

**PATENT ASSIGNMENT**

Electronic Version v1.1  
 Stylesheet Version v1.1

|   |                                 |
|---|---------------------------------|
| <b>SUBMISSION TYPE:</b>   | NEW ASSIGNMENT                  |
| <b>NATURE OF CONVEYANCE:</b>  | RELEASE BY SECURED PARTY        |
| <b>CONVEYING PARTY DATA</b>   |                                 |
| <b>Name</b>   | <b>Execution Date</b>           |
| ARION BANK HF   | 03/11/2011                      |
| <b>RECEIVING PARTY DATA</b>   |                                 |
| <b>Name:</b>  | OSSUR HF                        |
| <b>Street Address:</b>  | Griothals 5                     |
| <b>City:</b>  | Reykjavik                       |
| <b>State/Country:</b>   | ICELAND                         |
| <b>Postal Code:</b>   | 110                             |
| <b>PROPERTY NUMBERS Total: 1</b>  |                                 |
| <b>Property Type</b>  | <b>Number</b>                   |
| <b>Application Number:</b>  | 11896960                        |
| <b>CORRESPONDENCE DATA</b>  |                                 |
| <b>Fax Number:</b>  | (571)970-5692                   |
| <b>Email:</b>   | mail@baconthomas.com            |
| <i>Correspondence will be sent to the e-mail address first; if that is unsuccessful, it will be sent via US Mail.</i> |                                 |
| <b>Correspondent Name:</b>  | Bacon & Thomas, PLLC            |
| <b>Address Line 1:</b>  | 625 Slaters Lane                |
| <b>Address Line 2:</b>  | Fourth Floor                    |
| <b>Address Line 4:</b>  | Alexandria, VIRGINIA 22314-1176 |
| <b>ATTORNEY DOCKET NUMBER:</b>  | OLAF3003/JJC/PMB                |
| <b>NAME OF SUBMITTER:</b>   | Patrick M. Buechner             |

**CH \$40.00 11896960**

**Total Attachments: 54**  
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 source=Security Release (Arion & Kaupthing)#page4.tif

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EXECUTION COPY

Arion Bank hf.  
Borgatuni 19  
105 Reykjavik  
Iceland

March 11, 2011

U.S. MASTER LIEN TERMINATION AGREEMENT

Össur hf.  
Grjóthals 5  
110 Reykjavik  
Iceland

Attention: Chief Financial Officer

Ladies/Gentlemen:

Reference is hereby made to the Amended and Restated Facilities Agreement, dated 26 April 2010 (as heretofore amended, supplemented or modified from time to time, the "Facilities Agreement"), among Össur hf., as borrower (the "Borrower"), the Guarantors party thereto, the lenders from time to time parties thereto, and Arion Bank hf., as arranger, facility agent and security agent (in its capacity as security agent, the "Security Agent"). All capitalized terms used herein that are defined in the Facilities Agreement and that are not otherwise defined herein shall have the respective meanings ascribed thereto in the Facilities Agreement.

This letter confirms that, effective upon the date hereof:

- (1) all indebtedness of the Borrower for credit extended under the Facilities Agreement is hereby fully paid and discharged;
- (2) all security interests and other liens granted by any US Guarantor (as defined in the Amended and Restated Security Agreement, dated as of April 26, 2010 (the "U.S. Security Agreement"), among the Borrower, the guarantors party thereto (the "US Guarantors") and the Security Agent) to or in favor of the Security Agent for the benefit of the Secured Parties as security for such indebtedness and other Secured Obligations (as defined in the U.S. Security Agreement) are hereby forever satisfied, released and discharged;
- (3) all guarantees given by the US Guarantors pursuant to the Facilities Agreement or any other Finance Documents are hereby forever satisfied, released and discharged; and
- (4) all other obligations of the US Guarantors under the Facilities Agreement or any other Finance Documents are hereby released and discharged, except only those that are specified in the Facilities Agreement or any of the other Finance Documents as surviving that respective agreement's termination, which shall, as so specified, survive without prejudice and remain in full force and effect.

EXECUTION COPY

TERMINATION OF U.S. AMENDED AND RESTATED SECURITY AGREEMENT

Reference is made to the Amended and Restated Security Agreement, dated as of April 26, 2010 (as heretofore amended, modified or supplemented from time to time, the "U.S. Security Agreement"), among Ossur HF., as borrower (the "Borrower"), Ossur Americas Holdings, Inc., Ossur Americas, Inc., Ossur Funding LLC, Empower Reimbursement Services, Inc. and Ossur Americas L.P., as guarantors (collectively, the "US Guarantors" and, together with the Borrower, the "Lien Grantors"), and Arion Bank HF., as security agent (in such capacity, the "Security Agent"). All capitalized terms used herein that are defined in the U.S. Security Agreement and that are not otherwise defined herein shall have the respective meanings ascribed thereto in the U.S. Security Agreement.

Each of the undersigned hereby agrees that, effective as of the date hereof, (i) pursuant to Section 27 of the U.S. Security Agreement, the U.S. Security Agreement is hereby terminated, and (ii) the Release Conditions have been satisfied, and the Transaction Liens are hereby terminated. Notwithstanding the foregoing, as provided in Section 21(d) of the U.S. Security Agreement, the Security Agent hereby agrees, at the expense of the Lien Grantors, to execute and deliver to the Lien Grantor such documents as such Lien Grantors shall reasonably request to evidence the termination of the Transaction Liens.

This agreement shall be construed in accordance with and governed by the laws of the State of New York.

Dated: As of March 11, 2011

*[Signature pages follow]*

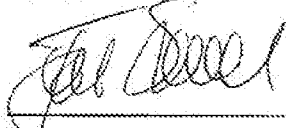
Execution Copy

IN WITNESS WHEREOF, each of the undersigned has duly executed and delivered this Termination of U.S. Amended and Restated Security Agreement as of the date first above written.

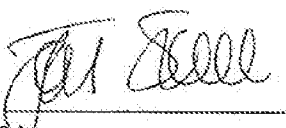
ARION BANK HF., as Security Agent

By: *[Signature]*  
Name: LOREN FREDERICKSON  
Title: VP CORPORATE BANKING

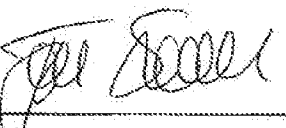
OSSUR HF.

By:   
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

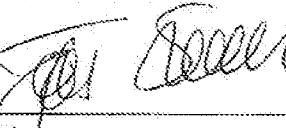
OSSUR AMERICAS HOLDINGS, INC.

By:   
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

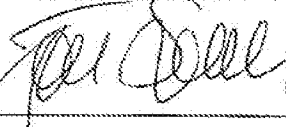
OSSUR AMERICAS, INC.

By:   
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

OSSUR FUNDING LLC

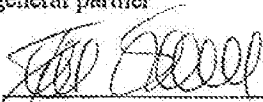
By:   
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

EMPOWER REIMBURSEMENT SERVICES, INC.

By:   
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

OSSUR AMERICAS L.P.

By: OSSUR HOLDING B.V.,  
its general partner

By:   
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

[Signature Page to Termination of U.S. Amended and Restated Security Agreement]

The Security Agent hereby authorizes the US Guarantors to prepare and file or record, as applicable, Uniform Commercial Code termination statements, real property terminations and releases and such other instruments of release and discharge pertaining to the security interests and liens described in clause (2) above of the Collateral Agent in any of the assets and property of the US Guarantors as the US Guarantors may reasonably request to effectuate, or reflect of public record, the release and discharge of all such security interests and liens, including, without limitation, each of the termination statements and instruments specified on Schedule 1 hereto. The Collateral Agent will execute (where applicable) and deliver each of the termination statements and instruments specified on Schedule 1 hereto and such other documents as the US Guarantors may from time to time reasonably request to effectuate, or reflect of public record, the release and discharge of such security interests and liens. All of the foregoing deliveries shall be at the expense of the US Guarantors.

**THIS LETTER AGREEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH  
AND GOVERNED BY THE LAWS OF THE STATE OF NEW YORK.**

*[Signature pages follow]*



Execution Version

Very truly yours,

ARION BANK HF., as Security Agent

By : *[Signature]*  
Name : BOYAN DOROSHOVSKI  
Title : MO CORPORATE BANKING

Accepted and Agreed to:

OSSUR HF.

By : \_\_\_\_\_  
Name : \_\_\_\_\_  
Title : \_\_\_\_\_

OSSUR AMERICAS HOLDINGS, INC.

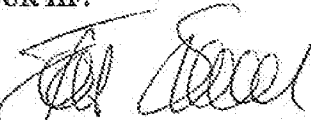
By : \_\_\_\_\_  
Name : \_\_\_\_\_  
Title : \_\_\_\_\_

OSSUR AMERICAS, INC.

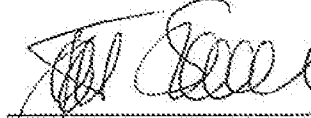
By : \_\_\_\_\_  
Name : \_\_\_\_\_  
Title : \_\_\_\_\_

Accepted and Agreed to:


OSSUR HF.

By:   
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

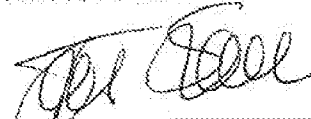
OSSUR AMERICAS HOLDINGS, INC.

By:   
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

OSSUR AMERICAS, INC.

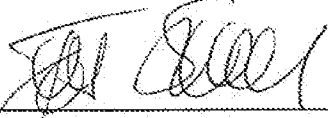
By:   
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

OSSUR FUNDING LLC

By:   
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

{Signature Page to U.S. Master Lien Termination Agreement}


EMPOWER REIMBURSEMENT SERVICES, INC.

By:   
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

[Signature Page to U.S. Master Lien Termination Agreement]

OSSUR AMERICAS L.P.

By: OSSUR HOLDING B.V.,  
its general partner

By:   
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

[Signature Page to U.S. Master Lien Termination Agreement]

SCHEDULE 1

TERMINATION DOCUMENTATION

Uniform Commercial Code Termination Statement with respect to Ossur Americas Holdings, Inc. to be filed in the Office of the Secretary of State of the State of Delaware.

Uniform Commercial Code Termination Statement with respect to Ossur Americas, Inc. to be filed in the Office of the Secretary of State of the State of California.

Uniform Commercial Code Termination Statement with respect to Ossur Funding LLC to be filed in the Office of the Secretary of State of the State of Delaware.

Uniform Commercial Code Termination Statement with respect to Empower Reimbursement Services, Inc. to be filed in the Office of the Secretary of State of the State of California.

In the event that a Uniform Commercial Code Financing Statement is filed with respect thereto, a Uniform Commercial Code Termination Statement with respect to Ossur Americas L.P. to be filed in the Office of the Secretary of State of the State of Delaware.

Termination of U.S. Amended and Restated Security Agreement, among the parties to the U.S. Security Agreement.

Termination of Deposit Account Control Agreement, among Ossur Funding LLC, Arion Bank hf and Bank of America, N.A.

Termination of Deposit Account Control Agreement, among Ossur Americas, Inc. (formerly known as Ossur North America, Inc.), Arion Bank HF (as successor to Kaupthing Bank HF) and US Bank.

Substitution of Trustee and Full Reconveyance by Arion Bank HF.



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**DECLARATION OF PLEDGE**

Dated 5<sup>th</sup> August 2005

between

Össur hf.  
as Borrower

and

Kaupthing Bank hf.  
as Security Agent

## DECLARATION OF PLEDGE

This Declaration of Pledge is dated the 5<sup>th</sup> August, 2005, among Össur hf. (hereinafter referred to as the "**Borrower**"), a company organised and operated under the laws of Iceland, whose principal office is located at Griótháls 5, 110 Reykjavík, and Kaupthing Bank hf., Borgartúni 19, Reykjavík, Iceland, (together with its successors, transferees and assigns in such capacity pursuant to the Loan Agreement referred to below, the "**Security Agent**") as agent and trustee for each and any Secured Party as defined below.

The Borrower is in the business of development, creation, manufacturing and selling of prosthetic and orthotic devices and a leading innovator in the field.

The Borrower will refinance its current senior indebtedness and finance its operations and the acquisition of the Target with a loan to be made to the Borrower pursuant to an agreement, dated on or around August, 2005, (the "**Facilities Agreement**") among the Borrower, and Kaupthing Bank hf. as arranger, Facility Agent and Security Agent, and the lenders from time to time party thereto (the "**Lenders**").

It is a condition precedent to the Lenders making funds available under the Facilities Agreement that the Borrower shall have granted the pledge and security interest contemplated by this Declaration of Pledge.

The parties hereto hereby agree as follows:

### SECTION 1. DEFINITIONS:

- (a) (i) Capitalised terms used herein and not defined herein shall have the respective meanings ascribed thereto in the Facilities Agreement (as defined herein) and clause 1.0 (*Definitions*) of the Facilities Agreement shall apply to this Declaration of Pledge mutatis mutandis.
- (ii) Unless otherwise stated, any reference herein to any Person shall include its permitted successors, transferees and assigns.
- (iii) Reference to a Loan Document or any other document is a reference to that Loan Document or other document as amended, novated, replaced or supplemented from time to time.
- (iv) "assets" includes properties, contracts, revenues and rights of every description.

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(b) The following terms shall have the following meanings (all terms defined in this Section 1 or in the other provisions of this Declaration of Pledge in the singular shall include the plural and *vice versa*):

**"Bridge Loan Facility Agreement"** means the USD 80,000,000 loan agreement (as amended and restated, supplemented or otherwise modified from time to time) entered into between the Borrower and Kaupthing Bank hf. as the Lender on the 5 August 2005.

**"Facilities Agreement"** means the USD 233,000,000 term loan and credit line agreement (as amended and restated, supplemented or otherwise modified from time to time) entered into between the Borrower, the Original Guarantors (as defined therein) and Kaupthing Bank hf. as the Arranger, the Original Lender, the Facility Agent and the Security Agent, on the 5 August 2005.

**"Finance Documents"** means:

- (a) the Facilities Agreement;
- (b) the Bridge Loan Facility Agreement;
- (c) the Fee Letter; and
- (d) the Security Documents.

**"Finance Parties"** means the Facility Agent, the Arranger, the Security Agent and the Lender (which may vary from time to time to the extent provided in the Facilities Agreement) as defined in the Facilities Agreement.

**"Pledged Assets"** means all the assets pledged pursuant to Section 2 of this Declaration of Pledge.

**"Secured Liabilities"** means all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) of the Borrower to any Finance Party under the each Finance Document to which the Borrower is a party together with all costs, charges and expenses incurred by any Finance Party in connection with the protection, preservation or enforcement of its respective rights under the Finance Documents on a full indemnity basis except for any obligation or liability which, if it were so included, would result in this Declaration of Pledge to be unlawful. The term "Loan Document" includes all amendments and supplements including supplements providing for further advances.

**"Security Period"** means the period beginning on the date hereof and ending on the date upon which the Security Agent is satisfied (acting reasonably) that all the Secured Liabilities which have arisen have been unconditionally and irrevocably paid and discharged in full or (if earlier) the security hereby created has been unconditionally and irrevocably released and discharged.

**"Secured Party"** means each and any Finance Party.



**"Updating Date"** means;

(i) in respect of any contracts, agreements or documents to be included in Schedule A replacing or supplementing the Pledged Agreements or otherwise entered into in connection with the operation of the Facilities in accordance with Section 2 A, a date falling within 10 Business Days of the date on which the relevant contract, agreement or document is entered into; and

(ii) in respect of any replacement or supplement to the contracts, agreements, documents or assets referred to in paragraphs B to D of Section 2 to be included in Schedules B, C or D on each date falling within 10 Business Days of the replacement by or addition of any asset having an open market value of more than USD 250,000 or (as the case may be) within 10 Business Days of the execution of any contract or agreement relating to the provision of goods and/or services having an aggregate value in excess of USD 250,000.

## SECTION 2. PLEDGE.

To ensure payment, performance and/or discharge of the Secured Liabilities in accordance with the Finance Documents, the Borrower hereby pledges by way of first ranking security to the Security Agent, for the benefit of the Secured Parties the following items:

- A. All its rights, title, benefits and interests (present or future, actual or contingent) in, under or in respect of the agreements, contracts and documents listed in **Schedule A**, together with all other agreements, contracts and other documents entered into by the Borrower after the date of this Agreement including without limitation (i) all rights of the Borrower to receive moneys due and to become due under or pursuant to the Pledged Agreements, (ii) all rights of the Borrower to receive proceeds of any insurance, payment and/or performance bond, indemnity, warranty or guaranty with respect to the Pledged Agreements and all arrangements, documents and instruments relating thereto, (iii) all claims of the Borrower for damages arising out of breach of or default under any of the Pledged Agreements and (iv) all rights of the Borrower to terminate, amend, supplement, modify or waive performance under the Pledged Agreements, to perform thereunder and to compel performance and otherwise to exercise all rights and remedies thereunder provided, however, that, for so long as no Event of Default shall have occurred and be continuing, the Borrower may exercise all of its rights and privileges under the Pledged Agreements, subject to the terms of the other Finance Documents.
- B. All its rights, title, benefits and interests (present or future, actual or contingent) in, under or in respect of all rental agreements listed in **Schedule B**, together with all other agreements, contracts and other documents entered into by the Borrower after the date of this Agreement, including without limitation (i) all rights of the Borrower to receive moneys due and to become due under or pursuant to the Pledged Agreements, (ii) all rights of the Borrower to receive proceeds of any insurance, payment and/or performance bond, indemnity,

warranty or guaranty with respect to the Pledged Agreements and all arrangements, documents and instruments relating thereto, (iii) all claims of the Borrower for damages arising out of breach of or default under any of the Pledged Agreements and (iv) all rights of the Borrower to terminate, amend, supplement, modify or waive performance under the Pledged Agreements, to perform thereunder and to compel performance and otherwise to exercise all rights and remedies thereunder provided, however, that, for so long as no Event of Default shall have occurred and be continuing, the Borrower may exercise all of its rights and privileges under the Pledged Agreements, subject to the terms of the other Finance Documents.

The Agreements as set out in A and B above are referred to (individually and collectively) as the "Pledged Agreements".

- C. All present and future copyrights, trade marks, patents and patent applications, all trade and/or service marks and such applications, all brand and trade names, all registered designs and applications for registered designs, as listed in **Schedule C**. The Borrower shall procure that this pledge shall be registered with the Icelandic Trade Mark and Patent Registry where appropriate.
- D. All present and future, bonds, debentures or other securities and any other investments of the Borrower (herein, collectively called the "Investments") listed in **Schedule D** as well as all the rights, benefits and interests which the Borrower enjoys according to these documents.

### SECTION 3. UPDATES.

The Borrower undertakes and agrees that it will:

(a) by not later than close of business on each Updating Date, update this Declaration of Pledge by issuing supplements to Schedules A, B, C and/or D substantially in the form set out in Schedule J (each a "Supplemental Schedule") to include such details as may be reasonably required by the Security Agent from time to time of, as the case may be, any agreement, contract or other document and/or any asset which substitutes for or replaces or supplements the agreements, contracts or other documents and assets referred to in Section 2 and Schedules A to D (which Supplemental Schedules shall be signed by or on behalf of both the Borrower and the Security Agent), together with any other document(s) which may be reasonably considered to be necessary by the Security Agent in relation to such updating;

(b) on each occasion that a Supplemental Schedule is issued, provide the Security Agent with such evidence of the Borrower's signing authority as the Security Agent may reasonably require; and

(c) forthwith upon the execution of any Supplemental Schedule prepared pursuant to this Section 3, the Borrower shall perfect the security in accordance with the provisions of this Declaration of Pledge including procuring registration (or, if so required by the Security Agent, shall assist the

Security Agent in obtaining registration) of the Supplemental Schedule, together with any other document(s) which may be considered necessary by the Security Agent in relation to such updating at the Icelandic Trade Mark and Patent Registry and/or with any other relevant Agency in Iceland and (i) in relation to documents other than the rental agreements and Insurances by delivering a notice of this pledge substantially in the form of Schedule E to each counterparty of the documents listed in the Supplemental Schedule and procure from each such counterparty an acknowledgement substantially in the form of Schedule F and (ii) in relation to the rental agreements by delivering a notice of this pledge to each such counterparty in the form of Schedule G and procuring from such counterparty an acknowledgement of such Pledge in the form set out in Schedule H and in relation to Insurances by delivering a notice of this pledge to each such insurer in the form of Schedule I and procuring from such insurer an acknowledgement of such Pledge.

#### SECTION 4. NO WAIVER.

No failure to exercise, and no delay in exercising, on the part of the Security Agent or any of its agents, any right, power or privilege hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any such right, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The remedies herein are cumulative and are not exclusive of any remedies provided by law.

#### SECTION 5. RIGHTS AND REMEDIES.

(a) The security constituted hereby shall become immediately enforceable upon the occurrence of an Event of Default and at any time thereafter whilst any Event of Default exists, and the enforcement rights defined below shall be immediately exercisable upon the occurrence of any Event of Default and at any time thereafter whilst any Event of Default exists. After the security constituted hereby has become enforceable (in addition to any other rights and remedies provided for herein or which may otherwise be available at law, in equity or otherwise), the Security Agent may in its absolute discretion enforce all or any part of such security in such manner as it sees fit, including:

(i) have the Pledged Assets, sold directly at a distress sale for the outstanding Secured Liabilities in accordance with the provisions of the Distress Sales Act, No. 90/1991, without a prior court judgement, settlement or enforcement measure; or

(ii) redeem the Pledged Assets; or

(iii) have the Pledged Assets sold at a private sale.

(b) If any Event of Default shall have occurred and be continuing, the Security Agent or any person designated by it may by notice to the Borrower from the Security Agent exercise (in place of the Borrower) all of the Borrower's rights and discretions

in respect of the Pledged Assets and (acting as agent of the Borrower or at the Security Agent's discretion jointly and severally with the Borrower) perform any obligations of the Borrower in respect of the Pledged Assets.

#### SECTION 6. USE OF PROCEEDS.

Any moneys received by the Security Agent pursuant to this pledge and/or under the powers hereby conferred after the security constituted hereby has become enforceable shall be applied by the Security Agent for the benefit of the Secured Parties in or towards payment of the Secured Liabilities in the following order of priorities, but without prejudice to the right of any Finance Party to recover any shortfall from the Borrower:

**First:** to pay all unpaid cost and expenses incurred in connection with such enforcement, including reasonable compensation to agents of and counsel for the Agents, and all expenses, liabilities and advances incurred or made by the Agents in connection with the Security Documents, and any other amounts then due and payable to the Agents pursuant to the Facilities Agreement;

**Second:** to pay pro rata the unpaid principal of the Secured Liabilities in accordance with the provisions of the Facilities Agreement, until payment in full of the principal of all Secured Liabilities shall have been made (or so provided for);

**Third:** to pay pro rata (i) all interest on the Secured Liabilities and (ii) all commitment fees, agent fees and other fees payable under the Facilities Agreement, until payment in full of all such interest and fees shall have been made;

**Fourth:** to pay pro rata all other Secured Liabilities, until payment in full of all such other Secured Liabilities shall have been made (or so provided for); and

**Finally:** to pay to the Borrower, or as a court of competent jurisdiction may direct, any surplus then remaining from the proceeds of the Pledged Assets owned by it.

If the Security Agent considers (acting reasonably) that in respect of any amount paid by any Loan Party to any Secured Party under any Loan Document there is a material risk of such amount being avoided or otherwise set aside on the liquidation or other similar proceeding (including but not limited to the winding-up, moratorium or the seeking of composition) of such Loan Party, then such amount shall not be considered to have been irrevocably paid for the purposes hereof.

#### SECTION 7. SECURITY AGENT APPOINTED ATTORNEY-IN-FACT.

The Borrower by way of security only hereby irrevocably appoints the Security Agent and any person nominated in writing by the Security Agent severally to be the Borrower's attorney-in-fact (with full powers of substitution and delegation) with full authority to act in the place and stead of the Borrower and in the name of the Borrower or otherwise, from time to time in the Security Agent's discretion to take

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any action and to execute any instrument which the Security Agent may deem necessary or advisable:

(a) to create, preserve, perfect or protect the security intended to be created by this Declaration of Pledge and to facilitate the exercise by the Security Agent of all or any of the rights, powers and discretions exercisable by the Security Agent in accordance with and subject to the terms of this Declaration of Pledge; and

(b) to do anything which the Borrower is obliged to do (but has not done) under this Declaration of Pledge; and

(c) on or following the occurrence of an Event of Default (whilst the same is continuing) to facilitate the realisation of all or any of the Pledged Assets including, without limitation, to ask, demand, collect, sue for, recover, compound, receive and give discharge and receipts for moneys due and to become due under or in connection with the Pledged Assets, to receive, indorse and collect any drafts or other instrument, documents and chattel paper in connection therewith, to file any claims or take any action or institute any proceedings, that the Security Agent may deem to be necessary or desirable for the collection thereof or to enforce compliance with the terms and conditions of this Declaration of Pledge, and to make and execute all conveyances, assignments and transfers of the Pledged Assets sold pursuant to Section 5 hereof.

The Borrower hereby ratifies and confirms all that the Security Agent and any of its delegates or sub-delegates or nominees, as said attorney-in-fact, shall do by virtue hereof. Notwithstanding the foregoing, except as required by applicable law, neither the Security Agent nor any of its delegates, sub-delegates or nominees shall be obligated to exercise any right or duty as attorney-in-fact, and shall have no liabilities or duties to the Borrower in connection therewith.

#### SECTION 8. NOTICES OF SECURITY.

(i) In relation to documents other than Insurances, the Borrower shall procure that this pledge shall be forthwith notified in writing to all the counterparties of the documents listed in Schedules A, B and C by a notice substantially in the form set out in Schedule E and (ii) in relation to Insurances (which are secured by this Declaration of Pledge), the Borrower shall deliver a notice of this pledge substantially in the form of Schedule I to the insurer and shall use commercially reasonable efforts to procure, that each insurer acknowledges the notice by an acknowledgement in the form set out in Schedule I.

The Borrower shall procure that this pledge shall be recorded on the originals of all the documents listed in Schedule D with the following wording: "This [document] is pledged, with a 1st ranking mortgage, to Kaupthing Bank hf. as Security Agent, as for the benefit of the Secured Parties, or whomsoever it designates in its stead, in accordance with a special declaration of pledge dated [ ], 2005. On behalf of the Borrower: [signed by whom is authorised to sign this document according to the relevant board resolution of the Borrower]."

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**SECTION 9. DUTIES OF THE SECURITY AGENT;  
BORROWER REMAINS LIABLE.**

(a) The rights conferred on the Security Agent hereunder are solely to protect its interest in the Pledged Assets and shall not impose any duty upon it to exercise any such rights. The Security Agent shall have no duty (except to the extent required by applicable law) as to any Pledged Assets or as to the taking of any necessary steps to preserve rights against prior parties or any other rights pertaining to any of the Pledged Assets. Neither the Security Agent, any other Secured Party nor any of their directors, officers, employees, delegates, sub-delegates, nominees or agents shall be liable for failure to demand, collect or realize any of the Pledged Assets or for any delay in doing so or shall be under any obligation to sell or otherwise dispose of any Pledged Assets upon the request of the Borrower or otherwise.

(b) Anything herein to the contrary notwithstanding, the Borrower shall remain liable in respect of the Pledged Assets to perform and satisfy all of its duties and obligations under the Documents or in respect thereof to the same extent as if this Declaration of Pledge had not been executed. The exercise by the Security Agent of any of the rights and remedies hereunder shall not release the Borrower from any of its duties or obligations under the Pledged Agreements, or the Finance Documents or in respect of the Pledged Assets. Neither the Security Agent nor any of the Secured Parties shall have any obligation or liability under any of the Pledged Agreements, or the Finance Documents or in respect of the Pledged Assets by reason of this Declaration of Pledge, nor shall the Security Agent, nor any of the Secured Parties, be obligated to perform or satisfy any of the obligations or duties of the Borrower thereunder.

(c) The Security Agent shall be accountable only for amounts that it actually receives as a result of the exercise of its rights, powers and discretions (in circumstances where it is obliged to do so under the terms of the Finance Documents). Neither the Security Agent nor any of its officers or employees will be liable, by reason of entering into possession of any of the Pledged Assets or exercising in whatever capacity any rights, powers, discretions or obligations in respect of the Pledged Assets, for any loss, damage, liability or expense arising therefrom save to the extent that the same shall be caused by the Security Agent's own wilful default gross negligence or failure to account for receipts (in circumstances where it is obliged to do so under the terms of the Finance Documents) or that of its officers or employees.

(d) All the provisions of this Section shall apply, *mutatis mutandis*, in respect of the liability of any delegate or other person appointed or authorised to carry out any of the duties or obligations of, or to exercise all or any of the rights, powers or discretions vested in, the Security Agent under or pursuant to this Declaration of Pledge.

**SECTION 10. NOTICES.**

All notices or other communications under or in connection with this Declaration of Pledge shall be given in writing as provided for in Clause 31 in the

Facilities Agreement or Clause 23 in the Bridge Loan Facilities Agreement as the case may be.

### SECTION 11. FURTHER ASSURANCES.

The Borrower agrees from time to time, at the expense of the Borrower, to take whatever action the Security Agent reasonably requires for:

(a) perfecting or protecting the security intended to be created by this Declaration of Pledge over any Pledged Asset or for facilitating the realisation of any Pledged Asset; or

(b) the exercise of any right, power or discretion exercisable by the Security Agent or any of its designates, delegates or sub-delegates in respect of any Pledged Asset,

including the execution of any transfer, conveyance, assignment or assurance of any property whether to the Security Agent or to its nominees and the giving of any notice, order or direction and the making of any registration, which in any such case, the Security Agent may think expedient.

The Borrower shall not create or permit to subsist any Lien on any of the Pledged Assets, other than pursuant to this Declaration of Pledge and any other Encumbrance permitted under the Security Documents or Clause 15 of the Facilities Agreement.

### SECTION 12. EXPENSES AND INDEMNITY.

The Borrower shall forthwith on demand pay (a) all reasonable costs and expenses (including legal fees) incurred in connection with the negotiation, preparation, printing and execution of this Declaration of Pledge and any other document referred to in this Declaration of Pledge, (b) all costs and expenses (including legal fees) incurred in connection with the enforcement of, or the preservation of any rights under this Declaration of Pledge and (c) any costs or expenses incurred as a result of any steps being taken in connection with the protection and/or improvement of the Pledged Assets, delegate, nominee, attorney, manager, agent or other person appointed by the Security Agent under this Declaration of Pledge, and keep each of them indemnified against any failure or delay in paying the same.

### SECTION 13. DELEGATES.

The Security Agent or any person appointed by it hereunder may delegate by power of attorney or in any other manner to any other person any right, power or discretion exercisable by it in connection herewith.

#### SECTION 14. SECURITY INTEREST ABSOLUTE.

The rights of the Security Agent hereunder, the security created hereby and the obligations of the Borrower hereunder are irrevocable, absolute and unconditional, irrespective of:

- (a) the validity or enforceability of the Secured Liabilities or of any Pledged Agreement, Loan Document, Material Contracts and Licenses or any other agreement or instrument relating thereto;
- (b) any amendment to, waiver of, consent to or departure from, or failure to exercise any right, remedy, power or privileges under or in respect of any Pledged Agreement, Loan Document, Material Contracts and Licenses or any other agreement or instrument relating thereto;
- (c) the acceleration of the maturity of any of the Secured Liabilities or any other modification of the time of payment thereof or the failure to perfect any other security granted to, or in favour of, the Security Agent or any other Secured Party;
- (d) any substitution, release or exchange of any other security for or guarantee of any of the Secured Liabilities or the failure to create, preserve, perfect or protect any other security granted or purported to be granted to, or in favour of, the Security Agent or any other Secured Party; or
- (e) the occurrence of any other event or circumstances of a similar or different nature that might otherwise constitute a defence available to the Borrower as a surety or a guarantor.

#### SECTION 15. THE SECURITY AGENT.

Each party to this Declaration of Pledge agrees that the Security Agent's interests and rights under and in respect of this Declaration of Pledge shall be held by the Security Agent as agent and trustee for itself and the other Secured Parties from time to time on the terms set out in the Facilities Agreement. Accordingly, unless the context otherwise requires, all references in this Declaration of Pledge to the Security Agent means the Security Agent in its capacity as agent and trustee and each party to this Declaration of Pledge also agrees that each Secured Party from time to time shall have the benefit of this Declaration of Pledge.

#### SECTION 16. CHANGES TO THE PARTIES

(a) The Security Agent may assign and transfer all of its respective rights and obligations hereunder to a replacement Security Agent appointed in accordance with the terms of the Facilities Agreement. Upon such assignment and transfer taking effect, the replacement Security Agent shall be and be deemed to be acting as agent and trustee for each of the Finance Parties (as well as for itself) for the purposes of this Declaration of Pledge in place of the old Security Agent.



The Borrower shall promptly take such action as may be necessary in order that this Declaration of Pledge or replacements therefore shall provide for effective and perfected security in favour of any successor or replacement of the Security Agent permitted or duly appointed in accordance with the Facilities Agreement.

(b) The Borrower undertakes that it shall not at any time assign, transfer, novate or dispose of any of its rights, interests or obligations in respect of this Declaration of Pledge to any person (or agree to do any of the foregoing).

#### **SECTION 17. DISPOSALS.**

The Borrower may, to the extent it is permitted to do so under the terms of the other Finance Documents, sell, transfer or otherwise dispose of the Pledged Assets.

#### **SECTION 18. FEES AND EXPENSES.**

The Borrower shall pay all filing, registration and recording fees or re-filing, re-registration and re-recording, and all expenses incidental to the execution of this Declaration of Pledge, any agreement supplemental thereto including (for the avoidance of doubt) any Supplemental Schedule or any other instrument or document updating this Declaration of Pledge and any instrument of further assurance in connection herewith, and all stamp taxes and other taxes, duties, imposts, assessments and charges (if any) arising out of or in connection with the execution and delivery of this Declaration of Pledge or any agreement supplemental hereto and any instruments of further assurance.

#### **SECTION 19. RELEASE.**

The security created by this Declaration of Pledge shall be released and all documents held by the Security Agent by way of security, including documents of title, shall be returned to the Borrower upon the expiry of the Security Period (as defined above), at the request and expense of the Borrower.

#### **SECTION 20. SEVERABILITY.**

Any provision hereof which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof and without affecting the validity or enforceability of any provision in any other jurisdiction.

#### **SECTION 21. GOVERNING LAW; SUBMISSION TO JURISDICTION.**

This Declaration of Pledge shall be governed by and construed in accordance with Icelandic Law. Each party hereto hereby submits to the non-exclusive jurisdiction of the Reykjavik District Court.

In confirmation of all the above, this document is signed in two copies in the presence of two witnesses.

Reykjavík, 5<sup>th</sup> August, 2005

On behalf of Össur hf.

*Tórkjartur Pálsson*

On behalf of Kaupthing Bank hf.  
as Security Agent.

*Ragnheiður Ólafsdóttir*

Witnesses:

*Guðmundur Guðmundsson*  
170767-4449

5/8 05  
*Ragnheiður Ólafsdóttir*  
NOTARIUS PUBLICUS  
REYKJAVÍK

**SCHEDULE A**

to a Declaration of Pledge dated 5<sup>th</sup> August, 2005, entered into between Össur hf. and Kaupthing Bank hf. as Security Agent.

**Agreements, contracts and documents Pledged:**

**Insurance Policies:**

[Please note that the list below is subject to further amendments by the Borrower]

| No. of certificate<br>(nr. váttr.skírteinis) | Name of Insurer |
|--|-----------------|
|--|-----------------|

Global Insurances for the Consolidation

Policy Type: Directors and Officers Liability  
Policy Number: 81938946  
Name of Insurer: Chubb Insurance Compnay of Europe S.A.

Policy Type: Employment Practice Liability  
Policy Number: 81938947  
Name of Insurer: Chubb Insurance Compnay of Europe S.A.

Policy Type: Crime Insurance  
Policy Number: 81938948  
Name of Insurer: Chubb Insurance Compnay of Europe S.A.

Policy Type: Fiduciary Liability  
Policy Number: 81938949  
Name of Insurer: Chubb Insurance Compnay of Europe S.A.

Policy type: Public Liability and Products Liability  
Policy Number: CW00301505  
Name of Insurer: Inter Hannover

Policy type: General Liability, Products and Professional Liability  
Policy Number: 70208088  
Name of Insurer: Chubb Insurance Company Europe S.A.

USA

Policy Type: General Liability/Professional Liability  
Policy Number: 6801-2238  
Name of Insurer: Chubb/Executive Risk Indemnity Inc.

Policy Type: Auto  
Policy Number: 74988250  
Name of Insurer: Chubb/Federal Insurance Company

Policy Type: Property

Policy Number: 35830840  
Name of Insurer: Chubb/Federal Insurance Company

Policy Type: ERISA SAA  
Policy Number: 103118735  
Name of Insurer: Travelers Casualty and Surety Company of Illinois

Policy Type: Product Liability - Mauch  
Policy Number: ADT1066907914-7  
Name of Insurer: Columbia Casualty

Policy Type: Workers Compensation  
Policy Number: CA10000191041  
Name of Insurer: Everest National Insurance Company

Europe

Policy type: Property Insurance ( Building, goods, furniture etc.)  
Policy Number: 701981382  
Name of Insurer: AEGON

Iceland

Policy type: Business Interuption  
Policy Number: A-002-38-0027810  
Name of Insurer: Sjóvá-Almennar tryggingar hf.

Policy type: Property Insurance  
Policy Number: A-002-11-0108058/0110615/0108060/0108059  
Name of Insurer: Sjóvá-Almennar tryggingar hf.

Policy type: Computers  
Policy Number: 234571  
Name of Insurer: Sjóvá-Almennar tryggingar hf.

Policy type: Employment Practice, CPA Hjorleifur Palsson  
Policy Number: 512208  
Name of Insurer: Sjóvá-Almennar tryggingar hf.

Policy type: Cars  
Policy Number: 237635/220874220601/220367/213124/215828/224235/224311/224392/240755  
Name of Insurer: Sjóvá-Almennar tryggingar hf.

[License Agreement:]

Reykjavík, 5. August, 2005.

On behalf of Össur ehf.

Hjörtur Pálsson

On behalf Kaupthing Banks hf.  
as Security Agent

Witnesses:

Guðmundur Þorvaldur *hnl*  
176467-4119

As  
B

**SCHEDULE B**

to a Declaration of Pledge dated 5<sup>th</sup> August, 2005, entered into between Össur hf. and Kaupthing Bank hf. as Security Agent.

**Rental Agreements Pledged:**

*Ossur North America, Inc.*

**Rental agreements**

| Type of property | Location                                      | Lessor                                  | Size (Sq Ft) | Type of operation                               |
|------------------|---|---|--------------|---|
| Building         | 27 Journey, Aliso Viejo, CA 92656             | Sunflower Windell                       | 15,000       | Manufacturing, Distribution, and Administration |
| Building         | 910 Burnstein Dr, Albion, MI 49224            | Economic Development Corp               | 20,000       | Manufacturing                                   |
| Building         | 11818 N. Creek Pkwy N., Bothell, WA 98011     | Schnitzer North Creek BC                | 29,000       | Manufacturing and Distribution                  |
| Office Equipment | 27412 Aliso Viejo Pkwy, Aliso Viejo, CA 92656 | Key Equipment Finance/PFE International | N/A          | Minimailer 4 Plus (Mail folder and inserter)    |
| Office Equipment | 11818 N. Creek Pkwy N., Bothell, WA 98011     | Ikon Financial Services                 | N/A          | Copy Machine                                    |

**Capital Lease**

|          |   |                        |     |                            |
|----------|---|------------------------|-----|----------------------------|
| Software | 11818 N. Creek Pkwy N., Bothell, WA 98011 | Irwin Business Finance | N/A | Made 2 Manage - ERP System |
|----------|---|------------------------|-----|----------------------------|

*Össur hf.*

*Handwritten initials/signature*

**Rental agreements**

| Type of property | Location                                 | Lessor                          | Size (Sq m)  | Type of operation  |
|------------------|--|---------------------------------|--------------|--|
| Building         | Grjothals 1, 110 Reykjavik, Icel.        | Eignarhaldsfélagið Grjót ehf.   | 2.352,83     | Manufacturing & Warehouse                                |
| Building         | Grjothals 5, 110 Reykjavik, Icel.        | Eykt hf.                        | 4.606,91     | Manufacturing, Assembly, Packing, R& D and offices       |
| Building         | Fosshals 1, 110 Reykjavik, Icel.         | Smurstöðin Fosshálsi 1          |              | Warehouse  |
| Building         | Fosshals 13, 110 Reykjavik, Icel.        | Lýsing hf.                      | Space 01-101 | Manufacturing  |
| Building         | Fosshals 3, 110 Reykjavik, Icel.         | Snæás ehf.                      | 721,8        | Warehouse  |
| Building         | Fosshals 5, 110 Reykjavik, Icel.         | Smurstöðin Fosshálsi 1          | 357,4        | Warehouse, Storage                                       |
| Building         | Suðurlandsbraut 34, 108 Reykjavik, Icel. | Rekstrarfélagið Suðurl.braut 34 | 1138,9       | Prosthetic Workshop, Warehouse, Facilities for Customers |

*Össur Europe B.V.*

**Rental agreements**

| Type of property | Location             | Lessor                   | Size (Sq m) | Type of operation                         |
|------------------|----------------------|--------------------------|-------------|---|
| Building         | Ekkersrijt 4112-4114 | DTZ Zaderhoff            | 1900m2      | Office, small warehouse, small production |
| Building         | Pulheim-Germany      | Dr. Heinz Peter Hoffmann |             | Office                                    |

Reykjavík, August, 2005.

On behalf of Össur hf.

*Hilf til Pulheim*

Witnesses:

\_\_\_\_\_  
\_\_\_\_\_

On behalf of Kaupthing Bank hf.  
as Security Agent

*Handwritten initials*

### SCHEDULE C

to a Declaration of Pledge dated 5<sup>th</sup> August, 2005, entered into between Össur hf. and  
Kaupthing Bank hf. as Security Agent.

1. Copyrights, trademarks, patents and patent applications, all trade and/or  
service marks and such applications:

A. Trade Marks of Össur hf.

|            |               |            |             |           |            |
|------------|---------------|------------|-------------|-----------|------------|
| ARC        | U.S.          |            | 76/166,126  | ÖSSUR HF. | REGISTERED |
| ARC        | ICELAND       | 1740/2000  | 1056/2000   | ÖSSUR HF. | REGISTERED |
| ARC        | IP            | ISMP0066   | 752518      | ÖSSUR HF. | REGISTERED |
| ARC        | BENELUX       |            | 752518      | ÖSSUR HF. | REGISTERED |
| ARC        | GERMANY       |            | 752518      | ÖSSUR HF. | REGISTERED |
| ARC        | SPAIN         |            | 752518      | ÖSSUR HF. | REGISTERED |
| ARC        | FRANCE        |            | 752518      | ÖSSUR HF. | REGISTERED |
| ARC        | GREAT BRITAIN |            | 752518      | ÖSSUR HF. | REGISTERED |
| ARC        | SWEDEN        |            | 752518      | ÖSSUR HF. | REGISTERED |
| CARBONX    | EC            | 2054898    | 2054898     | ÖSSUR HF. | REGISTERED |
| CARBONX    | U.S.          | 76/195156  | 2,644,099   | ÖSSUR HF. | REGISTERED |
| FLEX-SKIN  | U.S.          | 78/412,450 |             | ÖSSUR HF. | PENDING    |
| FLEX-SKIN  | EUROPE        | 3819018    |             | ÖSSUR HF. | PENDING    |
| GENTLEHEAL | ISRAEL        |            | 167994      | ÖSSUR HF  | REGISTERED |
| GENTLEHEAL | ICELAND       | 2344/2003  | 961/2004    | ÖSSUR HF  | REGISTERED |
| GENTLEHEAL | CANADA        | 1196035    |             | ÖSSUR HF  | PENDING    |
| GENTLEHEAL | NEW ZEALAND   | 704598     | 704598      | ÖSSUR HF  | REGISTERED |
| GENTLEHEAL | IP            | 704598     | 830119      | ÖSSUR HF  | REGISTERED |
| GENTLEHEAL | AUSTRALIA     | 704598     |             | ÖSSUR HF  | PENDING    |
| GENTLEHEAL | JAPAN         | 704598     |             | ÖSSUR HF  | PENDING    |
| GENTLEHEAL | U.S.          | 704598     |             | ÖSSUR HF  | PENDING    |
| GENTLEHEAL | CTM           | 3469161    |             | ÖSSUR HF  | REGISTERED |
| ICECAST    | DENMARK       | 6537/1992  | VR00154/193 | ÖSSUR HF  | REGISTERED |
| ICECAST    | U.S.          | 75/211,836 | 2,176,202   | ÖSSUR HF  | REGISTERED |
| ICECAST    | U.S.          |            | 1,781,269   | ÖSSUR HF  | REGISTERED |
| ICECAST    | JAPAN         |            | 3181235     | ÖSSUR HF  | REGISTERED |
| ICEFLEX    | ICELAND       | 394/1999   | 382/1999    | ÖSSUR HF  | REGISTERED |
| ICEFLEX    | JAPAN         | 11-73312   | 4374421     | ÖSSUR HF  | REGISTERED |
| ICEFLEX    | U.S.          | 75/772,732 | 2,699,087   | ÖSSUR HF  | REGISTERED |
| ICEFLEX    | IP            |            | 719237      | ÖSSUR HF  | REGISTERED |
| ICEFLEX    | GREAT BRITAIN |            | 719237      | ÖSSUR HF  | REGISTERED |
| ICEFLEX    | GERMANY       |            | 719237      | ÖSSUR HF  | REGISTERED |
| ICEFLEX    | BENELUX       |            | 719237      | ÖSSUR HF  | REGISTERED |
| ICEFLEX    | CHINA         |            | 719237      | ÖSSUR HF  | REGISTERED |
| ICEFLEX    | SPAIN         |            | 719237      | ÖSSUR HF  | REGISTERED |
| ICEFLEX    | FRANCE        |            | 719237      | ÖSSUR HF  | REGISTERED |
| ICELOCK    | ICELAND       | 1741/2000  | 855/2000    | ÖSSUR HF  | REGISTERED |
| ICELOCK    | U.S.          | 76/166,198 | 2,793,547   | ÖSSUR HF  | REGISTERED |
| ICELOCK    | IP            | ISMP0065   | 752 788     | ÖSSUR HF  | REGISTERED |
| ICELOCK    | GREAT BRITAIN |            | 752 788     | ÖSSUR HF  | REGISTERED |
| ICELOCK    | JAPAN         |            |             | ÖSSUR HF  | PENDING    |
| ICEROSS    | ICELAND       | 120/1992   | 640/1992    | ÖSSUR HF  | REGISTERED |
| ICEROSS    | DENMARK       | 5425/1992  | 01,457/1995 | ÖSSUR HF  | REGISTERED |
| ICEROSS    | JAPAN         |            | 3181234     | ÖSSUR HF  | REGISTERED |
| ICEROSS    | U.S.          |            | 1,788,028   | ÖSSUR HF  | REGISTERED |
| ICEROSS    | IP            | ISMP0010   | 701007      | ÖSSUR HF  | REGISTERED |

*Handwritten:* 11751 AD



|                 |               |            |           |           |            |
|-----------------|---------------|------------|-----------|-----------|------------|
| ICEROSS         | GREAT BRITAIN | ISMP0011   | 701007    | ÖSSUR HF  | REGISTERED |
| ICEROSS         | SPAIN         |            | 701007    | ÖSSUR HF  | REGISTERED |
| ICEROSS COMFORT | ICELAND       | 463/1998   | 645/1998  | ÖSSUR HF  | REGISTERED |
| ICEROSS COMFORT | U.S.          | 75/547,678 | 2,380,452 | ÖSSUR HF  | REGISTERED |
| ICEROSS COMFORT | IP            | ISMP0009   | 698 037   | ÖSSUR HF  | REGISTERED |
| ICEROSS COMFORT | JAPAN         | 10-75162   | 4325487   | ÖSSUR HF  | REGISTERED |
| ICEX            | ICELAND       | 1526/96    | 471/1997  | ÖSSUR HF. | REGISTERED |
| ICEX            | U.S.          | 75/211,840 | 2,176,203 | ÖSSUR HF. | REGISTERED |
| ICEX            | EC            | 560,54     | 560540    | ÖSSUR HF. | REGISTERED |
| MASTERSTEP      | JAPAN         |            | 3101957   | ÖSSUR HF. | REGISTERED |
| RHEO KNEE       | U.S.          | 78/355,206 |           | ÖSSUR HF. | PENDING    |
| RHEO KNEE       | CTM           |            |           | ÖSSUR HF. | PENDING    |
| SEAL-IN         | U.S           | 78/490,275 |           | ÖSSUR HF. | PENDING    |
| SEAL-IN         | CTM           |            |           | ÖSSUR HF. | PENDING    |
| SENSIL          | IP            |            | 681,773   | ÖSSUR HF  | REGISTERED |
| SENSIL          | GERMANY       |            | 681,773   | ÖSSUR HF. | REGISTERED |
| SENSIL          | DENMARK       |            | 681,773   | ÖSSUR HF. | REGISTERED |
| SENSIL          | SPAIN         |            | 681,773   | ÖSSUR HF. | REGISTERED |
| SENSIL          | GREAT BRITAIN |            | 681,773   | ÖSSUR HF. | REGISTERED |
| SENSIL          | SWEDEN        |            | 681,773   | ÖSSUR HF. | REGISTERED |
| SENSIL          | U.S           | 75/366,908 | 2,322,820 | ÖSSUR HF. | REGISTERED |
| SENSIL          | JAPAN         | 9-164709   | 4297973   | ÖSSUR HF. | REGISTERED |
| SENSIL          | ICELAND       | 443/97     | 979/97    | ÖSSUR HF. | REGISTERED |
| SILKEN          | ICELAND       | 713/2000   | 457/2000  | ÖSSUR HF. | REGISTERED |
| SILKEN          | IP            | ISMP0058   | 747794    | ÖSSUR HF. | REGISTERED |
| SILKEN          | BENELUX       | ISMP0058   | 747794    | ÖSSUR HF. | REGISTERED |
| SILKEN          | GERMANY       | ISMP0058   | 747794    | ÖSSUR HF. | REGISTERED |
| SILKEN          | FRANCE        | ISMP0058   | 747794    | ÖSSUR HF. | REGISTERED |
| SILKEN          | JAPAN         | ISMP0058   | 747794    | ÖSSUR HF. | REGISTERED |
| SILKEN          | SWEDEN        |            |           | ÖSSUR HF. | REGISTERED |
| SILKEN          | U.S           | 76/114,400 | 2,603,716 | ÖSSUR HF. | REGISTERED |
| STABILO         | U.S           | 78/141,540 | 2,916,681 | ÖSSUR HF. | REGISTERED |
| STABILO         | EC            | 2844355    | 2844355   | ÖSSUR HF. | REGISTERED |
| TOTAL KNEE      | CTM           | 2103182    | 2103182   | ÖSSUR HF. | REGISTERED |
| UPPERX          | ICELAND       | 393/2000   | 350/2000  | ÖSSUR HF. | REGISTERED |
| ÖSSUR & Design  | U.S.          | 76/186,688 | 2,774,457 | ÖSSUR HF  | REGISTERED |
| ÖSSUR & Design  | ICELAND       | 1525/96    | 470/1997  | ÖSSUR HF  | REGISTERED |
| ÖSSUR           | ICELAND       | 122/1992   | 641/1992  | ÖSSUR HF. | REGISTERED |
| ÖSSUR           | U.S           | 76/186,887 | 2,774,456 | ÖSSUR HF. | REGISTERED |
| ÖSSUR           | ICELAND       | 1524/1996  | 469/1997  | ÖSSUR HF. | REGISTERED |
| ÖSSUR           | IP            | MP-0051    | 740 295   | ÖSSUR HF. | REGISTERED |
| ÖSSUR           | BENELUX       | MP-0051    | 741 295   | ÖSSUR HF. | REGISTERED |
| ÖSSUR           | GERMANY       | MP-0051    | 742 295   | ÖSSUR HF. | REGISTERED |
| ÖSSUR           | DENMARK       | MP-0051    | 743 295   | ÖSSUR HF. | REGISTERED |
| ÖSSUR           | FRANCE        | MP-0051    | 744 295   | ÖSSUR HF. | REGISTERED |
| ÖSSUR           | GREAT BRITAIN | MP-0051    | 745 295   | ÖSSUR HF. | REGISTERED |
| ÖSSUR           | JAPAN         | MP-0051    | 746 295   | ÖSSUR HF. | REGISTERED |
| ÖSSUR           | SWEDEN        | MP-0051    | 747 295   | ÖSSUR HF. | REGISTERED |
| ÖSSUR SILKEN    | U.S           | 76/114,406 | 2,597,059 | ÖSSUR HF. | REGISTERED |
| ÖSSUR SILKEN    | ICELAND       | 714/2000   | 485/2000  | ÖSSUR HF. | REGISTERED |
| ÖSSUR SILKEN    | IP            | ISMP0059   | 748029    | ÖSSUR HF. | REGISTERED |
| ÖSSUR SILKEN    | BENELUX       | ISMP0059   | 748029    | ÖSSUR HF. | REGISTERED |
| ÖSSUR SILKEN    | CHINA         | ISMP0059   | 748029    | ÖSSUR HF. | REGISTERED |
| ÖSSUR SILKEN    | GERMANY       | ISMP0059   | 748029    | ÖSSUR HF. | REGISTERED |
| ÖSSUR SILKEN    | SPAIN         | ISMP0059   | 748029    | ÖSSUR HF. | REGISTERED |
| ÖSSUR SILKEN    | FRANCE        | ISMP0059   | 748029    | ÖSSUR HF. | REGISTERED |
| ÖSSUR SILKEN    | GREAT BRITAIN | ISMP0059   | 748029    | ÖSSUR HF. | REGISTERED |
| ÖSSUR SILKEN    | JAPAN         | ISMP0059   | 748029    | ÖSSUR HF. | REGISTERED |

|              |         |            |           |           |            |
|--------------|---------|------------|-----------|-----------|------------|
| ÖSSUR SILKEN | SWEDEN  | ISMP0059   | 748029    | ÖSSUR HF. | REGISTERED |
| ÖSSUR SILKEN | U.S     | 78/114,406 | 2,597,059 | ÖSSUR HF. | REGISTERED |
| ÖSSUR SMART  | U.S     | 78/419,681 |           | ÖSSUR HF  | PENDING    |
| ÖSSUR SMART  | CTM     |            | 2759199   | ÖSSUR HF  | REGISTERED |
| ÖSSUR SMART  | NORWAY  | 2002 05670 |           | ÖSSUR HF  | PENDING    |
| VARI         | IP      |            | 717941    | ÖSSUR HF  | REGISTERED |
| VARI         | BENELUX |            | 717941    | ÖSSUR HF  | REGISTERED |
| VARI         | CHINA   |            | 717941    | ÖSSUR HF  | REGISTERED |
| VARI         | FRANCE  |            | 717941    | ÖSSUR HF  | REGISTERED |
| VARI         | GERMANY |            | 717941    | ÖSSUR HF  | REGISTERED |
| VARI         | SPAIN   |            | 717941    | ÖSSUR HF  | REGISTERED |
| VARILOCK     | ICELAND | 155/1999   | 289/1999  | ÖSSUR HF  | REGISTERED |
| VARILOCK     | IP      |            | 716818    | ÖSSUR HF  | REGISTERED |
| VARILOCK     | BENELUX |            | 716818    | ÖSSUR HF  | REGISTERED |
| VARILOCK     | CHINA   |            | 716818    | ÖSSUR HF  | REGISTERED |
| VARILOCK     | FRANCE  |            | 716818    | ÖSSUR HF  | REGISTERED |
| VARILOCK     | GERMANY |            | 716818    | ÖSSUR HF  | REGISTERED |
| VARILOCK     | SPAIN   |            | 716818    | ÖSSUR HF  | REGISTERED |
| VARILOCK     | SWEDEN  |            | 716818    | ÖSSUR HF  | REGISTERED |

## B. Patent rights

| TITLE  | Country   | SERIAL NO.     | PATENT NO.    |
|--|-----------|----------------|---------------|
| PROCESS AND APPARATUS FOR MAKING A PROSTHETIC SOCKET       | Australia | 10738/97       | 727558        |
| APPARATUS AND PROCESS FOR FORMING PROSTHESIS SOCKET        | Australia | 51492/98       | 735159        |
| ORTHOTIC OR PROSTHETIC SLEEVE FORMED OF ELASTICIZED FABRIC | Australia | 40003/00       | 758948        |
| APPARATUS AND PROCESS FOR MAKING PROSTHETIC SUCTION SLEEVE | Australia | 2001247221     |               |
| COMPOSITE ELASTIC MATERIAL                                 | Australia | 2001249066     |               |
| DUAL DUROMETER SILICONE LINER FOR PROSTHESIS               | Canada    | 2,288,935      |               |
| PROCESS AND APPARATUS FOR MAKING A PROSTHETIC SOCKET       | Canada    | 2,237,880      |               |
| APPARATUS AND PROCESS FOR FORMING PROSTHESIS SOCKET        | Canada    | 2,270,366      |               |
| ORTHOTIC OR PROSTHETIC SLEEVE FORMED OF ELASTICIZED FABRIC | Canada    | 2362622        |               |
| COMPOSITE ELASTIC MATERIAL                                 | Canada    | 2403251        |               |
| APPARATUS AND PROCESS FOR MAKING PROSTHETIC SUCTION SLEEVE | Canada    | 2402715        |               |
| PROSTHETIC SOCKET AND SOCKET COMPONENT ASSEMBLY            | Canada    | 2424407        |               |
| PROCESS AND APPARATUS FOR MAKING A PROSTHETIC SOCKET       | Chile     | 1,991/96       |               |
| APPARATUS AND PROCESS FOR FORMING PROSTHESIS SOCKET        | Chile     | 2338/97        |               |
| PROCESS AND APPARATUS FOR MAKING A PROSTHETIC SOCKET       | China     | 96199533.5     | ZL96199533.5  |
| ORTHOTIC OR PROSTHETIC SLEEVE FORMED OF ELASTICIZED FABRIC | China     | 00804467.8     | ZL 00804467.8 |
| PROCESS AND APPARATUS FOR MAKING A PROSTHETIC SOCKET       | China     | 200310123378.2 |               |
| APPARATUS AND PROCESS FOR FORMING PROSTHESIS SOCKET        | China     | 97181155.5     |               |
| COMPOSITE ELASTIC MATERIAL                                 | China     | 01806348.9     |               |
| APPARATUS AND PROCESS FOR MAKING PROSTHETIC SUCTION SLEEVE | China     | 01809540.2     |               |
| PROSTHETIC SOCKET AND SOCKET COMPONENT ASSEMBLY            | China     | 01816848.5     |               |
| PROCESS AND APPARATUS FOR MAKING A PROSTHETIC SOCKET       | Croatia   | P960541A       | P960541       |
| ORTHOTIC OR PROSTHETIC SLEEVE FORMED OF ELASTICIZED FABRIC | EP        | 00919292.3     | EP 1 204 390  |

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|  |           |                |                 |
|--|-----------|----------------|-----------------|
| DUAL DUROMETER SILICONE LINER FOR PROSTHESIS                                 | EP        | 98920943.2     |                 |
| PROCESS AND APPARATUS FOR MAKING A PROSTHETIC SOCKET                         | EP        | 96940760.0     |                 |
| PROCESS AND APPARATUS FOR MAKING A PROSTHETIC SOCKET                         | EP        | 03 028 701.5   |                 |
| APPARATUS AND PROCESS FOR FORMING PROSTHESIS SOCKET                          | EP        | 97946291.8     |                 |
| COMPOSITE ELASTIC MATERIAL   | EP        | 01922243.9     |                 |
| APPARATUS AND PROCESS FOR MAKING PROSTHETIC SUCTION SLEEVE                   | EP        | 01920135.9     |                 |
| PROSTHETIC SOCKET AND SOCKET COMPONENT ASSEMBLY                              | EP        | 01979232.4     |                 |
| ARTIFICIAL LIMB SOCKET CONTAINING VOLUME CONTROL PAD                         | EP        | 01977086.6     | 1322267         |
| ORTHOTIC OR PROSTHETIC SLEEVE FORMED OF ELASTICIZED FABRIC                   | France    | 00919292.3     | EP 1 204 390    |
| ORTHOTIC OR PROSTHETIC SLEEVE FORMED OF ELASTICIZED FABRIC                   | Germany   | 00919292.3     | 600 12 937.3-08 |
| COMPOSITE ELASTIC MATERIAL   | Iceland   | 6544           |                 |
| APPARATUS AND PROCESS FOR MAKING PROSTHETIC SUCTION SLEEVE                   | Iceland   | 6545           |                 |
| PROCESS AND APPARATUS FOR MAKING A PROSTHETIC SOCKET                         | India     | 2014/MAS/96    |                 |
| PROCESS AND APPARATUS FOR MAKING A PROSTHETIC SOCKET                         | Israel    | 124464         | 124464          |
| APPARATUS AND PROCESS FOR FORMING PROSTHESIS SOCKET                          | Israel    | 129672         |                 |
| DUAL DUROMETER SILICONE LINER FOR PROSTHESIS                                 | Japan     | 548297/98      |                 |
| PROCESS AND APPARATUS FOR MAKING A PROSTHETIC SOCKET                         | Japan     | 518916/97      |                 |
| PROCESS AND APPARATUS FOR MAKING A PROSTHETIC SOCKET                         | Japan     | 2003-385333    |                 |
| APPARATUS AND PROCESS FOR FORMING PROSTHESIS SOCKET                          | Japan     | 520583/98      |                 |
| ORTHOTIC OR PROSTHETIC SLEEVE FORMED OF ELASTICIZED FABRIC                   | Japan     | 2000-602009    |                 |
| COMPOSITE ELASTIC MATERIAL   | Japan     | 2001-566455    |                 |
| APPARATUS AND PROCESS FOR MAKING PROSTHETIC SUCTION SLEEVE                   | Japan     | 2001-566324    |                 |
| PROSTHETIC SOCKET AND SOCKET COMPONENT ASSEMBLY                              | Japan     | 2002-531953    |                 |
| PROCESS AND APPARATUS FOR MAKING A PROSTHETIC SOCKET                         | Mexico    | 983830         | 210907          |
| APPARATUS AND PROCESS FOR FORMING PROSTHESIS SOCKET                          | Mexico    | 994100         | 215112          |
| ARTIFICIAL LIMB SOCKET CONTAINING VOLUME CONTROL PAD                         | PCT       | PCT/US03/12120 |                 |
| RIGID DRESSING   | PCT       | PCT/US03/29121 |                 |
| CASTING PRODUCT AND METHOD FOR FORMING THE SAME                              | PCT       | PCT/US03/29120 |                 |
| METHOD AND KIT FOR PREPARING LAST FOR FOOTWEAR                               | PCT       | PCT/US04/02205 |                 |
| SUSPENSION LINER SLEEVE WITH SEAL  | PCT       | PCT/US03/37091 |                 |
| ORTHOTIC FOOTPLATE AND ANKLE-FOOT ORTHOSIS USING THE ORTHOTIC FOOTPLATE      | PCT       | PCT/US04/25598 |                 |
| WOUND DRESSING   | PCT       | PCT/US03/37075 |                 |
| WOUND DRESSING   | PCT       | PCT/US03/37073 |                 |
| WOUND DRESSING   | PCT       | PCT/US03/37074 |                 |
| WOUND DRESSING   | PCT       | PCT/US04/25594 |                 |
| PROSTHESIS SOCKET DIRECT CASTING DEVICE HAVING MULTIPLE COMPRESSION CHAMBERS | PCT       | PCT/US03/29116 |                 |
| PROCESS AND APPARATUS FOR MAKING A PROSTHETIC SOCKET                         | Russia    | 98111488       | 2192208         |
| APPARATUS AND PROCESS FOR FORMING PROSTHESIS SOCKET                          | Russia    | 99111319       | 2155562         |
| COMPOSITE ELASTIC MATERIAL   | Russia    | 2002127410     |                 |
| APPARATUS AND PROCESS FOR MAKING PROSTHETIC SUCTION SLEEVE                   | Russia    | 2002127600     |                 |
| PROCESS AND APPARATUS FOR MAKING A PROSTHETIC SOCKET                         | S. Korea  | 98-703607      | 445086          |
| APPARATUS AND PROCESS FOR FORMING PROSTHESIS SOCKET                          | S. Korea  | 1999-7003773   |                 |
| COMPOSITE ELASTIC MATERIAL   | S. Korea  | 2002-7012041   |                 |
| APPARATUS AND PROCESS FOR MAKING PROSTHETIC SUCTION SLEEVE                   | S. Korea  | 2002-7012040   |                 |
| PROSTHETIC SOCKET AND SOCKET COMPONENT ASSEMBLY                              | S. Korea  | 2003-7004761   |                 |
| APPARATUS AND PROCESS FOR FORMING PROSTHESIS SOCKET                          | Singapore | 9901986.1      | 65258           |
| PROSTHETIC FOOT  | Sweden    | 8902628-0      | 469 817         |
| SLEEVE-SHAPED ARTICLE, PARTICULARLY FOR AMPUTATION STUMPS                    | Sweden    | 8602855        | 8602855         |

|   |        |            |              |
|---|--------|------------|--------------|
| ORTHOTIC OR PROSTHETIC SLEEVE FORMED OF ELASTICIZED FABRIC                            | Sweden | 00919292.3 | EP 1 204 390 |
| ORTHOTIC OR PROSTHETIC SLEEVE FORMED OF ELASTICIZED FABRIC                            | UK     | 00919292.3 | EP 1 204 390 |
| PROSTHETIC FOOT   | USA    | 07/812,852 | 5,139,525    |
| SLEEVE-SHAPED ARTICLE, PARTICULARLY FOR AMPUTATION STUMPS                             | USA    | 294,062    | 4,923,474    |
| DUAL DUROMETER SILICONE LINER FOR PROSTHESIS  | USA    | 09/071,598 | 6,136,039    |
| APPARATUS FOR MAKING A PROSTHETIC SOCKET  | USA    | 08/559,311 | 5,718,925    |
| DEVICE FOR MAKING PROSTHETIC RESIDUAL LIMB SOCKET                                     | USA    | 09/025,447 | 5,971,729    |
| PROCESS AND APPARATUS FOR MAKING PROSTHESIS SOCKET AND PROSTHESIS SOCKET MADE THEREBY | USA    | 09/025,446 | 5,972,036    |
| METHOD FOR MAKING RESIDUAL LIMB SOCKET  | USA    | 09/399,756 | 6,416,703    |
| APPARATUS AND PROCESS FOR FORMING PROSTHESIS SOCKET                                   | USA    | 08/958,665 | 5,885,509    |
| ORTHOTIC OR PROSTHETIC SLEEVE FORMED OF ELASTICIZED FABRIC                            | USA    | 09/516,221 | 6,592,539    |
| COMPOSITE ELASTIC MATERIAL  | USA    | 09/805,125 | 6,706,364    |
| APPARATUS AND PROCESS FOR MAKING PROSTHETIC SUCTION SLEEVE                            | USA    | 09/805,126 | 6,485,776    |
| PRE-FORM FOR MAKING PROSTHETIC SUSPENSION SLEEVE                                      | USA    | 10/279,820 | 6,626,952    |
| PROSTHETIC SOCKET AND SOCKET COMPONENT ASSEMBLY                                       | USA    | 09/969,594 | 6,589,289    |
| ANKLE-FOOT ORTHOSIS DESIGN PATENT   | USA    | 29/203,978 | D503,480     |
| PROSTHETIC LINER  | USA    | 10/751,902 |              |
| TUBULAR MEMBER WITH CONTINUOUS RESIN LAYER  | USA    | 10/279,855 |              |
| PROCESS FOR MAKING PROSTHETIC SUSPENSION SLEEVE                                       | USA    | 10/279,814 |              |
| ARTIFICIAL LIMB SOCKET CONTAINING VOLUME CONTROL PAD                                  | USA    | 09/989,575 |              |
| ARTIFICIAL LIMB SOCKET CONTAINING VOLUME CONTROL PAD                                  | USA    | 10/137,332 |              |
| EDUCATIONAL PROSTHESIS DEVICE AND METHOD FOR USING THE SAME                           | USA    | 10/219,286 |              |
| PROSTHESIS SOCKET DIRECT CASTING DEVICE HAVING MULTIPLE COMPRESSION CHAMBERS          | USA    | 10/679,487 |              |
| RIGID DRESSING  | USA    | 10/681,134 |              |
| CASTING PRODUCT AND METHOD FOR FORMING THE SAME                                       | USA    | 10/681,224 |              |
| METHOD AND KIT FOR PREPARING LAST FOR FOOTWEAR  | USA    | 10/772,382 |              |
| ANKLE FOOT ORTHOSIS   | USA    | 10/702,447 |              |
| SUSPENSION LINER SLEEVE WITH SEAL   | USA    | 10/690,545 |              |
| SUSPENSION LINER WITH SEAL  | USA    | 11/135,354 |              |
| ORTHOTIC FOOTPLATE  | USA    | 10/927,113 |              |
| ANKLE-FOOT ORTHOSIS HAVING AN ORTHOTIC FOOTPLATE                                      | USA    | 10/927,135 |              |
| WOUND DRESSING  | USA    | 10/725,633 |              |
| WOUND DRESSING  | USA    | 10/725,575 |              |
| WOUND DRESSING  | USA    | 10/725,478 |              |
| WOUND DRESSING  | USA    | 10/725,561 |              |
| WOUND DRESSING  | USA    | 10/725,560 |              |
| WOUND DRESSING  | USA    | 10/725,632 |              |
| METHOD FOR PRODUCING A WOUND DRESSING   | USA    | 10/725,602 |              |
| METHOD FOR PRODUCING A WOUND DRESSING   | USA    | 10/725,591 |              |
| METHOD FOR PRODUCING A WOUND DRESSING   | USA    | 10/725,482 |              |
| METHOD FOR PRODUCING A WOUND DRESSING   | USA    | 10/725,631 |              |
| WOUND DRESSING  | USA    | 10/725,574 |              |
| WOUND DRESSING  | USA    | 10/725,601 |              |
| WOUND DRESSING HAVING A FACING SURFACE WITH VARIABLE TACKINESS                        | USA    | 10/725,479 |              |

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|---|-------------|------------------------|------------|
| WOUND DRESSING AND METHOD FOR MANUFACTURING THE SAME                      | USA         | 10/924,861             |            |
| WOUND DRESSING  | USA         | 60/552,444             |            |
| WOUND DRESSING  | USA         | 11/136,465             |            |
| WOUND DRESSING AND METHOD FOR MANUFACTURING THE SAME                      | USA         | 60/647,398             |            |
| SUSPENSION LINER SLEEVE WITH SEAL   | USA         | 60/434,669             |            |
| ANKLE-FOOT ORTHOSIS   | PCT         | PCT/US03/32744         |            |
| ANKLE-FOOT ORTHOSIS   | USA         |                        |            |
| FOOT PROSTHESIS   | Austria     |                        | 1194089    |
| SOCKET LINER INCORPORATING SENSORS TO MONITOR AMPUTEE PROGRESS            | Canada      | 2488733                |            |
| SEALING ARRANGEMENT WITH LIPS FOR PROSTHETIC SOCKETS                      | Canada      | 2459042                |            |
| PROSTHETIC SOCKET WITH SEAL   | Canada      | 2459058                |            |
| SOCKET LINER INCORPORATING SENSORS TO MONITOR AMPUTEE PROGRESS            | China       | 03812071.2             |            |
| SEALING ARRANGEMENT WITH LIPS FOR PROSTHETIC SOCKETS                      | EP          | 02764553.0             |            |
| SOCKET LINER INCORPORATING SENSORS TO MONITOR AMPUTEE PROGRESS            | EP          | 03763493.3             |            |
| FOOT PROSTHESIS   | EPO         |                        | 1194089    |
| PROSTHETIC SOCKET WITH SEAL   | EPO         | 02767119.7             |            |
| PROSTHETIC SOCKET WITH SEAL AT ITS DISTAL END                             | EPO         | 02767119.7             |            |
| FOOT PROSTHESIS   | France      |                        | 1194089    |
| SEALING ARRANGEMENT WITH LIPS FOR PROSTHETIC SOCKETS                      | Germany     | 101 42 491.4           | 10142491   |
| PROSTHETIC SOCKET WITH SEAL AT ITS DISTAL END                             | Germany     | 10153796.4             | 101 53 796 |
| FOOT PROSTHESIS   | Germany     |                        | 1194089    |
| SEALING ARRANGEMENT WITH LIPS FOR PROSTHETIC SOCKETS                      | Japan       | 2003-528267            |            |
| PROSTHETIC SOCKET WITH SEAL   | Japan       | 2003-528270            |            |
| SOCKET LINER INCORPORATING SENSORS TO MONITOR AMPUTEE PROGRESS            | Japan       | 2004-520156            |            |
| FOOT PROSTHESIS   | Netherlands |                        | 1194089    |
| PROSTHETIC LOCKING ASSEMBLY   | PCT         |                        |            |
| SEALING ARRANGEMENT WITH LIPS FOR PROSTHETIC SOCKETS                      | PCT         | PCT/DE02/03084         |            |
| PROSTHETIC SOCKET WITH SEAL   | PCT         | PCT/DE02/03085         |            |
| PROSTHETIC SOCKET WITH SEAL AT ITS DISTAL END                             | PCT         | PCT/DE02/04059         |            |
| METHOD FOR APPLYING VACUUM TO A PROSTHETIC DEVICE                         | PCT         | PCT/US04/16626         |            |
| METHOD AND SYSTEM FOR DETERMINING AN ACTIVITY LEVEL IN AN INDIVIDUAL      | PCT         | PCT/US04/35524         |            |
| PROSTHETIC OR ORTHOTIC SLEEVE HAVING EXTERNAL SURFACE PERIPHERAL PROFILES | PCT         | *                      |            |
| KNEE PROSTHESIS   | PCT         | PCT/SE2004/001         |            |
| SOCKET LINER INCORPORATING SENSORS TO MONITOR AMPUTEE PROGRESS            | S. Korea    | 475<br>10-2005-7000212 |            |
| FOOT PROSTHESIS   | Sweden      |                        | 1194089    |
| KNEE PROSTHESIS   | Sweden      | 0302737-2              |            |
| ACTIVE KNEE PROSTHESIS  | Sweden      | *                      |            |
| PARALEL SHOCK ABSORBER  | Sweden      | *                      |            |
| FOOT PROSTHESIS   | UK          |                        | 1194089    |
| PROSTHESIS LINER  | USA         | 29/206,269             | D503,892S  |
| FOOT PROSTHESIS   | USA         | 10/030,589             | 6,596,029  |
| SOCKET LINER INCORPORATING SENSORS TO MONITOR AMPUTEE PROGRESS            | USA         | 10/615,336             |            |
| SOCKET LINER INCORPORATING SENSORS TO MONITOR AMPUTEE PROGRESS            | USA         | 11/036,619             |            |
| PROSTHETIC LOCKING ASSEMBLY   | USA         | 10/835,056             |            |
| SEALING ARRANGEMENT WITH LIPS FOR PROSTHETIC SOCKETS                      | USA         | 10/487,926             |            |
| PROSTHETIC SOCKET WITH SEAL   | USA         | 10/487,928             |            |

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|---|-----|------------|
| PROSTHETIC SOCKET WITH SEAL AT ITS DISTAL END                             | USA | 10/487,925 |
| METHOD FOR APPLYING VACUUM TO A PROSTHETIC DEVICE                         | USA | 10/869,915 |
| METHOD AND SYSTEM FOR DETERMINING AN ACTIVITY LEVEL IN AN INDIVIDUAL      | USA | 10/986,303 |
| SUSPENSION LINER HAVING EXTERNAL SURFACE PERIPHERAL PROFILES              | USA | 11/135,330 |
| SLEEVE  | USA | 29/230,531 |
| PROSTHETIC OR ORTHOTIC SLEEVE HAVING EXTERNAL SURFACE PERIPHERAL PROFILES | USA | 11/135,318 |
| KNEE BRACE AND METHOD FOR SECURING THE SAME                               | USA | 60/637,754 |
| KNEE BRACE AND METHOD FOR SECURING THE SAME                               | USA | 60/684,163 |
| FOOT PROSTHESIS   | USA | *          |
| ROTATIONAL MOLDING OF COSMETIC PROSTHETES                                 | USA | 60/572,086 |
| KNEE BRACE HAVING A POSTERIOR HINGE                                       | USA | *          |

Reykjavik August, 2005.

On behalf of Össur ehf.

*Hjörtur Pálsson*

On behalf of Kaupthing Bank hf.  
as Security Agent

Witnesses:

\_\_\_\_\_  
\_\_\_\_\_

*AD*

**SCHEDULE D**

to a Declaration of Pledge dated August 2005, entered into between Össur hf. and  
Kaupthing Bank hf. as Security Agent.

All Stocks, shares (other than the Borrower's own shares), debentures, bonds or other  
securities and investments:

Eignarhaldsfélag hlutafélaga ehf.  
Sjóður 1, VÍB

549,000 share (nominal value 1 ISK)  
1.298,8004 units

Reykjavík, August, 2005.

On behalf of Össur ehf.

On behalf of Kaupthing Bank hf.  
as Security Agent

Witnesses:

\_\_\_\_\_  
\_\_\_\_\_

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## SCHEDULE E

to a Declaration of Pledge issued by Össur hf on 5<sup>th</sup> August, 2005

**Form of notice of assignment in respect of the documents listed in Schedule A .**

To: [            ]

From: Össur hf. (the "Borrower") and  
Kaupthing Bank hf., (the "Security Agent")

[Date]

Dear Sirs,

### Notice of Pledge.

We, the Borrower, and Kaupthing Bank hf., acting as Security Agent, hereby give you a notice that pursuant to a Declaration of Pledge dated 5<sup>th</sup> August, 2005 and made between the Borrower and the Security Agent acting as agent and trustee for itself and the Finance Parties (such declaration of pledge, as it may from time to time be amended, assigned, novated, supplemented or replaced, being below called the "Declaration of Pledge"), the Borrower has pledged by way of first ranking security to the Security Agent (which shall include its successors, transferees and assignees) all its rights, title, benefits and interests (present and future, actual or contingent) under or in respect of the [identify Agreement]).

Words and expressions defined in the Declaration of Pledge shall have the same meaning when used in this letter.

A copy of the Declaration of Pledge is enclosed for your attention and we request that you take note of its provisions.

Please note the following:

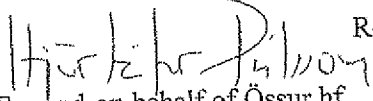
- (a) The Borrower shall at all times remain solely liable to you for the performance of all of the obligations assumed by it under or in respect of the [identify Agreement].
- (b) The Security Agent has agreed that the Borrower may exercise all of its rights and privileges under the [Identify Agreement] for so long as no Event of Default shall have occurred and be continuing. Upon and at any time after the Security Agent gives you notice of an Event of Default, the Security Agent shall be entitled to exercise and give directions regarding the exercise of all or any of those rights and privileges (to the exclusion of the Borrower and to the exclusion of any directions given at any time by or on behalf of the Borrower) to the extent specified in the notice of an Event of Default.



- (c) The Borrower confirms that none of the instructions, authorisations and confirmations in this notice can be revoked or varied in any way except with the Security Agent's specific prior written consent.

Please acknowledge receipt of this notice, and confirm your agreement to it, by executing and returning to the Security Agent an original copy of the Form of Acknowledgement attached to this notice of assignment.

This notice is governed by Icelandic law.

  
For and on behalf of Össur hf.  
Bank hf., as Security Agent

Reykjavík, August 2005

For and on behalf of Kaupthing



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**SCHEDULE F**

to a Declaration of Pledge issued by Össur hf., on 5<sup>th</sup> August, 2005

**Form of Acknowledgement of [relevant party] to the Security Agent in respect of the Agreements listed in Schedules A**

To: Kaupthing Bank  
Borgartúni 19  
105 Reykjavík,  
Iceland.

Dear Sirs,

We confirm receipt from Össur hf and Kaupthing Bank of a notice dated [ ] of a pledge granted to Kaupthing Bank as Security Agent upon the terms of a Declaration of Pledge dated August, 2005 over all of Össur's hf. rights, title, benefits and interests in and to [insert details of Relevant Agreement] (the "Agreement").

We confirm that:

- (i) we have noted the pledge granted to Kaupthing Bank as Security Agent and will act in accordance with the terms of that notice;
- (ii) we have not received notice of any other assignment of the Agreement and we are not aware of any interest of any third party in or to the Agreement.

This letter shall be governed by and construed in accordance with Icelandic law.

Yours faithfully,

\_\_\_\_\_  
on behalf of  
[relevant party]

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## SCHEDULE G

to a Declaration of Pledge issued by Össur hf. on 5<sup>th</sup> August, 2005

**Form of notice of assignment in respect of the rental agreements listed in Schedules B.**

To: [            ]

From: Össur hf. (the "Borrower") and  
Kaupthing Bank hf., (the "Security Agent")

[Date]

Dear Sirs,

### Notice of Pledge.

We, the Borrower, and Kaupthing Bank hf. acting as Security Agent hereby give you a notice that pursuant to a Declaration of Pledge dated [ ] August, 2005 and made between the Borrower and the Security Agent acting as agent and trustee for itself and the Finance Parties (such declaration of pledge, as it may from time to time be amended, assigned, novated, supplemented or replaced, being below called the "Declaration of Pledge"), the Borrower has pledged by way of first ranking security to the Security Agent (which shall include its successors, transferees and assignees) all its rights, title, benefits and interests (present and future, actual or contingent) under or in respect of the [identify Agreement]).

Words and expressions defined in the Declaration of Pledge shall have the same meaning when used in this letter.

A copy of the Declaration of Pledge is enclosed for your attention and we request that you take note of its provisions.

Please note the following:

- (a) The Borrower shall at all times remain solely liable to you for the performance of all of the obligations assumed by it under or in respect of the [identify Agreement].
- (b) The Security Agent has agreed that the Borrower may exercise all of its rights and privileges under the [Identify Agreement] for so long as no Event of Default shall have occurred and be continuing. Upon and at any time after the Security Agent gives you notice of an Event of Default, the Security Agent shall be entitled to exercise and give directions regarding the exercise of all or any of those rights and privileges (to the exclusion of the Borrower and to the

exclusion of any directions given at any time by or on behalf of the Borrower) to the extent specified in the notice of an Event of Default.

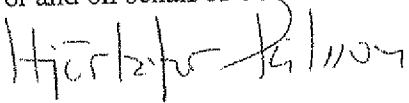
- (c) The Borrower confirms that none of the instructions, authorisations and confirmations in this notice can be revoked or varied in any way except with the Security Agent's specific prior written consent.]

Please acknowledge receipt of this notice, and confirm your agreement to it, by executing and returning to the Security Agent an original copy of the Form of Acknowledgement attached to this notice of assignment.

This notice is governed by Icelandic law.

Reykjavík, August 2005

For and on behalf of Össur hf.



For and on behalf of  
Kaupthing Bank hf., as  
the Security Agent

## SCHEDULE H

to a Declaration of Pledge issued by Össur hf., on 5<sup>th</sup> August 2005

**Form of Acknowledgement of [relevant party] to the Security Agent in respect of the rental agreements listed in Schedules B**

To: Kaupthing Bank hf.  
Borgartúni 19  
105 Reykjavík,  
Iceland

Dear Sirs,

We confirm receipt from Össur hf and Kaupthing Bank of a notice dated [ ] of a pledge granted to Kaupthing Bank as Security Agent upon the terms of a Declaration of Pledge dated 5<sup>th</sup> August 2005 over all of Össur's hf. rights, title, benefits and interests in and to [insert details of Relevant Agreement] (the "Agreement").

We confirm that:

- (i) we have noted the pledge granted to Kaupthing as Security Agent and will act in accordance with the terms of that notice;
- (ii) we have not received notice of any other assignment of the Agreement and we are not aware of any interest of any third party in or to the Agreement.

We, [relevant party] confirm that we authorise the Borrower to pledge by way of first ranking security to the Security Agent (which shall include its successors, transferees and assignees) all its rights, title, benefits and interests (present and future, actual or contingent) under or in respect of the [identify Agreement]).

We, [relevant party] also confirm that we will give the Security Agent at least a 30 days notice in case of a default under the [Identify Agreement] ("The Agreement") by the Borrower and give the Security Agent an opportunity to honor the obligation and step into the Agreement, before terminating the Agreement.

This letter shall be governed by and construed in accordance with Icelandic law.

Yours faithfully,

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on behalf of  
[relevant party]

*Handwritten:*  
1701  
10  
A

## SCHEDULE I

to a Declaration of Pledge dated 5<sup>th</sup> August, 2005, entered into between Össur hf. and Kaupthing Bank hf. as Security Agent.

### Form of notice and acknowledgement of insurers to the Security Agent

[To: [insert name of insurer]


Copy to: Kaupthing Bank hf.  
Borgartúni 19  
105 Reykjavík,  
Iceland.

Dear Sirs,

Össur hf. (the "Borrower") HEREBY GIVES NOTICE that by a Declaration of Pledge dated [ ], 2005, and made between the Borrower and Kaupthing Bank (the "Security Agent") as agent and trustee for and on behalf of certain Lenders, the Borrower pledged by way of first ranking security to the Security Agent all its present, future, actual or contingent rights, title and claims in respect of all contracts and policies of insurance and all the benefits under them.

Please acknowledge receipt of this notice by signing and returning the attached duplicate copies (including the acknowledgement set out below) for return of one copy to us and one copy to the Security Agent as its address set out above.

DATED [ ] 2005.

  
\_\_\_\_\_  
For and on behalf of Össur hf.

### Acknowledgement

We refer to the notice of security interest (the "Notice") of which this is a copy and:

- (i) Acknowledge receipt of the Notice;
- (ii) Confirm we have not received notice of any interest of any third party in any or all of the rights and claims stated in the Notice to have been pledged.

This letter shall be governed by and construed in accordance with Icelandic law.

\_\_\_\_\_  
For and on behalf of [insert name of insurer]  
(authorized signatory)

*Handwritten initials/signature*

## SCHEDULE J

to a Declaration of Pledge, dated 5<sup>th</sup> August, 2005, entered into between Össur hf. and Kaupthing Bank hf. as Security Agent.

**Form of Supplemental Schedule issued pursuant to Section 3 of the Declaration of Pledge:**

**Supplement to Schedules [A, B, C and/or D]**

to a Declaration of Pledge dated 5<sup>th</sup> August, 2005, entered into between Össur hf. and Kaupthing Bank hf. as Security Agent.

[List all relevant agreements, contracts and/or documents]

With reference to the Declaration of Pledge and Schedule [A, B and/or C] of the Declaration of Pledge, the above mentioned assets are hereby pledged and bound by the terms and conditions of the Declaration of Pledge.

Signed in the presence of two witnesses.

[Place, date and year]

On behalf of Össur hf.

[Authorised party to sign]

On behalf Kaupthing Bank hf.  
as Security Agent

[Authorised party to sign]

Witnesses

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DATED 30<sup>th</sup> JUNE 2008

**FIRST AMENDMENT TO DECLARATION OF PLEDGE**

for

**ÖSSUR HF.**

as BORROWER

and

**KAUPTHING BANK HF.**

as LENDER

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**FIRST AMENDMENT TO DECLARATION OF PLEDGE**  
RELATING TO A FACILITY AGREEMENT AND BRIDGE LOAN FACILITY  
AGREEMENT BETWEEN BORROWER AND LENDER, EACH  
DATED 5<sup>TH</sup> AUGUST 2005

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**THIS FIRST AMENDMENT TO DECLARATION OF PLEDGE** (the "First Amendment") is dated on the 30<sup>th</sup> of June 2008 and is between:

**Össur hf.**, a company incorporated in Iceland, under company number 560271-0189, whose registered offices is at Grjótháls 5, 110 Reykjavík, Iceland (the "Borrower");

**Kaupthing bank HF.**, a company incorporated in Iceland, under company number 560882-0419, whose registered offices is at Borgartún 19, 105 Reykjavík, Iceland (the "Lender");

WHEREAS:

The parties signed Declaration of Pledge on 5<sup>th</sup> August 2005. Declaration of Pledge was a condition precedent to a Facility Agreement and Bridge Loan Facility Agreement dated 5<sup>th</sup> August 2005 made between the Borrower and the Lender, (the "Facility Agreements").

The Parties have agreed to make further certain amendments to the section 2c of the Declaration of Pledge, upon the terms as set out below.

**IT IS AGREED** as follows:

**1. DEFINITIONS.**

1.1. Words and expressions defined in the Facility Agreements shall have the same meanings when used in this First Amendment to Declaration of Pledge.

**2. AMENDMENTS.**

Section 2 of the Declaration of Pledge states:

*"To ensure payment, performance and/or discharge of the Secured Liabilities, the Borrower pledged by way of first ranking security to the Security Agent, for the benefit of the Secured Parties the following items:"*

....

*"C. All present and future copyrights, trade marks, patents and patent applications, all trade and/or service marks and such applications, all brands and trade names, all registered designs and applications for registered designs, as listed in Schedule C. The Borrower shall procure that this pledge shall be registered with the Icelandic Trade Mark and Patent Registry where appropriate."*

The parties agree to replace the last sentence in Section 2c, in which reference is only made to the Icelandic Trade Mark and Patent Registry with the following sentence:

"The Borrower shall procure that this pledge shall be registered with the Icelandic Trade Mark and Patent Registry and the United States Patent and Trademark Office where appropriate."

Therefore, Section 2c of the Declaration of Pledge shall be in its entirety as follows:

"All present and future copyrights, trademarks, patents and patent applications, all trade and/or service marks and such applications, all brands and trade names, all registered designs and applications for registered designs, as listed in Schedule C. The Borrower shall procure that this pledge shall be registered with the Icelandic Trade Mark and Patent Registry and the United States Patent and Trademark Office where appropriate."

### 3. GOVERNING LAW AND JURISDICTION.

This First Amendment to Declaration of Pledge is governed by Icelandic law.

Any dispute arising out of or in connection with this Amendment shall be settled before the District Court of Reykjavik.

THIS AGREEMENT has been entered into on the date stated at the beginning of this First Amendment to Declaration of Pledge.

#### SIGNATORIES:

**The Borrower:**  
ÖSSUR HF.

*Hilmar Pálsson*

Witnessed signature for Össur hf. by:

*Asthaídur Ótharsdóttir 300368-3799*

*Tatjana Loterovici 140567-2429*

**The Lender:**  
KAUPTHING BANK HF.

*Guðmundur Þorvaldur Jónsson*

Witnessed signature for Kaupthing Bank hf. by:

*Helga Þorvaldsson 240877-3259*

*Ingólfur Þor Ágústsson 200375-3869*

# DECISION OF THE FINANCIAL SUPERVISORY AUTHORITY (FME)<sup>i</sup>

## on the disposal of assets and liabilities

of Kaupthing Bank hf., ID no. 560882-0419, to New Kaupthing Bank hf., ID no. 581008-0150.

With reference to the authorization in Article 100a of Act no. 161/2002 on Financial Undertakings, defined by Article 5 of Act no. 125/2008 on the Authority for Treasury Disbursements due to Unusual Financial Market Circumstances, etc., the FME has taken the following decision on the disposal of assets and liabilities of Kaupthing Bank hf.:

### ASSETS:

1. All assets of Kaupthing Bank hf. of any type, such as property, liquid assets, cash, shares in other companies and claims, are immediately allocated to New Kaupthing Bank hf. Excluded from this transfer are the assets and entitlements specified in the ANNEX to this decision. New Kaupthing Bank hf. further takes over contractual rights of use of property and liquid assets, except in instances where they are specifically excluded in the compilation accompanying the new opening balance sheet. Rights and obligations according to derivative contracts are not transferred to the New Kaupthing Bank hf.
2. Further, New Kaupthing Bank hf. takes over all rights used to secure the performance of obligations of the debtors of Kaupthing Bank hf., including all liens, guarantees and other comparable rights connected to the claims of the bank. New Kaupthing Bank hf. shall, however, be accountable to Kaupthing Bank hf. for specific collaterals of customers, as applicable, due to claims and derivatives which are not transferred to New Kaupthing Bank hf. according to this decision or according to agreement hereinafter.
3. New Kaupthing Bank hf. takes over all immaterial assets and rights, including trademarks, registered and unregistered, co-brands, databases, software and related licenses, as well as all comparable rights whether based on a contract, registration, public permits or other, except to the extent to which such rights are specifically excluded in the compilation accompanying the new opening balance sheet.
4. The following parties are mandated to register or transfer rights and/or assets of New Kaupthing Bank hf., as per points 1-3 above, to all property, securities, liquid assets, bank deposits and or/other rights:
  - a. The Central Bank of Iceland
  - b. Financial Undertakings
  - c. The Icelandic Securities Depository hf.
  - d. Registers, as per the provisions of Act no. 39/1978 on Registration
  - e. The Central Databank of Real Property/The Land Registry of Iceland
  - f. The Icelandic Patent Office

- g. Hosting agents for domains that Kaupthing Bank hf. and associated parties have used
  - h. Telecommunications companies
  - i. The National Registry
  - j. Nasdaq OMX (Icelandic Stock Exchange)
  - k. Boards of organizations that are responsible for the register of shares and such
  - l. Other parties involved in the registry of rights
5. From 22 October 2008 at 9:00 a.m. New Kaupthing Bank hf. takes over the operations which have been under the auspices of Kaupthing Bank hf. and are connected to the transferred assets, including the participation of Kaupthing Bank hf. in any type of payment system. Furthermore, New Kaupthing Bank hf. takes at this time over the rights and obligations according to contracts on custodianship and asset management with the customers of Kaupthing Bank hf. in Iceland.
  6. The account balance of debt instruments corresponds to the same time period as stipulated in point 5 above. The place of payment for debt instruments of Kaupthing Bank hf. is considered to be at the corresponding branch of New Kaupthing Bank hf. and bills of exchange are further considered properly claimed for payment to New Kaupthing Bank hf.

#### LIABILITIES AND OTHER OBLIGATIONS:

7. New Kaupthing Bank hf. takes over obligations of the branches of Kaupthing Bank hf. in Iceland due to deposits from financial undertakings, the Icelandic Central Bank and other customers. Deposits are transferred according to the balance and interest earned at the time of transfer according to point 5. This transfer does not necessitate a recall or public announcement.
8. New Kaupthing Bank hf. takes over obligations according to import and export guarantees due to discharge of contract by companies and individuals regarding regular activities. New Kaupthing Bank does not take over obligations of Kaupthing Bank hf. due to: a) obligations of subsidiaries abroad, b) companies under moratorium, composition or in bankruptcy, c) obligations of those owning a qualifying holding in Kaupthing Bank hf., and connected parties, d) obligations to Icelandic financial undertakings; e) other specifically identified liabilities according to the compilation accompanying the new opening balance sheet.
9. Debt backed by collateral which rests upon appropriated assets transferred to New Kaupthing Bank is taken over.

#### VALUATION OF ASSETS AND SETTLEMENT:

10. Further stipulations on the treatment of individual items regarding the division of the balance sheet are found in a separate document which the FME has certified ("Premises for the division of the balance sheet") and the draft of the new opening balance sheet and the accompanying compilation. New Kaupthing Bank hf. shall preserve all documents which are connected to databases mandated by law, with regard to regulations concerning money laundering, accounting and related issues.
11. The FME appoints a recognized appraiser to evaluate the true worth of assets and liabilities allocated to New Kaupthing Bank hf. according to this decision. Following this valuation, a settlement shall be made, whereby New Kaupthing Bank hf. shall pay Kaupthing Bank hf. the difference between the worth of assets and liabilities, with reference to the time frame of the

transfer according to point 5. The conclusion of the appraisers shall be available within 90 days of this decision.

12. New Kaupthing Bank hf. shall issue a bond to Kaupthing Bank hf. as payment of the remuneration. The terms of the bond shall be available within 10 days of the announcement of the conclusion of the appraiser. The value of the bond shall be verified by an internationally recognized appraisal company to be appointed by the FME.

OTHER ISSUES:

13. The transfer of claims according to this decision shall not deprive a debtor of the right to debt-equalization which he had against the previous claimant or its bankruptcy estate. At the time of settlement according to points 11 and 12, the amount, which could be subtracted due to debt-equalization from the claims taken over by New Kaupthing Bank hf. according to this decision, shall be estimated.
14. No default remedies of the contracting parties shall take effect as a result of this decision.

This decision is based on available information and data. Should it prove to be based on insufficient or wrong information on merits, or other underlying premises of the decision turn out to be fundamentally inaccurate, the FME may make any changes to this decision, including nullifying it in part or in whole.

This decision was taken by the Board of the FME and is effective immediately.

THE FINANCIAL SUPERVISORY AUTHORITY

21 October 2008

Jón Sigurdsson  
Chairman of the Board

Jónas Fr. Jónsson  
Director General

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<sup>i</sup> The original Icelandic text is the valid text. In case of any discrepancy between the original Icelandic text and the English translation, the original Icelandic text applies.

## **ANNEX**

**to the decision of the Financial Supervisory Authority (FME) dated 21 October 2008**

The following assets of Kaupthing Bank hf. shall not be transferred to New Kaupthing Bank hf.:

### **Assets**

- a. Claims on financial undertakings on which the FME has taken action on the basis of Article 5 of Act no. 125/2008.
- b. Securities issued by financial undertakings on which the FME has taken action on the basis of Article 5 of Act no. 125/2008.
- c. Claims and cash flow due to claims collateralized to other financial undertakings.
- d. All assets of foreign branches of Kaupthing Bank hf.
- e. Claims of Kaupthing Bank hf. on its foreign branches and subsidiaries.
- f. Shares in foreign subsidiaries.
- g. Other assets specifically identified in the compilation accompanying the new opening balance sheet.

A further breakdown is found in the opening balance sheet and its accompanying explanatory compilation.



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20.11.2009

## Arion banki - A new name and a new vision

From tomorrow, 21 November 2009, New Kaupthing Bank will change its name to Arion banki. The new name signals a new direction and new values. Following the restructuring of the bank in the recent economic turmoil at home and abroad, the bank is shifting its focus in response to the demands for change made by its customers and employees. A new name will also help eliminate any confusion among the public and the bank's business partners in Iceland and abroad.

The bank is guided by the values of professionalism, ambition, concern for others and loyalty, with the customer in the foreground at all times. The new name comes from Greek mythology and symbolizes perseverance, cooperation and new beginnings. The bank held a competition among its employees to find a new name and Arion was selected from over three hundred entries.

Finnur Sveinbjörnsson, CEO of Arion, says that the time was right to adopt a new name. "A new name, a new direction and new values signal a fresh start for the bank. In a way we are making a break with the past and we look forward to tackling the challenges that await in society with vigour. Our goal is to develop a strong, trustworthy bank which works with and for the people of Iceland."

In the current climate the bank cannot afford to be wasteful, and therefore the cost of adopting a new name will be kept to a minimum. The branches will be given a new look in the next few weeks, and to avoid unnecessary costs marketing material will be renewed as old supplies are used up.

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| Date       | Headline  |
|------------|---|
| 10.12.2009 | <a href="#">Arion Bank introduces new solutions to help borrowers manage with their loans:</a>                              |
| 01.12.2009 | <a href="#">Agreement on ownership of Arion Bank: Kaupthing Bank acquires 87% share in Arion Bank</a>                       |
| 23.11.2009 | <a href="#">Arion banki receives proposal concerning financial restructuring of 1998</a>                                    |
| 21.11.2009 | <a href="#">Financial results of New Kaupthing Bank (now Arion Bank) for the period 22 October 2008 to 31 December 2008</a> |
| 20.11.2009 | <a href="#">Arion banki - A new name and a new vision</a>   |
| 30.10.2009 | <a href="#">Deadline regarding capitalization of New Kaupthing extended until end of November</a>                           |
| 03.09.2009 | <a href="#">Agreements signed by Icelandic government and Kaupthing's resolution committee</a>                              |
| 03.09.2009 | <a href="#">Changes regarding tax exemption on interest</a>   |
| 26.08.2009 | <a href="#">Redemption of shares in Alfesca hf.</a>   |

PATENT