

**EXECUTION VERSION**

**SUPPLEMENTAL DEED OF COVENANT**

**15 MARCH 2024**

**ARION BANK HF.**

**ALLEN & OVERY**

**Allen & Overy LLP**

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**THIS SUPPLEMENTAL DEED OF COVENANT** is made on 15 March 2024 by **ARION BANK HF.** (the **Issuer**)

**WHEREAS:**

(A) The Issuer has issued the €300,000,000 Series 2021-1 Tranche 1 0.050 per cent. Covered Bonds due October 2026 issued on 4 October 2021 (the **Series 2021-1 Tranche 1 Covered Bonds**) which was consolidated with the €200,000,000 Series 2021-1 Tranche 2 0.050 per cent. Fixed Rate Covered Bonds due October 2026 issued on 6 April 2022 (the **Series 2021-1 Tranche 2 Covered Bonds**) and formed a single Series on 17 May 2022 (ISIN: XS2391348740) (the “**Series 2021-1 Covered Bonds**”) and €250,000,000 Series 2021-2 Floating Rate Covered Bonds due 6 July 2025 issued on 5 July 2022 (ISIN: XS2500208991) (the “**2021-2 Covered Bonds**”, and together with the Series 2021-1 Covered Bonds, the “**Covered Bonds**”) under the amended and restated deed of covenant made by the Issuer on 16 July 2021 (the “**Original Deed of Covenant**”).

(B) The holders of the Series 2021-1 Covered Bonds have agreed to amend the Original Deed of Covenant as set out in this Supplemental Deed of Covenant by way of an Extraordinary Resolution dated 8 March 2024. The holders of the 2021-2 Covered Bonds have agreed to amend the Original Deed of Covenant as set out in this Supplemental Deed of Covenant by way of a Written Resolution dated 8 March 2024.

(C) Nothing in the Original Deed of Covenant requires the Issuer to maintain any credit ratings from S&P in respect of the Covered Bonds or the Issuer and the Issuer has no intention of undertaking any such requirement. This Deed is being executed by the Issuer so that certain covenants under the Original Deed of Covenant shall cease to apply, as set out in this Deed, and the Issuer will have no obligation to maintain any credit ratings in respect of the Issuer itself or the Covered Bonds under this Deed.

(D) This Deed is supplemental to the Original Deed of Covenant.

**NOW THIS DEED OF COVENANT WITNESSES AND IT IS AGREED AND DECLARED** as follows:

**1. DEFINITIONS AND INTERPRETATION**

Capitalised terms used but not defined in this Deed shall, unless the context otherwise requires and save where otherwise defined herein, have the meanings set out in the agency agreement dated 16 July 2021 entered into by, amongst others, the Issuer and the Bank of New York Mellon, London Branch (the “**Fiscal Agent**”) (the “**Agency Agreement**”, which expression includes the same as it may be further amended, supplemented, novated and/or restated from time to time).

**2. AMENDMENT AND RESTATEMENT**

2.1 With effect from the date hereof, all undertakings of the Issuer under the Original Deed of Covenant or the deed of covenant made by the Issuer on 14 December 2023 in favour of the holders of the Covered Bonds relating to a credit rating assigned by S&P to the Covered Bonds or the Issuer, including but not limited to those related to the Relevant Reference Currency Swap Agreement (as defined in the Original Deed of Covenant), shall cease to apply. For the avoidance of doubt, all undertakings of the Issuer under the deed of covenant made by the Issuer on 14 December 2023 in favour of the holders of the Covered Bonds relating to a credit rating assigned by Moody’s to the Covered Bonds or the Issuer, including, but not limited to, those contained in Clause 8 (*Relevant Reference Currency Swaps*), Clause 10 (*Asset Coverage Test*), Clause 11 (*Establishment of Issuer Accounts*) and Clause 12 (*Obligations of the Issuer*), shall remain in full force and effect.

2.2 With effect from the date hereof, the Original Deed of Covenant shall be amended so that Clause 8, Clause 9, Clause 10, Clause 11 and Clause 12 are deleted in their entirety and replaced with “[RESERVED]”.

### **3. SUPPLEMENTAL**

- 3.1 This Supplemental Deed of Covenant is supplemental to and should be read in conjunction with the Original Deed of Covenant. The amendments contemplated by this Supplemental Deed of Covenant shall take effect from the date hereof. Save as expressly amended by this Supplemental Deed of Covenant, the Original Deed of Covenant and the Covered Bonds shall remain in full force and effect and all rights, powers, obligations and immunities comprised therein and arising pursuant thereto shall remain in full force and effect notwithstanding this Supplemental Deed of Covenant. The Original Deed of Covenant and this Supplemental Deed of Covenant shall henceforth be read and construed as one document and references in the Original Deed of Covenant to "this Deed" or "these presents" shall be read as references to the Original Deed of Covenant as amended by this Supplemental Deed of Covenant, provided always that in the event of any inconsistency between the Original Deed of Covenant and this Supplemental Deed of Covenant, the provisions of this Supplemental Deed of Covenant shall prevail.
- 3.2 The deed of covenant made by the Issuer on 14 December 2023 in favour of the holders of the Covered Bonds shall remain in full force and effect and all rights, powers, obligations and immunities comprised therein and arising pursuant thereto shall remain in full force and effect notwithstanding this Supplemental Deed of Covenant.

### **4. GOVERNING LAW**

This Supplemental Deed of Covenant and any non-contractual obligations arising out of or in connection with this Supplemental Deed of Covenant are governed by, and shall be construed in accordance with, English law Clause 16 of the Original Deed of Covenant shall apply to this Supplemental Deed of Covenant as if expressly incorporated herein, *mutatis mutandis*..

**IN WITNESS** whereof this Supplemental Deed of Covenant has been executed as a deed by the Issuer and delivered on the date first stated on page 1.

**SIGNATORIES**

**EXECUTED** as a **DEED** )  
by **ARION BANK HF.** )  
acting by )  
acting on the authority )  
of that company )  
in the presence of: )



Witness:

Name:

Address:

