA.

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WHEREAS the Parties hereto are aware of the fact that upon exercise of the Put Option WELLING & PARTNERS LIMITED or the transferee designated by WELLING & PARTNERS LIMITED to the Bank is obliged to notify its intention to acquire a stake in BUNADARBANKI through EGLA to the Financial Supervisory Authority of Iceland and that the acquisition of the Shares by WELLING & PARTNERS LIMITED or the transferee designated by WELLING & PARTNERS LIMITED will be subject to approval by the Financial Supervisory Authority of Iceland.

WHEREAS, the Parties hereto are aware of the restrictions and provisions with respect to the transfer of the Shares and the shares in BUNADARBANKI by the stipulations of the Purchase Agreement.

NOW, THEREFORE, in consideration of the promises and the mutual agreements set forth herein and under the condition precedent that the Bank has acquired the Shares in EGLA, the parties hereto hereby agree as follows:

1. Put

(a) Grant of Put. WELLING & PARTNERS LIMITED hereby grants to the Bank the irrevocable right and option (the "Put"), subject to the satisfaction of the condition set forth in Section 3, to require WELLING & PARTNERS LIMITED to purchase all (but not less than all) of the Shares at any time during the thirty calendar days following the satisfaction of the condition set forth in Section 3, for a purchase price determined as provided in paragraph (b) below and upon notice as provided in paragraph (c) below.

(b) Put Price. The aggregate purchase price to be paid by WELLING & PARTNERS LIMITED for the Shares upon exercise of the Put shall be an amount equal to the Bank's contribution to EGLA, by means of subscription for share capital, not exceeding, in any event, a maximum amount of USD 33,454,372,- however, plus any further costs and interest expenditure, including cost of carry that might have incurred for the Bank in the course of the financing of its contributions to EGLA provided that the calculation of such costs shall be itemized and fully disclosed by the Bank to WELLING & PARTNERS LIMITED - (the "Put Price").

(c) Notice and Exercise of Put. The Put shall be exercisable by delivery in accordance with the provisions of Section 10 of a Notice of Put, duly executed by the Bank, specifying that the Bank is exercising its rights under this Agreement and specifying the date of the Put Closing (the "Notice of Put"). The closing of the purchase of the Shares upon exercise of the Put (the "Put Closing") shall occur at the headquarters of the Bank at 10:00 a.m. local time on a date selected by the Bank that is five Business Days after the Notice of Put is given. At the Put Closing (i) the Bank shall Transfer all of the Shares to WELLING & PARTNERS LIMITED and/or its designee and deliver to WELLING & PARTNERS LIMITED a certificate of the duly authorized officers of the Bank stating that the representations and warranties of the Bank contained in Section 4 are true and correct on the date of the Put Closing, as though made on such date, and (ii) WELLING & PARTNERS LIMITED and/or its designee shall deliver to the Bank the Put Price by wire transfer of immediately

available funds (without any deduction for bank charges imposed upon the payor by the originating bank, all of which shall be the sole responsibility of the payor) to the account set forth in Exhibit 1 hereto, and a certificate of the duly authorized officers of WELLING & PARTNERS LIMITED stating that the representations and warranties of WELLING & PARTNERS LIMITED contained in Section 5 are true and correct on the date of the Put Closing as though made on such date.

For purposes of this Agreement: "Business Day" means any day other than a Saturday, Sunday or other day on which commercial banks in Frankfurt, Germany are authorized or required to be closed; and "Transfer" shall mean the valid transfer of title of the Shares under the applicable laws in the respective jurisdiction.

2. Pre-emptive Right

(a) Grant of Pre-emptive Right. The Bank hereby grants to WELLING & PARTNERS LIMITED the Pre-emptive Right, without prejudice to Clause 8 of this Agreement, to acquire the Shares for an amount equal to the Put Price, - in case the Bank has received a valid offer for the Shares, irrespective of the value of the offer in question.

(b) Notification. The Bank shall give WELLING & PARTNERS a written notice if it receives an Offer for the Shares, within 5 Business Days it receives such an offer, without prejudice to Clause 8 of this Agreement, granting WELLING & PARTNERS the right to exercise its pre-emptive right, pursuant to Clause 2 a). WELLING & PARTNERS shall within ten Business Days of receiving such notice, notify to the Bank if it wishes to exercise the Pre-emptive Right. The closing of the purchase of the Shares upon exercise of the Pre-emptive Right (the "Closing") shall occur at the headquarters of the Bank at 10:00 a.m. local time on a date selected by the Bank that is five Business Days after the notice of the exercise of the Pre-emptive Right is given. At the Closing (i) the Bank shall Transfer all of the Shares to WELLING & PARTNERS LIMITED and/or its designee and deliver to WELLING & PARTNERS LIMITED a certificate of the duly authorized officers of the Bank stating that the representations and warranties of the Bank contained in Section 4 are true and correct on the date of the Closing, as though made on such date, and (ii) WELLING & PARTNERS LIMITED and/or its designee shall deliver to the Bank the Put Price by wire transfer of immediately available funds (without any deduction for bank charges imposed upon the payor by the originating bank, all of which shall be the sole responsibility of the payor) to the account set forth in Exhibit 1 hereto, and a certificate of the duly authorized officers of WELLING & PARTNERS LIMITED stating that the representations and warranties of WELLING & PARTNERS LIMITED contained in Section 5 are true and correct on the date of the Closing as though made on such date.

3. Condition to Exercise of Put. Notwithstanding any other provision of this Agreement, the Put shall not be exercisable by the Bank before the end of the twenty first month after the signing of the Purchase Agreement subject to Clause 15 of this Agreement.

4. Representations of the Bank: The Bank hereby represents and warrants to WELLING & PARTNERS LIMITED as follows:

(a) Due Organisation, Authorization. The Bank is a bank incorporated as a partnership limited by shares, duly organized, validly existing and in good standing under the laws of Germany. The execution, delivery and performance by the Bank of this Agreement, and the consummation by the Bank of the transactions contemplated hereby, have been duly authorized by all necessary corporate action on its part.

(b) Enforceability, etc. This Agreement has been duly executed and delivered by the Bank. This Agreement constitutes a legal, valid and binding obligation of the Bank, enforceable against the Bank in accordance with its terms, provided, however, that the Bank assumes no liability whatsoever as to the enforceability of the Agreement under the laws of the Republic of Iceland.

(c) No Conflicts. The execution, delivery and performance of this Agreement by the Bank and the consummation by Bank of the transactions contemplated hereby will not (i) result in a violation of, be in conflict with or constitute a default (with or without notice or lapse of time or both) under (A) any German law applicable to the Bank, (B) any provision of its organizational documents, (C) any order or judgement of any court or other agency of government applicable to it or any of its assets.

(d) Governmental Approvals. Except as those mentioned in the Shareholders' Agreement thereto no consent, approval, order or authorization of, or registration, declaration or filing with, any court, administrative agency or commission or other governmental authority or instrumentality, including German federal or state laws required to be obtained or made by or with respect to the Bank in connection with its execution and delivery of this Agreement or the consummation of the transactions contemplated hereby. The Bank assumes no liability, whatsoever, as to any requirements of the laws of the Republic of Iceland.

(e) Title to the Shares. The Bank owns the Shares free and clean of any Liens. The Transfer of the Shares following the exercise of the Put as contemplated by this Agreement will transfer good and valid title in the Shares to WELLING & PARTNERS LIMITED and/or its designees, free and clean of all Liens, provided, however, that the Bank assumes no liability for the validity of such transfer under the laws of the Republic of Iceland, particularly not for the approval by the Financial Supervisory Authority of Iceland for the acquisition by WELLING & PARTNERS LIMITED or the transferee designated by WELLING & PARTNERS LIMITED and for any legal implications and restrictions that may arise in case of insolvency of EGLA and/or BUNADARBANKI and/or the nullification or redemption of the shares or from the Shareholders' Agreement between the Investor Group and between the EGLA shareholders or from the Articles of Association of EGLA.

5. Representations of WELLING & PARTNERS LIMITED. WELLING & PARTNERS LIMITED hereby represents and warrants to the Bank as follows:

(a) Due Organization, Authorization. WELLING & PARTNERS LIMITED is a limited liability company duly organized and validly existing under the laws of the British Virgin Islands. The execution, delivery and performance by WELLING & PARTNERS LIMITED of this Agreement, and the consummation by the WELLING

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& PARTNERS LIMITED of the transactions contemplated hereby, have been duly authorized by all necessary corporate action on its part.

(b) Enforceability, etc. This Agreement has been duly executed and delivered by WELLING & PARTNERS LIMITED. This Agreement constitutes a legal, valid and binding obligation of WELLING & PARTNERS LIMITED, enforceable against WELLING & PARTNERS LIMITED in accordance with its terms.

(c) No Conflicts. The execution, delivery and performance of this Agreement by WELLING & PARTNERS LIMITED and the consummation by WELLING & PARTNERS LIMITED of the transactions contemplated hereby will not (i) result in a violation of, be in conflict with or constitute a default (with or without notice or lapse of time or both) under (A) any law applicable to WELLING & PARTNERS LIMITED and the laws of the Republic of Iceland, (B) any provision of its organizational documents, (C) any order or judgment of any court or other agency of government applicable to it or any of its assets, or (D) any contractual restriction binding on or effecting it or any of its assets, or (ii) result in the creation or imposition of any Lien upon any of its assets.

(d) Governmental Approvals. No consent, approval, order or authorization of, or registration, declaration or filing with, any court, administrative agency or commission or other governmental authority or instrumentality, including British Virgin Island law and the laws of the Republic of Iceland, or otherwise, is required to be obtained or made by or with respect to WELLING & PARTNERS LIMITED in connection with its execution and delivery of this Agreement or the consummation of the transactions contemplated hereby except that the acquisition of the Shares by WELLING & PARTNERS LIMITED or by the transferee designated by WELLING & PARTNERS LIMITED will be subject to approval by the Financial Supervisory Authority of Iceland and that the full and entire responsibility to obtain such approval rests exclusively with WELLING & PARTNERS LIMITED.

(e) Litigation. No lawsuit, claim, proceeding or investigation is pending or threatened by or against WELLING & PARTNERS LIMITED or any of its properties, assets, operations, businesses or prospects, which relates to the transfers contemplated by this Agreement.

6. Indemnification. Subject to the other provisions of this Section 6 from and after the Put Closing, WELLING & PARTNERS LIMITED shall indemnify, defend and hold harmless the Bank against any and all Losses resulting from, arising out of or attributable to (i) any breach or inaccuracy of a representation or warranty of WELLING & PARTNERS LIMITED contained in this Agreement (but only if such indemnity is sought during a limitations period of three (3) years after the day of the Put Closing (hereinafter the "Limitations Period")), (ii) any failure by WELLING & PARTNERS LIMITED to materially perform or comply with any agreement or obligation contained in this Agreement.

The representations and warranties within the meaning of this Agreement and the indemnification in relation thereto constitute special agreements and guarantees negotiated and agreed upon between the Parties specifically for the purpose of this transaction (§ 311 (1) German Civil Code); accordingly indemnification under the

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terms of this Agreement does not require intent (*Vorsatz*) or negligence (*Fahrlässigkeit*) of the Party which is in breach of the respective representation and warranty and § 280 (1) (2) of the German Civil Code shall not apply. WELLING & PARTNERS LIMITED acknowledges that its representations and warranties contained in this Agreement constitute a guaranty within the meaning of §§ 276 (1), 443, 444 German Civil Code. The parties further agree that the provisions of §§ 434 through 453 of the German Civil Code relating to defects in quality or in title shall not apply to any representation or warranty contained in this Agreement, except (i) in the event of intent or fraudulent intent (*Vorsatz oder Arglist*) or (ii) where a claim arises because the title to any Share has not been transferred free of Liens and rights of a third party, provided, however, that the Bank assumes no liability for any obstacles or objections against the transfer arising from the laws of the Republic of Iceland.

7. Further Actions. Each party hereto shall take any and all such actions, including but not limited to signing proxies or powers of attorney with respect to voting the Shares, and execute and deliver such further agreements, consents, instruments and other documents, as may be necessary from time to time to give effect to the provisions and purposes of this Agreement and, following the Put Closing, as the case may be, to effect and evidence the transfer of ownership of the Shares to WELLING & PARTNERS LIMITED and/or its designee.

8. No Assignment of Shares. The Bank will not sell, pledge, hypothecate or otherwise dispose of the Shares, other than to WELLING & PARTNERS LIMITED and/or its designee upon the exercise of the Put as contemplated by this Agreement subject to Clause 15 of this Agreement.

9. Termination. This Agreement shall terminate automatically upon the final transfer of the Shares to WELLING & PARTNERS LIMITED or its designee.

10. Notices.

(a) Addresses. Any notices and other communications of the parties to this Agreement shall be delivered by hand or sent by registered mail, air mail or telefax to the following addresses:

If to the Bank, to:

Hauck & Aufhäuser Privatbankiers KGaA  
Partners' Office/Financial Investments  
Att.: Martin Zeil and/or Robert Sprogies  
Löwengrube 18, D-80333 München  
Fax: 0049-89-2393-2039  
Tel: 0049-89-23932032  
e-mail: recht.m@hauck-aufhaeuser.de

If to WELLING & PARTNERS LIMITED, to:

Welling & Partners Limited,  
c/o Karim Van den Ende,  
P.O. Box 109,

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H. S.

L - 2011 Luxembourg,  
Luxembourg  
Fax: + 352 25 48 34  
Tel: + 352 821 266 143  
email: kva@pt.lu

(b) Notices. All notices and other communications required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been given (i) in the case of personal delivery, upon delivery, (ii) in the case of registered mail or air mail, on the fifth Business Day after deposit in the mail system (following the day on which the notice was posted), (iii) in the case of deposit with an internationally recognized courier service, on the third Business Day following such deposit, and (iv) in the case of transmission by telefax, on the day on which it was transmitted, if receipt is confirmed by telephone; provided, however, that if the delivery by hand or by telefax takes place after 6:00 p.m., the notice shall be deemed to have been delivered at 9:00 a.m. on the following Business Day. The times stated in this Section refer to local time in the recipient's country.

11. Entire Agreement. This Agreement embodies all of the understandings and obligations of the parties hereto with respect to the subject matter hereof, and supersedes and replaces all prior agreements and understandings among the parties hereto with respect to the subject matter hereof.

12. Amendments. No amendment or modification of this Agreement shall be valid or effective unless evidenced by an instrument in writing signed by the parties hereto.

13. Assignment; Successors. Neither the rights nor the obligations of any of the parties hereto shall be assigned or delegated without the prior written consent of the other party, except that the Purchaser may assign and delegate any and all of its rights or obligations hereunder to any affiliate thereof. This Agreement shall inure to the benefit of, and be binding on and enforceable against, the parties hereto and their respective successors and permitted assigns.

14. Insolvency of the Bank. In case insolvency or supervisory proceedings pursuant to Art. 45, 46, 46 a, 46b or 47 of the German Bank Act should be launched against the Bank, the Put Option will be triggered automatically, i.e. transfer ownership on the shares of EGLA to WELLING & PARTNERS LIMITED, in return for the Put Price.

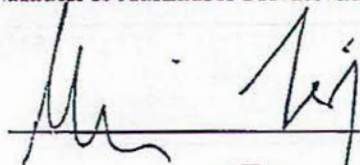
15. Insolvency of EGLA and/or BUNADARBANKI /Nullification or Redemption of Shares.

Should EGLA and/or BUNADARBANKI become insolvent or bankrupt and/or should the shares be nullified or redeemed by legal proceedings under Icelandic law, the Bank, at its sole discretion, is entitled to exercise the Put Option according to Clause 1 of this Agreement without further notice, thereby transferring ownership of the shares to WELLING & PARTNERS LIMITED. In the case of the exercise of the Put Option, WELLING & PARTNERS LIMITED will waive any objection, right or defence that may arise from the fact that BUNADARBANKI is in insolvency and the shares might have lost their value completely.

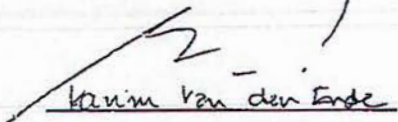
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16. Governing Law: Arbitration. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE FEDERAL REPUBLIC OF GERMANY, REGARDLESS OF THE LAW THAT MIGHT OTHERWISE GOVERN UNDER APPLICABLE CONFLICTS OF LAW PRINCIPLES. ALL DISPUTES ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT SHALL BE FINALLY SETTLED BY ARBITRATION UNDER THE TERMS OF A SPECIAL ARBITRATION AGREEMENT TO BE SIGNED AND EXECUTED BY EACH OF THE PARTIES HERETO. IN WITNESS WHEREOF, the parties hereto have executed this Agreement by their authorized representatives as of the date first above written.

Hauck & Aufhäuser Privatbankiers KGaA



Welling & Partners Limited



Karin van der Ende