

Stock Exchange Announcement 07/2008**Appendix to Stock Exchange Announcement 6/2008 Notice to convene
Annual General Meeting**

Appendix to item 8 on the agenda of the Annual General Meeting of Eik Banki P/F regarding guidelines for incentive pay by the Bank to the Board of Directors and the Senior Management

Guidelines for incentive pay by Eik Banki P/F to the Board of Directors and the Senior Management of Eik Banki P/F

The objective of the guidelines for incentive pay for Eik Banki P/F is to fulfill established recommendations on corporate governance as well as long-term value creation for the Bank's shareholders.

Remuneration to individual members of the Board and members of the Executive Management is detailed in the Annual Report and will also be published on the Bank's Investor Relations site.

Remuneration of the Board of Directors

The Board of Directors of Eik Banki P/F is remunerated with a fixed fee and is not included in any sort of incentive or performance related pay.

The basic pay is fixed at a certain level, which is market competitive, and which reflects the demands put on members of the Board of Directors, their competences and efforts, considering the complexity of the Bank, the scope of the work load and the number of Board meetings.

The chairman of the board of Directors receives triple the basic remuneration and the vice chairman receives double the basic remuneration.

Remuneration of the Senior Management

The Senior Management is contractually employed. There is an annual assessment of the remuneration. Decisive to the remuneration to Senior Management is the objective to ensure the Bank's continued possibilities to attract and maintain the best qualified members of the Senior Management.

The details in the total remuneration to the Senior Management are comprised in consideration of market practice and the Bank's specific needs. In connection with the annual assessment of remuneration to members of Senior Management, a consideration of market practice is made.

Remuneration of Senior Management may be comprised of fixed pay, value-based bonus in the shape of Eik Banki P/F shares and derivatives based on these, and pension.

The total level for the non-variable elements in the remuneration is established in consideration of market level, as e.g. the Bank's size, complexity and course of development are taken under consideration. Members of the Senior Management receive defined contribution plans.

Members of the Senior Management are evaluated annually. Variable remuneration to members of Senior Management is fixed specifically in consideration of their goal achievement herein.

Allotment of shares as part of the variable remuneration is made at market value according to established guidelines.

The Board of Directors decides within the frame-works of this policy all aspects of the remuneration to the Senior Management, including severance terms.

Liability

This remuneration policy has been adopted by the Board of Directors of Eik Banki P/F and by the General Meeting on 11 April 2008. The Board of Directors is responsible for performing any necessary adjustments and resubmitting any changes to the General Meeting.

On behalf of the Board of Directors

Yours sincerely

Frithleif Olsen, Chairman

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Further information on Eik Banki P/F: www.eikbank.com