

[TO BE PRINTED ON FSCS HEADED PAPER]

The Depositors' and Investors' Guarantee Fund of Iceland
(Tryggingarsjóður Innstæðueigenda og Fjárfesta)
Borgartun 26, 3rd Floor
105 Reykjavik
Iceland

For the attention of: the Managing Director

2010

Dear Sir / Madam,

Settlement Agreement dated 5 June 2009, as amended by an Amendment Agreement dated 19 October 2009, each between the FSCS and TIF

1. Reference is made to:
 - (a) the Settlement Agreement between the FSCS and TIF dated 5 June 2009 (the "**Original Settlement Agreement**");
 - (b) the Amendment Agreement to the Original Settlement Agreement, also between the FSCS and TIF and dated 19 October 2009, providing for certain amendments to the Original Settlement Agreement (the Original Settlement Agreement as so amended, the "**Amended Settlement Agreement**"); and
 - (c) the Disbursement, Reimbursement and Indemnity Agreement dated [●] 2010 between TIF, Iceland and HMT (the "**Disbursement, Reimbursement and Indemnity Agreement**").

Terms defined in the Amended Settlement Agreement have the same meaning in this letter. Unless a contrary intention appears, references in this letter to paragraphs and subparagraphs are to paragraphs and subparagraphs of the Amended Settlement Agreement.

2. The Parties confirm (for the avoidance of doubt) that all references in the Amended Settlement Agreement to the "Loan Agreement" shall with effect from the coming into force of the Disbursement, Reimbursement and Indemnity Agreement be construed as references to the "Disbursement, Reimbursement and Indemnity Agreement".
Accordingly:

- a. The reference in recital (g) of the Amended Settlement Agreement to the Loan Agreement should be to the Disbursement, Reimbursement and Indemnity Agreement;

- b. The reference in clause 1.3 of the Amended Settlement Agreement, to interest accruing from the date of payment by FSCS of amounts, should in accordance with the Disbursement, Reimbursement and Indemnity Agreement be to interest accruing from 1st October 2009, and the words from and including "plus interest thereon" in the first sentence of clause 1.3 shall be disregarded; and
 - c. FSCS confirms that the payment to it by TIF of the Euro 333,000 pursuant to the Assignment Agreement between them dated on or about the date of this letter shall satisfy all actual and contingent obligations of TIF under Clause 7.4 of the Amended Settlement Agreement and further that following the taking effect of that assignment FSCS shall no longer be pursuing the Assigned Rights and so that indemnity shall not thereafter apply.
3. FSCS and TIF takes this opportunity to note that
 - a. since the date of the Original Settlement Agreement there is a new Chief Executive of the FSCS and accordingly and with reference to subparagraph 12.2(a) (*Notices*) any notice to be provided to the FSCS shall be provided to Mark Neale, the current Chief Executive of the FSCS, and that, accordingly, the words "loretta.minghella@fscs.org.uk" shall be replaced by the words "mark.neale@fscs.org.uk" and the words "Loretta Minghella" shall be replaced by the words "Mark Neale";
 - b. since the date of the Original Settlement Agreement the address of TIF for the purposes of subparagraph 12.2(b) (*Notices*) shall be Borgartun 26, 35 Reykjavik, Iceland; and
 - c. TIF and FSCS agree that notices shall not be provided by registered international post and accordingly paragraph (c) of Clause 12.3 shall be disregarded.
4. The Parties agree that paragraphs 9 (*Entire Agreement*), 11 (*Counterparts*), 12 (*Notices*), 13 (*Governing law and jurisdiction*) and 18 (*Waiver of Sovereign Immunity*) apply to this letter as if set out in it and for this purpose all references in those paragraphs to "this agreement" will be deemed to be references to this letter.
5. Please sign and return this letter in evidence of your agreement to this letter.

Yours faithfully,

The Financial Services Compensation Scheme Limited

Signed for agreement on

2010



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The Depositors' and Investors' Guarantee Fund of Iceland

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