

## BUSINESS TERMS &amp; CONDITIONS FOR INVESTMENT SERVICES

**1. Business Terms & Conditions, their scope of application and purpose**

- 1.1. These Terms & Conditions apply to the investment services and investment activities which ACRO Securities hf., ID no. 451294-2029 (hereinafter "*the Company*") agrees to provide customers. The Company's address is Skólavörðustígur 25, 101 Reykjavík, tel. 532-8000 and email [acro@acro.is](mailto:acro@acro.is). The Company is licensed as a securities undertaking and operates under the authorisation and supervision of the Central Bank of Iceland's Financial Supervisory Authority. General information about the Company can be found on its website ([www.acro.is](http://www.acro.is)) and information on financial stability can be found on the website of the Central Bank of Iceland.
- 1.2. The Company is an independent securities undertaking that serves investors, both domestic and foreign, in the field of securities brokerage and investment advice. The Company handles the brokerage of domestic and foreign securities, both listed and unlisted, in addition to which it specialises in brokering investments in foreign mutual funds. The Company's customers range from savers to bigger investors, such as institutional investors, but most of the operations are focused on services to professional investors. The Company has been a member of the Iceland Stock Exchange, Nasdaq Iceland, since 1997.
- 1.3. Investment services and investment activities provided by the Company within the meaning of Article 1.1. include, among other things, receiving and passing on orders from customers about one or more financial instruments, the execution of orders on behalf of customers, investment advice and other investment services, investment activities and additional services covered by the Company's operating licence at any given time, cf. the first and second paragraphs of Article 5 of Act no. 115/2021 on Markets in Financial Instruments.
- 1.4. These Terms & Conditions are intended to, among other things, describe the relationship between the Company and its customers in the trading of financial instruments, means of establishing contracts and methods of communication, the requirements of the Company regarding the collateral for the trading and the conditions under which the Company is authorised to terminate agreements.
- 1.5. The Terms & Conditions are also intended to emphasise that the customer is aware of the nature of the trading in financial instruments and services covered by these Terms & Conditions and the risks involved. Customers are encouraged to familiarise themselves with the applicable laws and regulations at all times, such as Act no. 115/2021 on Markets in Financial Instruments and Regulation (EU) 2017/565 regarding organisational requirements and operating conditions for investment firms.
- 1.6. The Company has established rules regarding investor protection and business practices, which are available on the Company's website. The website also contains other procedural rules of the Company regarding trading in financial instruments, such as the handling of information about customers, conflicts of interest and the best practices in the execution of trading orders.
- 1.7. If a customer wishes to make a complaint about the Company's services, it can direct the complaint to the Company, but more detailed information about the handling of complaints can be found in the Company's procedures for handling complaints and comments, which can be found on the Company's website.

- 1.8. By signing the Company's form at the beginning of the business relationship, the customer accepts these Terms & Conditions and undertakes to comply with them when the Company provides the customer with the services covered by these Terms & Conditions. If the customer is a legal entity, a separate consent form shall be signed by an authorised signatory or in accordance with the customer's procedures regarding signatory powers depending on the business activities of the customer and the customer's rules regarding commitment. By signing the aforementioned form, the relevant party confirms that it has full authority to commit the customer on the basis of these Terms & Conditions and agreements concluded on their basis.
- 1.9. If there is a discrepancy between these contractual terms and an agreement made separately on their basis, the provisions of that agreement shall prevail, unless otherwise specifically stated. These terms are standard and no deviation from them is generally permitted. Any inscriptions, deletions, additions or other amendments, which the customer may make unilaterally to these Terms & Conditions have no validity with the Company.
- 1.10. By agreeing to these Terms & Conditions, customers declare that they have regular access to the Internet and agree that the Company is permitted to provide information on its website relating to the contractual relationship between the Company and the customer.

## **2. Authority to issue trading instructions**

- 2.1. Before a business relationship is established, in the case of a legal entity, customers must send the Company a list of the persons authorised to issue trading orders to the Company and the basis on which they are authorised to do so. Appropriate powers of attorney must be sent to the Company, and the customer must ensure that trading orders are only given by persons who have sufficient authority to commit the legal entity, either as a power of attorney holder or under a special mandate. The customer warrants that the Company has full authority to do business on the basis of instructions from the power of attorney holder or the customer's agent and to take measures in accordance with such instructions, until the Company has received written instructions from the customer that the power of attorney or the agent's power of attorney has been revoked or amended.
- 2.2. The customer undertakes to notify the Company without delay if there are any changes in any power of attorney issued to the Company. Moreover, the customer undertakes to inform the Company as soon as possible if there is a change in the authorised signatory, executive management and/or powers of procuration, if the purpose of the legal entity has changed or if there are any changes made to the activities of the legal entity which may affect any agreement between the parties.

## **3. Disclosures by the customer**

- 3.1. Pursuant to Act no. 115/2021 on Markets in Financial Instruments, the Company may be obliged, under certain circumstances, to carry out an assessment of customers for certain services and transactions with certain financial instruments.
- 3.2. If the customer receives a request for information from the Company, the relevant customer is obliged to provide the Company with the requested information. The customer also declares that the information provided to the Company regarding knowledge, experience, finances, investment strategy and risk appetite is correct. Customers must also inform the Company if there are significant changes to the information they have already provided to the Company.

- 3.3. The customer agrees that the Company will base its assessment of the customer on the information the customer provided and that the Company will not conduct any independent investigation into the behaviour of its customers.
- 3.4. The customer is also aware that the Company may not be able to provide the requested service if the customer does not provide correct or adequate information.
- 3.5. The Company is not obliged to assess whether individual transactions are appropriate based on the customer's knowledge and experience in the case of direct trading instructions in simple financial instruments issued at the customer's initiative.

#### **4. Risk**

- 4.1. The customer is aware that investing and trading in financial instruments is risky by nature. It is pointed out to customers that it is risky to commit oneself with a contract or to engage in trading without having a full understanding of the nature and scope of the risks entailed. Customers are advised to evaluate their envisaged investments in light of their knowledge and experience of financial instruments, on the basis of their financial situations and investment objectives.
- 4.2. By agreeing to these Terms & Conditions, the customer declares that they have adequately familiarised themselves with the risks associated with the trading in financial instruments that they wish the Company to carry out for them and/or on their behalf, and the Company expects customers to acquaint themselves with the risks and the nature of the financial instruments in question before starting a transaction.
- 4.3. An overview of the risks associated with trading in financial instruments is available to customers on the Company's website. Customers can also request to receive a summary by email.

#### **5. Execution of trading orders in financial instruments**

##### General:

- 5.1. The Company can provide customers with the services permitted by the Company's operating licence.
- 5.2. Trading orders shall contain the information needed for the Company to be able to execute them. Trading orders can be received either in writing or orally. The customer can send trading orders to the Company by e-mail, fax, through a recorded telephone call or some other means of traceable communication, such as Skype for Business, Teams and Bloomberg. The Company cannot accept trading requests via non-recorded telephone. A written trading request is considered to have been received when it is read by an employee of the Company. A trading request is binding for the customer from the time it is received by the Company, unless otherwise expressly agreed upon.
- 5.3. When the Company receives trading orders from a customer or they are delivered on behalf of a customer, or when a trade takes place, the Company will handle the transaction in accordance with its rules regarding best practices in the execution of trading orders and in line with the customer's classification. However, the rules regarding best practices in the execution of trading orders and provisions of these Terms & Conditions do not apply to the trades of customers who are classified as eligible counterparties, unless they have specifically requested it. By agreeing to these Terms & Conditions, customers declare that they have familiarised themselves with and read the Company's rules regarding best practices in the execution of trading orders and

settlement instructions and agree that the rules apply to the appointed legal parties and that the customer is bound by them, as they are at any given time. The customer is free to reject the substance of the Company's rules regarding best practices in the execution of trading orders and specifically prescribe a different execution. The Company must then strive to provide services in accordance with the customer's instructions.

- 5.4. Trading orders must always be processed as swiftly as possible, taking into account current market conditions. The Company executes the trading orders of comparable customers in the same way, i.e. in the order in which they are received and as soon as possible, unless the Company believes that the interests of the customers are not best served based under the market conditions at that time. In order to achieve the best result in each case, the customer's trading orders may be combined with other orders received by the Company. There is no separate notification when orders are combined. In certain cases the combination of orders can lead to a worse outcome for the customer.
- 5.5. If the Company accepts conditional trading orders from a customer for the purchase or sale of financial instruments within the EEA and the Company does not consider it advantageous to carry out the transaction immediately upon receipt, the Company will not officially publish the customer's conditional trade order unless the customer specifically requests it.
- 5.6. The Company confirms all agreements unilaterally with a notification in a durable medium or by e-mail, unless the customer specifically requests to receive a confirmation sent by regular mail.
- 5.7. The customer undertakes to approve the Company's agreements within two days of receipt by signing them in a durable medium. If the customer does not raise any objections on the substance of the agreement within two days, the Company is entitled to consider the contract approved by the customer, as if it had been signed. If the customer raises an objection, their request, including telephone recordings, communications via a traceable means of communication or e-mail shall serve as proof of the terms of the trade.
- 5.8. The customer may not unilaterally request that individual trades in financial instruments be carried out on the basis of these Terms & Conditions. The approval of the Company's staff is required for the execution of all trades and the Company can unilaterally approve or reject any trading request. The Company is also authorised to limit the number and amounts of trades that the Company agrees to handle. Customers are therefore aware and confirm their consent that the Company is authorised to reject individual trades and that the substance of individual transactions and agreements, including the leverage of the customer, if applicable, may vary depending on the company, market and market conditions. It also means that the Company is always unilaterally authorised to reject a customer's request for a new or renewed contract without further explanation.
- 5.9. The Company has the unilateral authority to demand all the documents, information or collateral, which the Company deems adequate for a trade. The Company has the unilateral authority to assess whether the submitted documents, information and/or collateral is considered adequate.
- 5.10. The Company does not provide its customers with investment advice, as the term is defined in Act no. 115/2021 on Markets in Financial Instruments, unless specifically requested. General information about market conditions and price developments at any given time is not considered personal advice to customers unless it is specifically stated. The Company cannot guarantee that the general information provided by the Company will benefit the customer.

#### Customer purchases of financial instruments:

- 5.11. The customer undertakes to own, on the date of settlement, a deposit in their charge account with the Company, or an account the customer refers to, corresponding to the purchase price of the financial instruments in addition to costs and any taxes. The Company is permitted to ascertain whether the customer has sufficient funds in their account for the completion of the trade or that their custodial account includes a financial instrument which shall then be set aside for the conclusion of the trade.
- 5.12. Payment shall be regarded as rendered to the Company when it becomes available to the Company in its bank account. If a settlement does not take place on the settlement date due to insufficient funds in the charge account this shall constitute a substantial event of default, in which case the Company is permitted to dispose of the purchased financial instrument towards the debt, at no cost to the Company. The customer undertakes to pay any remaining balance and all cost incurred by the Company from the sale and the default.
- 5.13. The transfer of title to a financial instrument to the customer shall be carried out and registered by the Company in accordance with the nature of the financial instrument and the provisions of the applicable Act no. 7/2020 on Central Securities Depositories and Settlement and the Electronic Registration of Financial Instruments and rules that have been established on the basis of that act unless laws, regulations, the nature of a financial instrument or a separate written agreement stipulate otherwise. In such cases, the Company acts as an account operator for the customer in the understanding of that Act.
- 5.14. In cases where a financial instrument is placed in the custody of a third party following a purchase, whether it is in electronic or paper form, it is the customer who must give instructions to such a party and the customer who must be responsible for the transfer of title.

#### Customer sale of financial instruments:

- 5.15. By agreeing to these Terms & Conditions, the customer authorises the Company to take any measures necessary to transfer financial instruments in their name, which are specified in the customer's business instructions, in accordance with the provisions of the Act and rules on the registration and transfer of securities and other financial instruments without need for the customer's involvement. If the customer rejects such a measure, the Company is entitled to apply to the District Commissioner or District Court to take the action that the customer fails to take.
- 5.16. If the customer requests the sale of a financial instrument that is in their own custody or that of a third party, the customer is obliged to ensure that the said financial instrument is delivered to the Company for custody as soon as possible, but in any case before the trade is to be settled. A financial instrument is regarded as having been delivered to the Company when it is available for its disposal. The Company is entitled to confirmation that the customer is the owner or can deliver the financial instrument in question.
- 5.17. In cases where the Company has not received the necessary right of disposal for a financial instrument when the settlement is scheduled to take place, the Company shall, or at its own discretion and in the manner deemed most favourable by the Company, have full and unlimited authority to purchase a financial instrument or borrow an appropriate financial instrument for the purpose of effecting the trade and settling it with the buyer of the financial instrument, in accordance with the original instructions from the customer. The customer warrants that the above measures are to the complete indemnification of the Company and that the customer will pay all costs, commissions

and expenditures relating to such trades. The Company is permitted but never obliged to take measures pursuant to this paragraph.

- 5.18. The customer shall compensate the Company for any damage resulting from delays in the delivery of financial instruments, including any fines which the relevant business platform, public body or other third party may impose on the Company or claims by other parties who may have a right to compensation against the Company as a result of their customer defaulting on their obligations.

Withdrawal of trading instructions, unclear instructions and cancelled trades:

- 5.19. The customer grants the Company unlimited authority to decide at its own discretion, without consultation with the customer and without any liability on the part of the Company, not to execute or to suspend the execution of trading orders:

- 5.19.1. if such orders are cancelled or suspended by the relevant market (stock exchange, regulated market or multilateral trading facility); or
- 5.19.2. if it appears evident that a bid is intended to have an improper impact on the price formation in the trading system of the stock exchange in question, the bid has no legitimate business purpose or is intended to delay or prevent access by other parties to the trading system; or
- 5.19.3. if, in the opinion of the Company, the trading instructions are unclear, unsatisfactory, risky, contradict other instructions or are clearly wrong, due to an error/mistake on the part of the Company, customer or trading counterparty; or
- 5.19.4. if, in the opinion of the Company, technical disruptions in trading and/or settlement systems can prevent the proper process of the trade; or
- 5.19.5. if the customer violates the laws or regulations of the relevant market; or
- 5.19.6. if market conditions change from the time when the customer sends or issues trading orders and it is not possible to execute them.

- 5.20. Trading requests or other instructions from customers to the Company are the responsibility of the customer. If instructions are given verbally, such as via telephone, the customer shall bear the burden of proof that the request was sent, or that the Company's staff exceeded those instructions or made decisions for which no instructions were given.

- 5.21. If customers issue purchase or sale instructions that are incorrect or incomplete or not in line with their intent, the customer undertakes to notify the Company immediately and the customer then gives the Company full authority and autonomy to evaluate whether it is possible to withdraw the trading orders in the relevant market or trading platform.

- 5.22. The customer bears full responsibility and risk for the proper delivery of trading orders to the Company. If the customer's instructions are unclear or inadequate, the Company reserves the right, without any liability, to comply with the instructions as the Company believes they should be understood in good faith or to refuse to handle the transaction until the customer has corrected the instructions, provided explanations or changed them in such a way that the Company considers them inadequate. The customer agrees to accept full liability for any damage that the Company may suffer as a result of efforts to carry out instructions of the kind described above.

**6. Custody of financial instruments and customers' assets and nominee registration**

- 6.1. When establishing a business relationship with the Company, an account is opened in the customer's name at a regulated central securities depository on the basis of these Terms & Conditions, unless otherwise agreed. The Company acts as a custodian in accordance

with the provisions of these Terms & Conditions, but the Company stores the securities and funds of its customers only for the settlement of trading in financial instruments in accordance with its licence. The Company shall ensure that the assets of the customer are kept separate from the assets of the Company and ensure, to the best of its ability, that they are inaccessible to the Company's creditors.

- 6.2. The Company's custody of customers' financial instruments in the sense of Article 6.1. of these rules, are governed by the provisions of these Terms & Conditions.
- 6.3. The customer agrees that the Company is authorised to avail of services and store the customer's financial instruments and funds with a third party, e.g. another financial undertaking or clearing house, provided that the customer's assets are kept in a special account of the Company established on behalf of the customer. The liability of the Company for acts or omissions of the third party is subject to applicable laws, rules and regulations.
- 6.4. The Company's customers may request trades in financial instruments which are listed outside the European Economic Area. In such cases, the customer's assets, whether in the customer's own account or the Company's account, may be subject to legislation outside the jurisdiction of the European Economic Area, which may entail a different legal position for the customer.
- 6.5. In connection with the Company's agreements with third parties regarding the safekeeping of financial instruments and trading in financial instruments, the financial instruments of the customer and the Company may serve as insurance to security settlements. In such cases, the third party, as custodial party, may have the right to net.

The Company is authorised to deny customers payment out of their custodial account if the customer owes charges or commissions for services rendered or if it appears evident that the Company may be entitled to a right of netting against the customer's balance. The Company is also authorised to refuse customer requests to make payments from their account if there is a suspicion of misuse of the account or if it can be demonstrated that the customer may become insolvent if the payment is made. The Company will notify the customer as promptly as possible of such denial.

- 6.6. The customer agrees that the Company is authorised to keep financial instruments owned by the customer in a joint account in the Company's name with a third party, subject to nominee registration conditions, cf. Article 42 of Act no. 115/2021 on Markets in Financial Instruments. The customer also confirms that they are aware that the Company is obliged to provide information to the Financial Supervisory Authority of the Central Bank of Iceland in accordance with Regulation no. 706/2008 on nominee registration and the custody of financial instruments in nominee accounts. The customer authorises the Company to provide the Financial Supervisory Authority of the Central Bank of Iceland with the information required under Regulation no. 706/2008. The main legal effects of nominee registrations are:
  - 6.6.1. If the Company's estate is sent into receivership or is granted a moratorium on payments, dissolved or comparable measures are taken, customers may, on the basis of the nominee registration, withdraw their financial instruments from the nominee account, provided their ownership is not disputed. Legal rights may be lost, however, if the ownership is disputed.
  - 6.6.2. The financial Instruments that are registered in the nominee account shall not enjoy voting rights at shareholders' meetings.
  - 6.6.3. Customers shall not be registered in the shareholders' registry of the relevant issuer of the financial instruments. Dividends and other rights deriving from the

relevant issuer shall go into the Company's nominee account and then be registered as the customer's assets, according to the Company's nominee registration.

6.6.4. Holdings in the nominee registration are otherwise subject to the same rights and obligations that generally apply, such as notification requirements and takeover obligations under the law.

6.7. When financial instruments are kept in a nominee account, the Company keeps a record of the customer's share so that there is no doubt as to who is the ultimate owner of the financial instruments registered in it. At the start of a business relationship, the customer must provide the Company with information about the identity of the beneficial owners of the financial instruments which the customer wishes to be kept in a nominee account.

## **7. Possessory lien**

7.1. The Company holds a possessory lien on all financial instruments held in the customer's account for all the payments which the Company may be entitled to from the customer and which are due and payable.

## **8. Crediting of accounts and fees**

8.1. If a claim is not settled on its due date or, depending on circumstances, on the date of calling, the Company is authorised to charge the customer's account in the currency in which the claim is made and thereby settle the original claim. The due date is determined according to an agreement or settlement procedures. The same applies to accounts of the customer that the Company has opened with a third party in connection with the customer's securities trading.

8.2. The Company stipulates fees and commissions for services provided in accordance with the Company's tariffs as current at any given time. The Company reserves itself the right to publish new information on fees and commissions to customers on its website. Fees and commissions must be paid on the due date when required, unless otherwise agreed. By confirming these Terms & Conditions, the customer agrees to these charges and also authorises the Company to debit them from their account.

8.3. On the basis of its possessory lien on the customer's asset portfolio, the Company can sell individual financial instruments of the customer on the market, resort to netting and allocate the proceeds of the sale to the payment of commissions and other costs.

8.4. The customer shall pay all public levies or taxes which may apply to this agreement or any payments stipulated therein, with indemnity to the Company. If foreign securities carry a stamp duty, this will be added to the customer's initial fee.

## **9. Merging of companies, changes in purpose etc.**

9.1. If a customer is a legal entity and decides to merge with another company or companies, to divide the Company into several independent companies, to change its activities in such a manner that the purpose of the Company, as it is described in its Articles of Association, needs to be changed or there is a substantial change in the ownership of the customer's company, the Company is authorised to terminate all agreements that are in effect between the parties, if the Company considers that these changes will have a significantly negative impact on the operating conditions or financial position of the company/customer or its ability to meet its obligations.

9.2. The customer shall notify the Company without delay of such a decision. The notice period shall be fifteen (15) days from the date on which the Company notifies the customer



of its decision to terminate. All agreements will then immediately become due and payable on the date when the notice period expires and a financial settlement shall take place without delay.

## 10. Collateral

- 10.1. The customer may be required to provide collateral which the Company considers adequate to secure prompt and full payment, whether in respect of individual trades or contracts or as universal collateral. In such cases, a separate written agreement shall always be made, e.g. a pledge agreement or security agreement.
- 10.2. The customer undertakes to sign all documents relating to the collateral.
- 10.3. The customer is not permitted to transfer, mortgage or otherwise dispose of the collateral it has pledged to the Company without the Company's consent.
- 10.4. If a customer pledges a deposit in a bank account as collateral, the account must be pledged separately to the Company. If the customer uses assets in a custodial account as collateral, the custody account shall be held with the Company, unless otherwise agreed. Collateral put forward by the customer in the form of electronic security certificates shall be mortgaged in the customer's ISD (Icelandic Securities Depository) account linked to the customer's custodial account with T Plus or some other entity. If the customer submits securities as collateral in paper form, the securities shall be kept in the custody of the Company. If such securities are later registered electronically, the customer's approval of these Terms & Conditions also grants the Company power of attorney to open an ISD account in the customer's name and to transfer the securities into this account and register them as mortgaged to the Company.
- 10.5. Whatever assets the customer delivers to the Company shall serve as collateral to secure all of the customer's current or future debts and other financial obligations with the Company, in whatever form or currency the obligations may be in at any given time, entirely at the discretion of the Company and regardless of whether it applies to principal, interest, indexation, exchange rate gaps, default interest, collection costs or other costs of any kind.
- 10.6. The Company evaluates the value of collateral and whether it is considered adequate. The Company's assessment shall be considered valid unless otherwise specifically agreed. When evaluating collateral, the Company, among other things, takes into account the market value of the asset in question and it is re-evaluated regularly. Since the market value of collateral can change without notice, especially if the collateral has been pledged in the form of financial instruments, the customer is aware that a revaluation may lead to a call for additional collateral.
- 10.7. If an agreement stipulates that the value of the collateral must remain above a specified minimum, whether the criterion is the value of the security or the value of the contracts secured (e.g. derivatives agreements), and if the value of the security falls below the specified minimum, the customer shall provide additional security so that the contracted minimum is achieved.
- 10.8. If the agreement does not specifically stipulate that the value of the collateral shall always be above a certain minimum, the Company is at any time permitted to demand additional collateral from the customer. If the Company requests collateral or additional collateral, the customer must comply with the Company's request within two (2) banking days of receiving the Company's request. However, substantial changes in market conditions may call for shorter notice, and in such cases the Company is entitled to give

shorter notice, even within the day, or to shorten a previously given notice.

- 10.9. Requests for collateral or additional collateral can be made by the Company in writing, by phone, fax or e-mail. The notification on this matter shall be considered to have been sent to the right place, if it has been sent to the email address/fax number, which the customer has provided, unless it is obvious to the sender that the notification was not delivered. Customers are responsible if their server/fax machine does not deliver the email/fax, e.g. due to IT system/fax machine failures. A notification by phone is considered to have reached the customer immediately. The customer must immediately inform the Company of any changes of address, telephone number, e-mail address or other details of this kind. Such notification is considered to have been received when it is read by an employee of the Company.

## **11. Setting off (netting) of contracts**

11.1. Netting is subject to the following:

- 11.1.1. If contracts falling within the scope of these Terms & Conditions entail mutual obligations to be discharged by means of the same payment on the same day, e.g. the same currency or same type of security, the Company is permitted, without obligation, to net so that only the balance, if any, is paid.
- 11.1.2. If contracts falling within the scope of these Terms & Conditions entail mutual obligations to be discharged on the same day but not by the same payment, the Company is nevertheless permitted, without obligation, to require netting, so that only the balance is paid, if any. If the payments are not in the same currency or of the same type, the Company may convert the payment into Icelandic krona (ISK) or another agreed currency prior to netting.
- 11.1.3. If obligations of the customer under a contract falling within these Terms & Conditions are called, the Company is permitted to net all its claims against the customer against any claims held by the customer in respect of the business relationship between the parties. In such an event the profit and/or loss of the parties relating to the parties' business shall be settled collectively and only the balance, if any, shall be paid.
- 11.1.4. If a number of trades or trades in unrelated financial instruments have been made for the customer on the same settlement date, the Company reserves the right to net the buying and selling amounts of the financial instruments in question on the settlement date and pay the balance to the customer or claim the balance from the customer.

11.2. Settlements pursuant to this article, i.e. the valuation of financial instruments and conversion, are subject to Article 12.

11.3. By accepting these Terms & Conditions, the Customer agrees that a written agreement has been made between the customer and the Company in accordance with Section 6 of Act no. 115/2021 on Markets in Financial Instruments and that the obligations of the customer and the Company, according to the derivatives agreement, cf. Article 112 of the Act on Markets in Financial Instruments, shall be balanced against each other by netting, on renewal or default, suspension of payments, composition with creditors or bankruptcy, and that the contract shall remain in full effect notwithstanding the provisions of Articles 91 and 100 of Act No. 21/1991 of Act no. 21/1991 on bankruptcy etc.

## **12. Default, and calling and enforcement authorisation**

12.1. In the event of non-substantial default by the customer in respect of any commitment hereunder or under any trade or contract under these Terms & Conditions, the customer

shall have two (2) days to remedy the events that led to the default. The period of grace shall be calculated from the time at which the event of default occurred.

12.2. In the event of substantial default by the customer under these Terms & Conditions, trades or contracts hereunder, in the opinion of the Company, the Company is permitted, without obligation, to sell financial instruments in full or in part, call contracts of the parties in full or in part or close them without notice. Calling means that the closing date of a contract is advanced to the date of calling. Closure by means of a counter contract which eliminates market risk shall take place at normal value based on market price, market interest and the credit terms of the customer, as current. Calculation of any profit/loss shall take account of market conditions on the date of calling.

12.3. The following events, without limitation, shall always constitute substantial events of default of obligations of the customer in the above understanding:

- 12.3.1. If the customer has not remedied an event of default within two (2) banking days, cf. Article 12.1.
- 12.3.2. If the customer is in default of obligations to the Company other than those falling within the scope of these Terms & Conditions and has not remedied the default within two (2) banking days from the time that the default began or is repeatedly in default of obligations to the Company.
- 12.3.3. If the customer does not send to the Company confirmation of a trade within 7 days from its date or before the due date if it falls within that time limit.
- 12.3.4. If the customer does not supply adequate collateral or additional collateral within the time limit set in Article 14.
- 12.3.5. If the customer is ordered by a court of law to pay a cash debt which is listed in the default register, the estate of the customer is subjected to attachment, the customer petitions for a moratorium on debts or seeks composition, enters into negotiations with creditors on partial or full relief from debts, petitions for bankruptcy proceedings (or statutory law permits or requires the submission of such a petition), a petition is submitted for the enforced auction of the customer's assets, a creditor responds to the payment difficulties of the customer by granting a debt restructuring loan, postponing payments on the loan or extending a loan period, or the financial situation of the customer is such that there is a significant likelihood that he will not be able to meet his obligations under these Terms & Conditions, or other events similar or comparable to those described above occur.
- 12.3.6. If the customer neglects their disclosure obligations pursuant to these Terms & Conditions or provides false or inadequate information.
- 12.3.7. A customer does not discharge his payment obligation on the settlement date of a security, contract or financial instrument.
- 12.3.8. The customer does not prove his identity by submitting the documents and papers required, as provided for in Article 10 of Act no. 140/2018 on Measures against Money Laundering and Terrorist Financing.

12.4. The Company shall notify customers when their obligation have been called or a contract closed as a result of substantial events of default. Such notification shall be sent in accordance with articles 10.2 and 14.2.

12.5. In the event of the setting off, calling or closure of a contract/contracts, the Company shall calculate the customer's profit/loss on the relevant agreement(s) and the market value of the collateral in accordance with Article 12.6. The Company shall send this calculation to the customer in accordance with Article 14.2.

12.6. If obligations of the customer are called, the Company is fully authorised, without further

notice, to seek enforcement of all its claims in any manner, at the discretion of the Company, e.g., by seeking enforcement of its claims through the collateral pledged by the customer. The Company may decide, at its sole discretion, whether to seek enforcement of all the collateral pledged or any part of the collateral, and, if the latter, in what order. Thus, the Company is permitted, inter alia:

- 12.6.1. to attach any pledged cash,
  - 12.6.2. To have the pledged asset sold at an enforced auction for satisfaction of the debt without prior adjudication, arbitration or attachment pursuant to Article 6 of Act No. 90/1991 on enforced auctions, to the extent necessary for the Company to receive payment in full; or
  - 12.6.3. to sell in the market or take over assets at its own discretion to the extent needed to settle the claims of the Company. The price of the assets shall be based on their market price on the day that the Company decides to exercise its option. When assessing the market value of financial instruments listed on stock exchanges, the closing price on the relevant stock exchange the day before the valuation takes place shall be used as a frame of reference. If the price formation on that day was unnatural in the opinion of the Company, it is permitted to base the valuation on the average closing price over several banking days, taking into account the trading volume of the instruments on separate days. In assessing the market value of unlisted securities, the Company shall conduct a valuation taking into account the price that leading financial undertakings doing business with the Company involving the securities in question are paying for them.
- 12.7. In the event that the customer is in substantial default of its obligations to the Company, the customer agrees that the Company has full and unlimited authority to endorse the financial instruments of the customer, sign receipts for all payments and take any action needed which the Company considers advantageous. In the event that any further action on the customer's part is required in order to effect a transfer of title to any financial instruments, e.g. by the delivery of any necessary documents, the customer undertakes to make all necessary arrangements to this end; in the event of any failure by the customer to do so, the Company may seek the assistance of the District Commissioner or District Court to carry out what the customer neglects to do.
- 12.8. The Company may, without obligation, convert claims in foreign currencies into Icelandic krona (ISK) on the date of calling, or, as applicable, on the due date of the claim or later. Such conversion shall be based on the posted buying price of the Central Bank of Iceland at 11:00 a.m. on the day of settlement.
- 12.9. The customer shall pay default interest on the Company's claim as of the date of calling, as follows:
- 12.9.1. The amount of a called or due and payable claim shall carry default interest in accordance with the first paragraph of Article 6 of Act no. 38/2001 on Interest and Price Indexing from the due date until the date of payment. This applies irrespective of whether the amount of the claim is in Icelandic króna (ISK), foreign currency or whether the Company has decided to convert the amount into Icelandic króna (ISK). If a specific agreement has been made regarding default interest in a contract on a trade, the provisions of that contract shall apply. Unpaid default interest shall accrue to the principal every 12 months, the first time 12 months after the first date of default.
- 12.10. In the event of default by the customer on its obligations hereunder, the customer undertakes to pay to the Company, in addition to interest and/or default interest, any costs incurred by the Company as a result of the default, litigation costs or other court costs, counsel's fees or other expenses payable by the Company, together with other legal costs resulting from collection pursuant to these Terms & Conditions, in addition to any cost pursuant to the Company's tariff.

12.11. In cases where the above measures are insufficient to pay all the Company's claims on the customer, the customer undertakes to pay in full the entire balance of any unpaid claims.

### **13. Liability for agreements, declaration of indemnity, force majeure**

13.1. The acceptance by customers of these Terms & Conditions constitutes a declaration to the effect that they understand that the transactions they may engage in with the Company and falling within the scope of these Terms & Conditions can involve particular risk. Customers should therefore seek advice from outside experts if they feel such advice is needed. If a customer requests the opinion of an employee of the Company on a certain trade or financial instrument, it is reiterated that any opinion given by an employee on the basis of such a request, is solely founded on the opinions of the relevant employee at that time, and this may change without notice.

13.2. The customer is aware that the Company services that fall under these Terms & Conditions do not include market making or asset management for customers. This means that the Company does not guarantee alerts will be sent to the customer regarding the position of contracts or their closing at certain limits unless such services have been specifically negotiated with all the specific and general reservations that may apply at any time. It is therefore entirely the responsibility of customers to monitor the position and trends of the contracts they have concluded with the Company.

13.3. The Company is not liable for any direct or indirect damage suffered by the customer as a result of price changes following calling, e.g., if the customer would have made a profit on the price trend if the contract had not been called.

13.4. Since market conditions can change over a very short period of time, the Company cannot guarantee that it will be possible to process the customer's trading requests at the requested price. The Company does not assume responsibility for any damage, which the Customer may sustain, if the trading request is processed at a less favourable price than was assumed when the Customer made the request, e.g. due to price developments during the time it takes to process the request.

13.5. The Company is not liable if customers fail to meet their obligations towards it and the Company therefore enforces the collateral or exercises the provisions available to it and the collateral is sold or enforced by other means at a lower price or rate than the customer might have anticipated.

13.6. The Company is not liable for any direct or indirect losses or damage suffered by the customer if a tax collectible from the customer is not collected or incorrectly collected. In the event of a tax and/or public levy being imposed on a contract or individual transaction falling within the scope of these Terms & Conditions, the customer shall pay such additional charges.

13.7. The Company is not liable for any direct or indirect damage or loss, which the Customer may sustain as the direct or indirect result of a failure in the Company's hardware and IT equipment or from other comparable causes, such as disruptions to the Company's postal system, telephones, telex, fax machines or emails. Moreover, the Company is not liable for damage or losses caused directly or indirectly as a result of the information or actions of any third party.

13.8. The Company is not liable for direct or indirect damage resulting from force majeure events, such as war or impending conflicts, acts of terrorism, natural disasters, strikes,

lockouts, closures of borders, blockades or trade embargos.

- 13.9. If there are substantial changes in the terms of trade of the Company, due to circumstances beyond its control, such as changes in credit markets, government decisions, war, nuclear accidents or other events considered to fall under force majeure, making it impossible for the Company to obtain credit to finance securities trading or agreements that fall under these terms on comparable terms to those agreed upon when the agreement was made, the Company can, after notifying the customer, call in balances of loans or bring forward the due date of the agreement with seven days' notice. The same applies to significant changes if the terms of trade of the state Treasury takes a turn for the worse on global credit markets.
- 13.10. The Company is not liable for any direct or indirect damage resulting from events of a political, social, financial or economic nature and which are likely to prevent, disrupt or disturb in part or in whole the services which the Company provides even if such events are not categorised as force majeure.
- 13.11. The Company is not liable if financial instruments do not return the yield anticipated by the Company or the customer or if currency trends do not develop in the manner that the parties may anticipate. Furthermore, the Company is not liable if it does not prove possible to buy or sell the financial instruments or currency that the customer has requested to buy or sell in the price range requested by the customer.

#### **14. Statements and disclosures**

- 14.1. The Company shall send to customers a trade slip regarding each securities trade carried out by the Company for customers on the basis of these Terms & Conditions as promptly as possible after the execution of the trade. The Company will send such notices in a durable medium unless delivery by regular mail has been requested. If the customer has not commented in writing on a trade slip or statement within fifteen (15) days from their date, the Company will assume that the information they contain is correct, except in the case of obvious errors. In the event of errors, they shall be corrected and a notice sent to such effect.
- 14.2. In the event of the calling of a contract, or if the customer defaults on a payment on its due date, the Company shall send to the customer a notice concerning the Company's calculation of the payment obligation and, as applicable, the value of any enforced collateral. The notice shall be sent within twenty-one (21) days from the due date, calling date or enforcement date of collateral.
- 14.3. The Customer is required to notify the Company immediately of any circumstances that may affect the business relations of the parties, including any actual or foreseeable default or any events which could result in default, whether pursuant to these Terms & Conditions or any other terms or agreements between the parties. The customer is also required to notify the Company if the customer is or becomes an insider in a Company listed on the market if other similar circumstances restrict the permission of the customer to trade in certain financial instruments.
- 14.4. The customer shall at any time the Company requests it, provide the Company with any information which the Company considers necessary concerning the customer's financial status and/or knowledge and experience in trading in financial instruments.
- 14.5. The customer warrants with every request regarding foreign financial instruments that all the foreign financial instruments which they or others acting on their behalf, may

trade in through the Company belong to them personally and that they are considered their beneficial owner and that the financial instruments may neither now nor later be linked to criminal conduct.

- 14.6. The Company will not publish announcements regarding Company operations in particular. Company operations are operations that lead to changes in the financial commitment of companies, e.g. the allocation of dividends and capitalisation etc. Customers declare that they are responsible for monitoring notifications regarding company operations and their decisions to participate in such company operations are their own responsibility. The customer must communicate their wishes in this regard to the Company, which acts as an intermediary in their participation.
- 14.7. On the demise of a customer, or dissolution if the customer is a legal person, the Company shall be notified and a duly authorised party shall inform the Company of the disposal of the rights and obligations of the customer. If the Company has not received the information from such a party within five (5) days from the demise or dissolution of the customer, previously provided information, e.g. concerning authorisations to represent the customer, will be considered valid, and the Company is permitted, without obligation, to call and/or close the contract(s) of the customer with the Company. The Company bears no responsibility for any damage that may be sustained as a result of this. The Company also reserves the right to refuse to follow instructions if there is the slightest doubt as to who is entitled to make decisions concerning the rights and obligations of the customer after their demise or dissolution, and the Company accepts no liability for any losses which may result from such a refusal.
- 14.8. By confirming these Terms & Conditions the customer declares that the Company is permitted to maintain all communications with the customer in writing, by telephone, by telefax, e-mail or through the access-controlled service page of the customer on the Company's website or through the Company's website. The customer accepts the risks inherent in electronic communications, including the risk that an e-mail message may not be delivered in time and the potential risk to confidentiality in such communications. Communications shall be regarded as having taken place if a request to carry out a certain trade has been received through an e-mail address or fax that the customer has supplied, unless it is clear to the Company that the information has not arrived, e.g. with a reply email to the effect that the email address is no longer active. By confirming these Terms & Conditions, the customer agrees that the supplied e-mail address is the e-mail address of the customer who checks it daily to read received e-mail messages.
- 14.9. Customers are held responsible if their server/telefax machine does not deliver their e-mail/fax, e.g., as a result of a malfunction in the computer system/fax machine. Customers shall notify the Company promptly of any change in their address, telephone number, e-mail address or other comparable information. A written request is considered received when it is read by a member of the Company's staff.
- 14.10. The Company will send to customers further statements and information on services provided as stipulated by law or, as the customer may request, in a durable medium or by e-mail.
- 14.11. By confirming these Terms & Conditions the customer declares that the Company is permitted to disseminate information which specifically concerns the customer, such as amendments and updates of the rules on best practices, the policy to prevent conflicts of interests and amendments to these Terms & Conditions in a durable medium or by email. Customers can receive these documents by regular mail if they specifically request it.

## **15. Measures against money laundering and terrorist financing**

15.1. In order to comply with the provisions of Act no. 140/2018 on Measures against Money Laundering and Terrorist Financing, the Company is required to collect information on the customer. If the customer is a natural person and has not, at the time of acceptance of these Terms & Conditions, previously entered into business with the Company, customers shall prove their identity by filling in and signing a form regarding the start of business and supply the requested documents. Also, if the customer is a legal entity and has not, at the time of acceptance of these Terms & Conditions, entered into business with the Company, it shall prove its identity by filling in and signing a form regarding the start of business and supply the requested documents, including information on its business activity and the identity of the persons who are authorised to make binding commitments on behalf of the entity with the Company. The parties who are authorised to commit a customer must prove their identity by presenting identity documents.

15.2. The Company also reserves the right to request additional information about the customer and the funds with which the customer intends to do business with the Company.

15.3. By accepting the Terms & Conditions, customers confirm that the funds delivered by them are owned by them. If a customer wishes, at the establishment of the business relationship or later, to provide funds owned by others, the customer must notify the Company in writing, and the Company can then demand all the necessary documents in that regard. The same applies if there are changes to the information or data that the customer delivers to the Company in accordance with the above.

15.4. In other respects, reference is made to the Company's rules on measures against money laundering.

## **16. Recording of telephone conversations, storage and preservation of data**

16.1. For the purposes of protecting the security of customers and the Company and as a means of correcting potential misunderstandings, the customer is aware that business calls between customers and the Company may be recorded, without any special notification being given on each occasion, and by accepting these Terms & Conditions, the customer is fully aware that this may be done. The same applies to conversations through other traceable communication applications, such as Skype for Business, Teams and Bloomberg. Such recordings must be kept by the Company for as long as the law stipulates but are generally destroyed after that time.

16.2. Calls that lead or may lead to business are recorded. Other calls between the Company and the customer may also be recorded.

16.3. Telephone conversations are recorded pursuant to authorisations granted under Act no. 70/2022 on Telecommunications.

16.4. By approving these Terms & Conditions the customer agrees that recorded conversations may be submitted in court as evidence in the course of legal proceedings or in other circumstances in the event of a dispute regarding the substance of communications between the parties, such as the conditions and/or execution of a trade. In other respects, the Company will treat recordings of conversations in the same way as other information subject to banking confidentiality, cf. articles 58-60 of Act no.161/2002 on Financial Undertakings.

## **17. Protection of privacy and processing of personal data**



- 17.1. It is necessary for the Company, and the Company is required by law, to process personal data concerning its customers to perform its role as a financial undertaking and in order to ensure security in financial services. The Company is generally responsible for the processing and handling of personal data. The information in question includes, among other things, the name, ID number, address and information about the customer's individual trades.
- 17.2. By accepting these Terms & Conditions the customer permits the Company to process personal information regarding the customer. In processing personal data, access is restricted to employees of the Company on a "need to know" basis.
- 17.3. Pursuant to Act no. 90/2018 on Data Protection and the Handling of Personal Information, customers have a right to know about the personal information which is being handled or has been handled by the Company. The customer also has the right to have incorrect or misleading personal information corrected or deleted.
- 17.4. In other respects, reference is made to the Company's procedures for the handling of customer information.

## **18. Confidentiality and impartiality**

- 18.1. The Company is obliged to maintain strict confidentiality regarding all of its customers' dealings with the Company and other matters related to the customer's activities, and confidentiality must be observed in accordance with the law and nature of the matter, unless the Company is ordered by a judge to disclose this information in a court of law, to the police or some other authority requests it.
- 18.2. According to the law, the Company may be obliged to make some information about certain transactions public. By approving these Terms & Conditions, the customer agrees that the Company is authorised to make such information public. Pursuant to the laws of some countries, the Company may be obligated, subject to criminal liability and the loss of voting rights, to provide information on the beneficial owners of shares in public limited companies, irrespective of whether disclosure limits have been reached or not. If the customer requests to trade on such markets, such a request authorises the Company and its custodians to inform the relevant surveillance body, stock exchange or share registry about share ownership.
- 18.3. The customer is aware that the Company is obliged to maintain the utmost impartiality towards the customer in its activities according to the law and must always conduct its work in such a way that the customer enjoys equality in business regarding all matters of importance, as stated in the Company's policy on conflicts of interest. The Company's policy on measures to prevent conflicts of interest can be accessed on the Company's website. Customers can also request to receive a copy of the policy by email.

## **19. Miscellaneous provisions**

- 19.1. These Terms & Conditions and any contracts entered into on their basis are subject to Icelandic law. Any disagreements that may arise regarding the interpretation of these Terms & Conditions or agreements made on their basis, shall be referred to the District Court of Reykjavik. Customers are aware that they may refer the dispute to the Complaints Committee on Transactions with Financial Firms.
- 19.2. All communications between the Company and the customer regarding transactions covered by these Terms & Conditions shall be conducted in Icelandic or English.

19.3. The Company reserves the right to cancel these Terms & Conditions, add to them or amend them at any time. If this is done the customer will be notified on a durable medium or by notification on the Company's webpage or by email. Customers can also request to receive a copy of such amendments by regular mail. If the customer continues to do business after the amended Terms & Conditions have come into force, the customer is deemed to have accepted the amendments, and the amended Terms & Conditions then apply to the customer and the Company's business relationship.

19.4. These Terms & Conditions are not intended to provide eligible counterparties and institutional investors with greater protection than afforded by law and regulations. In cases where these Terms & Conditions go further than the protection provided to such customers according to the law and regulations, the provisions of the law and regulations shall apply.

19.5. The customer cannot assign his rights or obligations pursuant to these Terms & Conditions or contracts made on the basis of these Terms & Conditions without the written consent of the Company. The Company may assign all or any of its rights and obligations hereunder, in full or in part, to another financial undertaking in the understanding of Act no. 161/2002 on Financial Undertakings. In such circumstances and for such purpose the Company is permitted to relinquish this contract and other contracts between the parties and it shall be assumed that with these Terms & Conditions the conditions of Article 60 of Act No. 161/2002 on Financial Undertakings to the effect that the customer must consent to the communication of confidential information regarding himself are fulfilled.

19.6. These Terms & Conditions come into effect once they have been signed by the Board of Directors and apply to all agreements entered into after that date.

## 20. Definitions

20.1. The following definitions are used in these Terms & Conditions, as well as other transactions carried out and falling within the scope of these Terms & Conditions:

*Banking day* is a day when banks are generally open for business in Iceland and the financial centres of the currencies specified in a contract.

*Banking day rule* shall be specified in the contract. It describes how contractual due dates are deferred if they do not fall on a banking day for the relevant currency. The rule describes how contractual due dates are shifted if they do not fall on a banking day for the currency in question. The banking day rules are as follows:

(a) The following banking day: The contractual due date is shifted to the next banking day following the day specified when that day is not a banking day.

(b) The following banking day with exception. The contractual due date is shifted to the next banking day following the day specified when that day is not a banking day, unless the shift has the result that the due date falls in the following month. In such circumstances the due date is shifted to the banking day immediately preceding the date specified in a contract.

(c) The next banking day before that. The due date according to the contract is deferred to the next banking day before the day specified when the specified day is not a banking day.

*Financial instrument* means:

- (a) securities.
- (b) money market instruments.
- (c) UCITS
- (d) derivatives

*Investment advice* means the provision of personal recommendations to a client in respect of financial instruments, either on the initiative of the customer or the provider of the service.

*A contract date* is the date when the Company confirms the trade and terms requested by the customer.

*Interest period* is the number of days or months on which the calculation of interest is based at any time. Interest is calculated as of the first day of each interest period until the last day of the period. The first interest period of a contract begins on the first interest date of the contract and ends on the first due date of interest. Each subsequent interest period begins on the due date of the interest of the preceding period and ends on the next due date of interest. The final interest period ends on the closing date of the contract.

*Due date of interest and payment of interest:* The due date of interest is the final day of an interest period. Banking day rules apply to due dates of interest. This applies also to due dates of interest at the end of a contract term.

*First interest date* is the first day of the first interest period.

*Day rules for the calculation of interest (proportional number of days):* A contract shall specify the method of calculating interest. More than one method may be used in the same contract. The principal methods are the following:

- (a) A/365: Number of actual calendar days to 365. The interest rate is multiplied by the number of calendar days in each interest period and the resulting number of days is divided by 365.
- (b) A/360: Number of actual calendar days to 360. The interest rate is multiplied by the number of calendar days in each interest period and the resulting number of days is divided by 360.
- (c) 30/360: 30 days to 360. The interest rate is multiplied by the number of days in each interest period assuming that each month has 30 days and the resulting number of days is divided by 360.
- (d) 30E/360: Euro bond rule. The calculation assumes that the year is 12 months and that each month has 30 days, with the exception that if the last day of an interest period falls on the last day of February that month is not counted as 30 days, but as the actual number of days in the month. The number of days is divided by 360.

*REIBOR:* The REIBOR (Reykjavík Inter Bank Offered Rate) interest refers to the average interest on interbank loans in Icelandic Krona (ISK) on the Reykjavík Inter Bank Market as posted by the Central Bank of Iceland daily between 11:15 and 11:30, local time, in Reykjavík.

*LIBOR:* LIBOR (London Inter Bank Offered Rate) interest refers to interest on the London Interbank Market as posted at 11 a.m., local time, in London on the Reuter BBA screen.

*Durable medium* in this agreement means the access-controlled service page of each customer on the Company's website. A customer is assigned a password to enter such a page and the relevant customers receive all information regarding their transactions in

this area. Customers can request to receive information by regular mail.

Approved by the Board of Directors of ACRO Securities hf. on 10 August 2021.

Revised and approved by the Board of Directors of Acro Securities hf. on 5 October 2023

Revised and approved by the Board of Directors of Acro Securities hf. on 26 September 2024