

ARTICLES OF ASSOCIATION

LÍFSVERK PENSION FUND

Article 1 Name and address

1.1. The name of the Fund is Lífsverk Pension Fund. Its domicile and venue are in Reykjavík.

Article 2 The purpose of the Fund

2.1 The purpose of the Fund is to receive Fund members' contributions and to invest them as well as to pay old-age and disability pensions to Fund members and their surviving spouses and children in accordance with the provisions of these Articles of Association.

2.2 The pension fund operates in accordance with Act No. 129/1997 on Mandatory Pension Insurance and on the Activities of Pension Funds and ensures the minimum rights specified therein by the receipt of pension contributions and their returns.

2.3 The pension fund operates in three departments: a mutual insurance department, a private pension division and a specified private pension department. The Fund provides integrated pension rights on the basis of a premium that is divided between the mutual insurance and private pension divisions of the Fund. In addition, additional contributions are paid to the private pension division at the discretion of the Fund members.

2.4 The pension fund does not engage in any other activities than are necessary to carry out its purpose and is not permitted to make contributions for other purposes.

Article 3 Membership of the Fund

3.1 The Pension Fund is a fund for university graduates. Those who have completed university studies or are studying at a recognised university can become Fund members. Everyone is permitted to enter into an agreement on additional savings with the Fund, make payments to the Fund's private pension fund and become a beneficiary.

3.2 In the event that a premium is received for a person who satisfies the membership requirements of Article 3.1, this shall be regarded as an application for membership of the Fund.

3.3 A person may not be denied membership of the pension fund on the basis of his/her health, age, marital status, family size, gender or other unlawful reasons.

3.4 Fund members are those who have paid on their behalf, pay or have paid premiums to the Fund's mutual insurance division and have rights with the Fund as further stipulated in Act No. 129/1997. Old-age and disability pensioners are also considered Fund members. Beneficiaries are those who have rights in the Fund's private pension division. Payment of pension contributions to the Fund is considered to be a confirmation that the person who acquires rights according to the payment agrees to abide by the Articles of Association of the Fund.

Article 4. Premiums

4.1 Fund members' contributions shall be a minimum of those stipulated at any given time in the Act on Mandatory Pension Insurance and on the Activities of Pension Funds, currently 15.5% of the premium base. A minimum premium of 10% shall be paid to the mutual insurance department to cover the minimum insurance coverage stipulated by law at any given time and provided by the Fund. The part of the Fund member's contribution that is received by the Fund and exceeds 10% of the contribution base shall be allocated to a private pension, Lífsverk 2, provided that the Fund member does not instruct otherwise. If a Fund member so requests, all his/her contributions shall go to the mutual insurance department, but not exceeding 16% of the

premium base. The Fund is authorised to accept contributions in accordance with the provisions of the collective agreement, even if its division is different from those described above, provided that it is demonstrated that premium payments in accordance with that division satisfy the requirement for payment of a minimum contribution pursuant to Article 2 of Act No. 129/1997.

The minimum insurance coverage is based on the fact that contributions begin at the age of 20.

4.2 Premiums according to Article 4.1 shall be calculated on the total amount of wages paid and remuneration for any kind of work or service. The basis for contributions shall be all types of salary or remuneration for work that are taxable pursuant to Article 7(1)(a) of Act No. 75/1981 on Income and Property Tax. However, the contribution base shall not include benefits paid in kind, such as clothing, food and housing, or payments intended to reimburse expenses incurred, e.g. vehicle allowances, per diem allowances and meal allowances. The contribution base of a Fund member for his/her work in his/her own business or independent activities shall be at least equal to the amount of imputed remuneration in accordance with the guidelines of the Directorate of Internal Revenue applicable at any given time.

4.3 The employer is obliged to withhold the employee's contribution component from wages and pay it to the Fund, along with its contribution component. The employer is responsible for the timely payment of contributions. The same applies to those who are engaged in business or independent activities.

4.4 Pension contributions shall be paid regularly each month, and the due date of each contribution month is the tenth day of the following month. The final due date is the last day of the same month as the premium falls due. If payment is made after the final due date, interest in arrears shall be charged on unpaid premiums from the due date to the date of payment in accordance with the provisions of Chapter III of the Interest Act No. 38/2001.

4.5 Fund members' contributions, which the employer has verifiably withheld from his/her wages but not paid to the Fund, as well as the employer's matching contribution, shall, despite the arrears, be assessed in full as rights for the Fund member in question when deciding on a pension, provided that the Fund has been aware of these arrears, cf. Article 4.9. However, the pension fund is not responsible for the rights of Fund members for the contributions lost in the event of bankruptcy, and the Wage Guarantee Fund does not guarantee according to Article 10 of Act No. 88/2003.

4.6 No one pays contributions to the Fund beyond the age of 72.

4.7 Fund members do not guarantee the obligations of the Fund with anything other than their premiums.

4.8 Fund members shall notify the pension fund of their contributions to the Fund. Fund members shall immediately notify the pension fund of any changes that are relevant to the payment of contributions to the Fund, e.g. if he/she changes employer, there is a change in employment ratio, he/she takes a leave of absence due to studies, childbirth or if he/she becomes unemployed.

4.9 Twice a year, every six months, Fund members shall be sent a statement of premium payments electronically, where electronic identification of Fund members is required. Fund members who so request shall, however, receive a statement in paper form free of charge. The statement shall be accompanied by a request to Fund members to make comments without delay if irregularities are discovered in the submission of contributions. If comments from a Fund member, confirmed by payslips, have not been received by the Fund within 60 days from the date of the statement or publication of the advertisement, whichever is later, and the Fund has not been aware of the premium claim, the Fund is only liable for rights on the basis of these contributions to the extent that they are paid.

4.10 A final warning shall be sent to the employer if contributions according to the submitted remittance form

have been in arrears for three months from the final due date. Formal collection shall commence within 15 days of the sending of the final warning or earlier, if there is reasonable reason to believe that the premium claim is insecure.

4.11 Premiums in arrears, which can be proven by submitted payslips, shall be collected in the same manner as the employer's remittance forms. A final warning to the employer shall be sent within 90 days from the date of the statement according to Article 4.9. The pension fund is authorised to base collection measures on estimates of unpaid contributions, provided that the employer in question has not submitted remittance forms to the Fund for the period in question.

4.12 All employer's contributions, whether received by new remittance or otherwise, shall be allocated to the payment of the employer's oldest unpaid contributions and interest on arrears, creating rights accordingly. However, the Board of Directors of the Fund is authorised to deviate from this rule in the event that formal collection of premiums in arrears, cf. Article 4.10, has been initiated for a certain period and satisfactory security has been obtained for the payment of premiums, interest on arrears and collection costs for that period. Furthermore, if the law stipulates otherwise, cf. the handling of cases during the employer's moratorium period. The remittance is considered unpaid until a deposit is sufficient to cover the full payment of the remittance form and accrued default interest on it.

4.13 On the basis of an agreement between the Fund member and his/her spouse, a Fund member may decide that up to half of the contributions according to 4.1 shall be used to form independent old-age pension rights for his/her spouse, cf. Article 7.10. This division of premiums shall be discontinued at the request of the Fund member, provided that he/she presents documentation that his/her financial partnership with his/her spouse has been dissolved or that the parties have entered into a new agreement.

Article 5 Return on the Fund's capital

5.1 The Board of Directors of the Fund shall formulate an investment policy and invest the Fund's capital in accordance with the best terms offered at any given time with regard to return and risk. The investment policy shall comply with all the requirements as to form and content set out in the mandatory provisions of Act No. 129/1997 on Mandatory Pension Insurance and on the Activities of Pension Funds and binding administrative instructions from time to time. The Board of Directors shall establish loan rules for Fund member loans.

5.2 The Board of Directors of the Fund shall formulate a risk policy and create procedures in accordance with the policy to reduce the risk of loss on investments, taking into account the Financial Supervisory Authority's guidelines on risk management. The risk policy shall include the risk factors specified by the Financial Supervisory Authority's recommendations. At the Annual General Meeting, an account shall be given of risk management and an assessment of the impact of fluctuations or asset losses on the Fund's position.

Article 6 Basis of pension rights

6.1 Fund members' pension rights are calculated in ISK and are determined by the contribution paid to the pension fund and the entitlement tables applicable at any given time. The accrual of rights is determined by the age of the Fund member at the end of the salary month from which contributions are paid to the pension fund according to Tables I-III in Appendix A. Rights are indexed and change in accordance with changes in the consumer price index for indexation purposes from the salary month on which contributions are paid. The acquisition of rights for contributions paid to the Fund before 1 January 2001 shall be governed in more detail by the provisions of Article 19. Tables I-IV in Appendix A specify how the pension rights of Fund members are calculated in accordance with the rights provisions of Articles 7-10. The tables are considered part of these Articles of Association.

6.2 If the Fund's annual actuarial assessment reveals that the difference between the value of premiums and future liabilities is calculated at more than 3% of future liabilities, or less than -1%, new entitlement tables shall

be calculated for the Fund. They shall be made in such a way that the value of premiums is calculated in excess of future liabilities, but the difference is not more than 1% of future liabilities. The new tables shall take effect starting from the beginning of the year thereafter, based on the Fund's actuarial assessment of that year. Such changes shall be announced at the Fund's Annual General Meeting.

6.3 Acquired pension rights, as defined in Articles 7-10 and calculated in accordance with Articles 6.1 and 6.2, shall be retained in accordance with rules applicable at any given time, so that pension payments will be made in accordance with the accumulated rights of each entitlement period. Projection shall be in accordance with the rules in force when the right to a pension became active. The sum of pension rights is the sum of acquired pension rights and projected pension rights if such rights have been determined. Projected pension rights are not counted as accrued pension rights except to the extent that they have accrued since the execution of the projection, cf. Article 8, and the projected portion is reduced accordingly. When a decision is made to increase rights, they shall be distinguished from other rights. The increase in entitlements is not included in the projection, but it is calculated in full in acquired entitlements. In the event of a reduction in the acquired rights of a Fund member, the reduction of rights shall be treated in the same manner as an increase in rights, except that the reduction is deducted from acquired rights. Changes in rights according to the above shall be entered in the Fund's rights accounts based on the last month of the period covered by the actuarial assessment according to Article 16.3 of these Articles of Association. An increase or decrease in pension payments can only take effect at the beginning of the month after confirmation from the Ministry to that effect has been obtained.

6.4. The Board of Directors of the Fund is authorised to enter into agreements with other pension funds on arrangements for the transfer of rights, etc., as well as on rules aimed at ensuring that Fund members who have paid into more than one pension fund will be in the same position when drawing their pension as if they had paid into one fund, cf. Article 19 of Act No. 129/1997.

Article 7 Old-age pension

7.1 A Fund member who has reached the age of 67 and has rights in the Fund is entitled to a pension for life.

7.2 Fund members are permitted to postpone drawing their old-age pension for one month at a time up to the age of 80, in which case the pension shall increase by 1/12 of the increase for a full year according to Tables III and IV in Appendix A for each month that elapses from the age of 67 to the commencement of pension.

7.3 Fund members are permitted to bring forward the drawing of their pension by up to seven years, in which case the pension is reduced in accordance with Table II in Appendix A.

7.4 When drawing old-age pension before the age of 67, a Fund member disposes of his/her old-age and disability pension rights definitively and therefore does not have an independent right to a disability pension thereafter.

7.5 A Fund member may decide to begin drawing a partial old-age pension at any time after reaching the age of 60, in which case he/she is deemed to have disposed of that part of his/her old-age pension rights, cf. Article 7.4. The provisions of Article 7.3 shall apply to the part that is disposed of before the age of 67. The provisions of Article 7.2 shall apply to the deferred part after reaching the age of 67.

7.6 Contributions paid by a Fund member after the age of 67 confer rights according to Table IV based on the start of drawing a pension on the basis of these contributions.

7.7 When using the tables in Appendix A, reference shall be made to the life expectancy of Fund members at the end of the calendar month to which premiums belong. Increases due to postponement or decreases due to early drawing are calculated according to Tables II and III in Appendix A in whole months based on age.

7.8 If a Fund member has been awarded a disability pension, the period during which the disability pension has

been paid shall be increased by the Fund member corresponding to the accrual pursuant to Article 8.12, items a-c.

7.9 When a Fund member begins drawing an old-age pension, his/her rights shall be calculated with regard to all contributions paid by the Fund member. If a Fund member pays contributions to the Fund after he/she has commenced drawing his/her old-age pension, he/she may demand that his/her pension be recalculated once a year after the commencement of drawing his/her pension. A Fund member's old-age pension, thus calculated, shall then be deducted from the old-age pension that he/she has waived in accordance with Article 7.10 (division of old-age pension rights).

7.10 A Fund member may decide to divide old-age pension rights between him/herself and his/her spouse by means of a written agreement in accordance with Article 14 of Act No. 129/1997 on Mandatory Pension Insurance and on the Activities of Pension Funds, as follows:

a. That up to half of the value of his/her accumulated old-age pension rights shall go to form independent old-age pension rights for his/her spouse or former spouse, in which case the rights of the Fund member shall be reduced accordingly. This decision shall be made before the commencement of retirement, but no later than before the age of 65 and provided that the illness or health of the Fund member has not reduced life expectancy. The total liability of the pension fund shall not be increased by this decision of the Fund member. This division is not permitted unless there is a mutual division;

b. that the contribution in respect of his/her spouse, which is used to form old-age pension rights, shall be partly used to form independent old-age pension rights for his/her spouse. When allocating the contribution for an old-age pension, it shall be considered that the contribution base of the Fund member has been divided between him/her and his/her spouse in the same way as the contribution. The Fund member's disability and spouse's pension rights will continue to be based on the undivided contribution base. This division is not permitted unless there is a mutual division.

Article 8 Disability pension

8.1 A Fund member, under the age of 67, who suffers a loss of working ability, amounting to at least 40%, and as a result becomes incapable of performing his/her job, is entitled to a disability pension from the Fund in accordance with his/her acquired rights pursuant to Article 6. In addition, a Fund member has a right that takes into account the rights that can be assumed to have been earned by continuing premium payments to the Fund in accordance with the rules that follow.

8.2 The Fund's Chief Medical Officer assesses the percentage of working ability loss and its timing in accordance with the rules on medical disability assessment and after receiving information on the medical history and working ability of Fund members in the past. The assessment of the loss of working ability shall be based on the health changes that the Fund member has suffered since he or she began paying contributions to the Fund, and shall in particular take into account the ability of the Fund member to perform the job that gave him or her membership of the Fund. Working ability losses shall then be reassessed as the Board of Directors of the Fund deems necessary.

8.3 The Fund may, having received the opinion of the Fund's Chief Medical Officer, make the payment of a disability pension conditional on the Fund member, with the support of the Fund, undergoing rehabilitation that may improve his/her health and ability to work, provided that the circumstances of the person in question allow him/her to take advantage of it. A reassessment of working ability loss shall be carried out after rehabilitation.

8.4 The right to a disability pension is therefore only established if the Fund member has suffered a reduction in income as a result of the loss of working ability. The combined disability pension and child pension pursuant to Article 10 shall never exceed the corresponding loss of income that the Fund member has demonstrably suffered as a result of the disability. When assessing whether there has been a reduction in income, the Fund

member shall be determined to be the reference income, which shall be the average income of the Fund member for the last three calendar years prior to the loss of working ability, cf. Article 8.5 (a) on projection. If a Fund member considers this average to give a false picture of his/her loss of income, the Board of Directors of the Fund is authorised to take a long-term view in order to obtain the clearest possible picture of the Fund member's loss of income due to loss of working ability. From the date of the ruling, the reference income shall be subject to the changes that occur in the wage index. When calculating loss of income, the disability pensioner's employment income, pension and benefit payments from the social security system and other pension funds, and collective bargaining insurance benefits that he/she receives due to the disability shall be taken into account. A ruling on pensions shall specify what wage income is used as a basis for the calculation so that Fund members may be aware of the limits at which the reduction of disability pension due to income is based. Disability pensioners are obliged to provide the Fund with information on their income according to their wage returns, if requested. Pension payments may be postponed or cancelled if the Fund member does not provide the requested information.

8.5 In addition to the acquired rights pursuant to Article 6 of a Fund member who has lost the ability to work pursuant to the above-mentioned right to projection of rights, he/she must fulfil the following conditions: a) Has paid contributions to the Fund for at least three of the preceding four years; b) has paid contributions to the Fund for at least 6 months during the preceding 12 months; c) has not suffered a loss of working ability attributable to the abuse of alcohol, pharmaceuticals or illicit drugs.

8.6 If a Fund member has acquired the right to projection, which has lapsed due to temporary absence from the labour market due to work abroad, studies, leave of absence, childbirth or similar reasons, the projection right shall be established again six months from the date on which he/she resumes work and payment of contributions to the pension fund. Periods during which premium payments have demonstrably been cancelled due to illness are not taken into account when deciding whether the conditions for premium payment periods are met.

8.7 When the conditions in Article 8.5 regarding the period of payment of premiums are met, the maximum disability pension shall be based on the pension entitlement acquired according to Article 6, plus a pension corresponding to the rights that the Fund member can be assumed to have acquired through premium payments up to the age of 65, calculated in accordance with Article 8.8. If the Fund member is also entitled to a disability pension from another fund, he/she only enjoys projection rights from the Fund if he/she has last paid contributions to the Fund.

8.8 If a Fund member who has not reached the age of 65 when he/she suffers working ability loss is entitled to projection of entitlements pursuant to Article 8.5, the projection shall be made as follows: a) The average of the Fund member's contributions for the last three calendar years prior to the working ability loss shall be calculated. If the Board of Directors of the Fund deems there to be reasonable grounds for believing that this three-year average does not reflect routine payments, it is authorised to base its calculations on premium payments for up to eight years in the past. In calculating the average contribution for this period, neither the year in which the lowest contributions were received for Fund members nor the year in which premium payments were highest shall be taken into account, and the average shall therefore be calculated on the contributions of the remaining six years. If the Fund member has paid contributions for a period of less than eight years, the calculation shall be based on the number of years in question. A Fund member's pension entitlement due to projection is determined to be equal to the rights that this average contribution, paid until the age of 65, would have given him or her, according to Table I in Appendix A. b) If, prior to the loss of working ability, the Fund member had retired from the job on which his/her contributions were based, such that the Fund's past income history is not considered to give a credible indication of his/her loss of income in the future, the Board of the Fund is authorised to base the assessment of future premium payments according to the above-mentioned estimated future income of the applicant in a new job at the rate of 50% against the calculation according to item a), which then has a 50% weight in the calculation of the income criterion for

projection.

8.9 Disability pension is not paid for the first three months after loss of working ability.

8.10 A Fund member who applies for a disability pension from the Fund or is in receipt of it is obliged to provide the Fund with all the information on his/her state of health necessary to determine his/her entitlement to a disability pension and, if necessary, undergo a medical examination by the Fund's medical officer. If satisfactory documents and information are not received from a Fund member and he/she does not comply with the Fund's recommendations in this regard, his/her application shall be dismissed.

8.11 The Board of the Fund shall reduce or cancel the disability pension of those disabled persons who regain their working ability in part or in full. It is also required to increase the disability pension if the disability increases significantly in a manner not caused by the Fund member, from the level assessed in previous decisions, provided that the Fund member at the time when the disability arose was not in a job that gave him pension rights in another pension fund.

8.12 Disability pension lapses at the age of 67, and the same applies if the ability to work increases or income increases so that the conditions of Article 8.1 are no longer met.

The acquired old-age pension rights of disability pensioners shall at any given time be equal to the acquired rights at the time of the first disability ruling, plus rights due to: a) Projected rights in proportion to the percentage of the disability pension of the maximum disability pension as it has been at any given time; b) increases or reductions in rights that may have been granted after the commencement of drawing disability pension; c) rights that the disability pensioner may have earned after the disability ruling. However, if a disability recipient has been awarded a premium for projection for the period for which the premium is subsequently paid, entitlement accrual shall only be calculated for that part of the premium that is in excess of the premium on which the projection was based, proportional to the disability level of the Fund member when the contribution is paid. Rights acquired by a disability pensioner after the age of 65 shall be assessed in full for the payment of old-age pension rights.

Article 9 Spouse's pension

9.1 Upon the death of a Fund member, his/her spouse acquires the right to a surviving spouse's pension from the Fund. The pension is determined in accordance with Articles 9.2-9.6.

9.2 A spouse according to this Article is the person who, at the time of death, was married or cohabiting with a Fund member, provided that the financial partnership had not been dissolved before the death of the Fund member. Unmarried cohabitation refers to the cohabitation of two individuals who have a joint legal domicile, are cohabiting, have a child together, or the woman is pregnant or the cohabitation has lasted for at least two consecutive years.

9.3 The right to a pension under this Article shall lapse if the surviving spouse remarries, but is reinstated if the second marriage is terminated. If the second marriage also entitles the spouse to a pension from the Fund, the spouse may choose the pension that is higher.

9.4 The amount of the pension to the surviving spouse is 60% of the disability pension that the deceased Fund member would have received if he/she had become 100% disabled on the day of death. If the deceased was a pensioner, the spouse's pension is 60% of his/her old-age pension.

9.5 The pension fund shall pay a pension to the spouse of a deceased Fund member who had paid contributions to the Fund or who was receiving an old-age or disability pension from the Fund. A pension to the surviving spouse shall be paid for at least 60 months after the death of a Fund member in accordance with Article 9.4. At the end of the 60 months, a full pension to the surviving spouse shall then be paid, provided that any of the conditions a) – c) are met: a) The spouse of the deceased Fund member has a dependent child under the age of 19 (cf. Article 10.1); b) the spouse of the deceased Fund member is at least 50% disabled and his/her

ability to generate income is significantly impaired, in the opinion of the Fund's Chief Medical Officer. This entitlement is acquired by a spouse if he/she is disabled at the time of the death of the Fund member or becomes disabled while he/she is receiving a spouse's pension and is under the age of 67; c) when the spouse of a deceased Fund member reaches the age of 67, the spouse reacquires the right to a surviving spouse pension, provided that the surviving spouse pension has already lapsed and the spouse has not remarried or entered into an unmarried cohabitation. The pension for surviving spouses shall then be 60% of the old-age pension entitlement that the deceased earned before 1 January 2007.

9.6 On the basis of an agreement between the Fund member and his/her spouse, the Fund member may decide that matters are to be arranged in accordance with items 1-3 of this Article. This agreement shall, as applicable, cover old-age pension payments, the value of old-age pension rights or old-age pension rights of both parties and entail a mutual and equal division of acquired rights for the duration of marriage or cohabitation:

1. That up to half of the old-age pension payments that are to be paid to him/her shall accrue to his/her spouse or former spouse. The Fund shall then divide payments in accordance with the decision of the Fund member, but they shall lapse upon his/her death. If, on the other hand, the spouse or former spouse who is receiving such payments dies before the Fund member, the payments shall go to the Fund member.

2. Before drawing the pension, but no later than before the age of 65 and provided that illness or health conditions do not reduce life expectancy, that up to half the value of his/her accumulated old-age pension rights shall be used to form independent old-age pension rights for his/her spouse or former spouse, in which case the rights of the Fund member shall be reduced accordingly. The total liability of the pension fund shall not be increased by this decision of the Fund member.

3. That up to half of the contribution of a Fund member which is used to form old-age pension rights shall be used to form independent rights for his/her spouse. When allocating the premium for minimum insurance coverage and supplementary insurance coverage, it shall be considered that the Fund member's contribution base has been divided between him/her and his/her spouse in the same way as the premium.

Article 10 Child pension

10.1 Children or adopted children who survive a Fund member when he/she dies, and who are under the age of 19, shall receive an annual pension from the Fund until they reach the age of 19, provided that the deceased has taken care of their support for the most part or in full. The same rights apply to foster children who have been supported by the Fund member for the most part or in full.

10.2 If the child has a living parent, adoptive parent or foster parent who is responsible for his/her support, his/her pension shall be 15% of the disability pension that the deceased Fund member would have received if he/she had become 100% disabled on the day of death. If the deceased was a pensioner, the child's pension is 15% of his/her old-age pension.

10.3 A full child pension shall be at least ISK 5,500 per month for each child of a disability pensioner. The amount changes annually in proportion to changes in the consumer price index based on the base index of 173.5.

10.4 Upon the death of a Fund member, the child pension shall be at least ISK 7,500 for each child. These amounts shall change annually in proportion to the change in the consumer price index based on the basic index of 173.5 points.

10.5 If the child does not have a living provider, as stated above, the child's pension is double the amount.

10.6 The same rights shall be granted to the children, adoptive children and foster children of a Fund member if he/she becomes disabled and receives a disability pension from the Fund. Their pension shall amount to an

equal percentage of the pension amount specified in Articles 10.2-10.4 that the Fund member's disability is assessed.

10.7 If the death or disability of a Fund member also entitles children to a pension from another pension fund, the pension from this fund shall, however, be subject to the condition that the Fund member has last paid contributions to this fund.

Article 11 Arrangement of pension payments, indexation of reference amounts

11.1 Pension payments from the Fund are determined in accordance with the rights of the Fund member.

11.2 Pensions are paid monthly in arrears, starting with the month following the month in which the pension entitlement arose, and ending with the month in which the right to the pension lapses. However, the Board of the Fund shall never be obliged to award a pension further back in time than four years. A ruling according to this shall then be based on the rules of rights as they have been during the period in question. Interest is not paid on pension payments. Retirement pension is paid from the beginning of the month in which it is applied for, or payment commences in accordance with the provisions of Articles 7.1 and 7.2.

11.3 If the pension rights do not reach ISK 4,000 per month, the Board of the Fund is authorised to pay the rights as a lump sum in accordance with the actuary's recommendations, if the Fund member so requests. The reference amount changes annually in proportion to changes in the consumer price index, based on the basic index of 173.5 points.

Article 12 Transfer of premiums from the Fund

12.1 It is not permitted to transfer Fund members' contributions from the Fund to other pension funds. However, it is permissible to transfer Fund members' contributions to another pension fund when the time comes to draw their pension.

12.2 It is permissible to reimburse contributions to foreign nationals when they move out of the country, provided that this is not prohibited by an international agreement to which Iceland is a party. The repayment may not be limited to a specific part of the premium. When premiums are thus reimbursed from the Fund, they shall be paid with interest based on the Fund's return at any given time, but less a reasonable amount for the Fund's operating costs and the risk it has assumed.

Article 13 Prohibition of transfer and pledge

13.1 It is not permitted to transfer or pledge pension claims according to these Articles of Association.

Article 14 Arbitration and duty to provide information

14.1 If a Fund member, or a pension beneficiary who is not a Fund member, does not wish to abide by the Board of the Fund's ruling on any matter concerning the Fund, he/she may submit the matter to arbitration. He/she shall then notify the Board of the Fund within four weeks of receiving notification of its ruling. He/she shall also appoint an arbitrator on his/her behalf. The Board of the Fund shall then appoint another arbitrator within two weeks. They shall then elect a chairman, but if they cannot agree on the chairman, he shall be appointed by the District Court of Reykjavík. The arbitral tribunal's award is binding on both parties and may not be submitted to other courts. Legal costs shall be divided between the parties according to the court's assessment, however, the Fund member or pension beneficiary shall not pay more than 1/3 of the legal costs. Proceedings before the arbitral tribunal shall be governed by the Act on Contractual Arbitration.

14.2 A Fund member has the right to access all available information concerning him/herself. The Fund shall send out a statement of paid contributions twice a year, and once a year it shall send out a statement of the earned and expected pension rights of Fund members. The Fund shall also inform Fund members at least once

a year of the operation and financial position of the Fund and of any changes to the Articles of Association. These statements may be sent electronically, provided that the Fund member has requested it, cf. Article 4.9.

Article 15 The Board of Directors of the Fund

15.1 The Board of Directors of the Fund shall consist of five members and five alternates, who shall be Fund members of Lífsværk Pension Fund. Board members shall be elected by Fund members by electronic voting, cf. Article 15.2, for a term of three years. For two years, two Board members shall be elected each time, and for the third year, one Board member shall be elected. In the years when two board members are elected, one woman and one man shall be elected. An equal number of alternates shall be elected to the Board of Directors at the Fund's Annual General Meeting. When one board member and alternate board member is to be elected, the election is determined regardless of gender. The proportion of one gender on the Board of Directors of the Fund shall never be lower than 40%.

15.2 Voting shall be electronic and based on the register of Fund members in force at the end of the previous month prior to the electronic voting, and the Fund members' web access to it. Before the end of December each year, the Board of Directors of the Fund shall appoint an election committee of three members, which shall be responsible for the execution of the election of Board members for the coming operating year. The election committee shall, at least six weeks prior to the Annual General Meeting, advertise on the Fund's website when the election of Board members will take place and according to candidacy for Board membership, according to Article 15.1. At the same time, Fund members shall be sent an invitation to the Annual General Meeting and the election of the Board of Directors. The deadline for candidacy shall be at least 14 days, and candidates shall be submitted to the election committee along with a minimum of five and a maximum of ten supporters from among Fund members before the end of the candidacy deadline. The election committee shall rule on the legality of candidacies and shall thereafter publish them on the Fund's website for the next seven days, and electronic voting among Fund members shall commence after the presentation of the candidates and last for five working days. At that time, Fund members shall have the opportunity to vote at the Fund's office during its normal working hours. All Fund members are eligible to stand for election and have the right to vote for the Board. Board elections are governed by the rules on majority voting, so that each voter can vote for up to the number of candidates selected at any given time. Those who receive the most votes are considered duly elected, subject to the rules on gender quotas according to Article 15.1. The Election Committee shall establish further rules on the execution of the election, including the deadline for appeals and the handling of documents, rule on the legality of the election, and shall present the results of the election to the Board of Directors at the Fund's Annual General Meeting. Rules on the execution of elections shall be confirmed by the Board of Directors and published on the Fund's website no later than at the same time as the announcement of candidacies is made.

15.3 Board members shall meet the eligibility requirements of Act No. 129/1997. They must be of legal age, financially independent, have a good reputation and must not have been declared bankrupt within the last five years. They must not, in connection with business operations, have been convicted within the last 10 years of a criminal offence under the General Penal Code, the Competition Act, the Act on Public Limited Companies, Private Limited Companies, Accounting, Annual Accounts, Bankruptcy, etc., or provisions of laws relating to public levies, as well as special laws on entities subject to public supervision of financial activities. Board members must reside in Iceland, in a member state of the European Economic Area, a member state of the European Free Trade Association or in the Faroe Islands. Board members shall also comply with the provisions of Article 31(2) of Act No. 129/1997 on independence in relation to, among other things, supervised entities. They shall also have sufficient knowledge and work experience to be able to perform their duties properly and to comply with the Financial Supervisory Authority's rules on qualifications.

Board members shall not serve as elected members of the Board for more than three terms (nine years).

15.4 A Board member may at any time resign from his/her position. If a Board member no longer fulfils the requirements for being a member of the Board, cf. Article 15.3 or Article 31 of Act No. 129/1997, he/she shall be obliged to resign. Notification thereof shall be sent to the Board of Directors of the Fund. In such circumstances, an alternate shall take the place of the board member who resigned from his or her position and serve the remaining time of that board member's term of office. If there is no alternate to replace a Board member, it is the duty of the other Board members to hold the election of a new Board member for the remaining period of the previous one's term of office.

15.5 The Board divides tasks among itself. The Board establishes its own rules of procedure and keeps a record book and writes in it all its articles of association. In order for an approval to be lawful, a majority of the board members must vote for it. A Board meeting is deemed capable of passing resolutions if a majority of Board members are present or alternates are in their place. To commit the Fund, the signatures of three Board members are required. The chairman calls alternates to board meetings when deemed necessary.

15.6 The Board of Directors of the Fund is responsible for its management and shall ensure that its organisation and operations are at all times in accordance with the provisions of Act No. 129/1997, regulations issued pursuant thereto and these Articles of Association. The Board shall discuss all major decisions regarding the Fund's policy formulation and operations. It shall ensure that sufficient supervision is exercised over the accounting and handling of the Fund's assets. The Board of Directors of the Fund hires a Managing Director, determines his salary and enters into an employment contract with him. The Board of Directors of the Fund appoints a Head of the Audit Department or negotiates with an independent supervisory body to carry out internal auditing. The Board of Directors of the Fund shall formulate its investment policy and establish rules on the disclosure of information by the Managing Director to the Board of Directors on operations, premiums, vesting of rights and the disposition of the Fund's assets. The Board of Directors shall also establish rules of procedure for securities transactions of the pension fund, its board of directors and employees and have them confirmed by the Financial Supervisory Authority.

15.7 The Managing Director is responsible for the day-to-day operations of the Fund and in this regard complies with the provisions of Act No. 129/1997, regulations issued pursuant thereto, the Articles of Association of the Fund and the policies and instructions issued by the Board of Directors of the Fund. The Managing Director shall vote for the Fund at meetings of limited liability companies in which the Fund has shares, unless the Board of Directors decides otherwise in individual cases. The Managing Director of the pension fund is not eligible to be elected as a Board member of the pension fund. The qualifications of the Managing Director shall in other respects be governed by the provisions of Article 15.3. The Managing Director hires employees for the Fund. Decisions that are unusual or significant shall only be made by the Managing Director by special decision of the Board of Directors or in accordance with a plan approved by the Board of Directors. If it is not possible to submit major decisions to a Board meeting, the Chairman of the Board and other Board members shall be consulted as appropriate. Such decisions shall then be discussed at the next Board meeting. The Board of Directors grants and revokes power of attorney to the Managing Director and other employees.

15.8 All major changes to the Fund's structure, internal control, accounting and financial statements shall only be made by the Managing Director after consultation with the Board of Directors and with its approval.

15.9 The Managing Director is responsible for ensuring that the Fund's accounts are kept in accordance with law and accepted practice. It is required to comply with the investment policy and loan rules set by the Fund's Board of Directors. At regular Board meetings, the Managing Director shall present an overview of the Fund's investments, operations and financial position.

15.10 The Managing Director shall provide the Board of Directors, the auditor and the Audit Committee with all such information as they request on the finances and operations of the Fund.

15.11 Neither a member of the Board of Directors of the Pension Fund nor the Managing Director may intervene in the handling of a matter if he/she has interests that might conflict with the interests of the Fund. The same applies in the case of decisions relating to a company where a Board member may have significant interests as an owner, board member or employee. The Managing Director is not permitted to participate in business operations without the permission of the Board. The person concerned is obliged to inform of circumstances that may cause disqualification according to the above. The special qualifications of a Board member and Managing Director to handle a case are governed by the provisions of Chapter II of the Administrative Procedure Act No. 37/1993.

15.12 The Board of Directors of the Fund, the Managing Director and other persons authorised to act on behalf of the Fund may not take any measures that are clearly likely to favour certain Fund members, companies or other undue interests over others or at the expense of the Fund. Board members, the Managing Director and other employees, as well as the pension fund's auditors, are bound by a duty of confidentiality regarding everything they become aware of in the course of their work and which must be kept secret according to law or nature. The duty of confidentiality remains even if the employment is terminated.

15.13 A member of the Board of Directors and the Managing Director of the Fund shall not sit on the boards of commercial enterprises on his/her behalf. However, this does not apply to companies established to carry out specific aspects of the Fund's operations. If a Board member of the pension fund is also a board member of a company in which the Fund has a significant shareholding, the same person cannot serve as chairman of the Board of the pension fund.

15.14 The Board of Directors of Lífsvirk Pension Fund is paid and the Annual General Meeting decides on the remuneration of Board members for the coming operating year.

Article 16 Accounts, auditing and actuarial assessment

16.1 The Fund's fiscal year is the calendar year.

16.2 The accounts of the Fund shall be audited by a certified public accountant, cf. the provisions of Act No. 3/2006 on Annual Accounts. The Fund's auditor may not sit on the Fund's Board of Directors, be an employee of the Fund or work in its interests other than auditing and internal control. An audit committee shall be appointed annually. Two members of the committee shall be selected from among Fund members by election at the Annual General Meeting of the Fund for a term of one year at a time, and they shall meet the requirements of the Act regarding qualifications, knowledge and experience in accordance with the work of the Committee. The Board of Directors of the Fund shall appoint a third member of the committee, who shall meet the requirements of the Act regarding qualifications, sound knowledge and experience in the field of accounting or auditing. Each time a certified public accountant has completed an audit of the annual accounts, he shall prepare a report on the audit. The same applies to the internal auditor. The audit committee shall annually prepare a report on its work. Each report shall then be submitted to the Board of the Fund. The Board of Directors submits the audited and signed accounts of the Fund to its Annual General Meeting for approval. They shall be on display to Fund members at the place where the Fund is operating for at least one week before the Annual General Meeting.

16.3 The Board of the Fund shall have an actuarial assessment of the Fund carried out each year in accordance with Article 39 of Act No. 129/1997. The conclusion shall be submitted to the Board of the Fund. It shall also be available to Fund members for display in the same manner as the annual accounts, and Fund members shall be given the opportunity to discuss them at the annual general meeting. The assessment shall be carried out by an actuary or other person who has been recognised by the Financial Supervisory Authority for such work. The actuarial assessment shall be submitted to the Financial Supervisory Authority annually.

16.4 The pension fund's net assets for pension payments, together with the present value of future contributions, shall be equal to the present value of the expected pension due to contributions already paid

and future contributions. Deviations shall, however, be permitted within the tolerance limits set by law and these Articles of Association. The estimate of future premiums and expected pensions shall be based on Fund members at the time of the actuarial assessment. The Fund's pension promises for the future shall be reviewed and amended annually if the Fund's actuarial grounds warrant, cf. the provisions of Article 6.2, but changes to acquired rights are subject to the provisions of Articles 16.5 and 16.6.

16.5 If an actuarial assessment reveals that the Fund's assets exceed its pension obligations by more than 10%, the Board of Directors of the Fund shall, after consultation with an actuary, make proposals to the Annual General Meeting on an increase in pension rights. The same applies if this difference has remained greater than 5% continuously for five years. The Board of Directors of the Fund is also authorised, having consulted with the Fund's actuary and based on recognised actuarial assumptions and taking into account reasonable precautionary considerations, to make a proposal to the Annual General Meeting on an increase in the pension rights of Fund members. The increase shall be made so that the acquired rights of all Fund members, as calculated in accordance with Articles 7-10 of these Articles of Association, are increased proportionately equally. However, the position of the Fund, i.e. the difference between assets and liabilities according to actuarial assessment, shall always be positive after an increase in rights, both with regard to acquired rights and total rights.

16.6 If an actuarial assessment reveals that the Fund's assets are more than 10% lower than its pension obligations, based on recognised actuarial assumptions and taking into account reasonable precautionary considerations, the Board of Directors of the Fund shall, after consultation with an actuary, make proposals to the Annual General Meeting on a reduction of pension rights, provided that no other means of improving the Fund's finances can be found. The same applies if this difference has remained greater than 5% continuously for five years. The Board of Directors of the Fund is also authorised, having consulted with the Fund's actuary and based on recognised actuarial assumptions and taking into account reasonable precautionary considerations, to submit a proposal to the Annual General Meeting on the reduction of the accrued pension rights of Fund members. The reduction shall be made by reducing the acquired rights of all Fund members, as calculated in accordance with Articles 7-10 of these Articles of Association, proportionately equally.

Article 17 Annual General Meeting

17.1 The Annual General Meeting shall be held before the end of May each year.

17.2 The Board of Directors shall announce the meeting by means of an advertisement in a newspaper and by means of an announcement on the Fund's website at least two weeks in advance.

The agenda of the Annual General Meeting shall be:

1. Report of the Board of Directors
2. Presentation of the annual accounts
3. Report on actuarial assessment
4. Outline of investment strategy
5. Report on the results of the election of the Board of Directors
6. Election of alternate Board members
7. Election of auditors and two members of the audit committee
8. Proposals for amendments to the Fund's Articles of Association when such proposals are available. Proposals for amendments to the Fund's Articles of Association shall be in accordance with the provisions of Article 21
9. Decision on the salaries of Board members and the audit committee
10. Other matters, lawfully brought

17.3 All proposals for amendments to the Articles of Association that are to be submitted to the Annual General Meeting shall be posted on the Fund's website with at least two weeks' notice and made available to Fund members at the Fund's office.

17.4 Proposals from Fund members for amendments to the Articles of Association may only be accepted if they have been received by the Board of Directors of the Fund before 15 January each year. In the event of a proposal for an increase in rights or changes to the investment policy which can be expected to affect the Fund's ability to pay a pension, the Board of the Fund shall have an actuarial assessment carried out of the consequences of the change in the Fund's solvency. If the assessment reveals that approval of the proposal would result in the Fund not being considered solvent within the meaning of Article 16.4 or that its position would deteriorate if total liabilities exceed total assets, the proposal and the assessment shall be presented but not taken up for consideration at the meeting.

17.5 An Annual General Meeting is lawful, if lawfully convened, regardless of attendance.

17.6 At the Annual General Meeting, Fund members have the right to submit proposals and vote. A simple majority of votes is sufficient for all resolutions at the Annual General Meeting, except for amendments to these resolutions.

17.7 Each of the three Fund members may demand that a particular item be placed on the agenda of the Annual General Meeting, provided that they send a written recommendation to that effect to the Fund Board. A request for an agenda shall have been received by the Board of the Fund before 15 January each year. In the case of an Extraordinary General Meeting, the agenda request must be submitted to the Board of the Fund with the recommendation to hold an Extraordinary General Meeting, cf. Article 17.8.

17.8 An Extraordinary General Meeting shall be held when a majority of the Fund Board deems it necessary, or at least 25 Fund members send written instructions to the Board and specify the reason. The meeting shall be held within three months after the recommendation is received.

Article 18 Disposal of assets, if the Fund is to be dissolved

18.1 A decision to dissolve the Fund is not valid unless it is approved by written and/or electronic vote by at least half of the members, in addition to which it must satisfy the provisions of Article 17 on amendments to the Articles of Association.

18.2 If the Fund is dissolved, its Board of Directors shall dispose of its assets as stated in Articles 18.3 and 18.4.

18.3 With reference to Article 18.2, the Fund shall, if possible, be merged with another pension fund and such fund shall be established by law or recognised by the Ministry of Finance. In the event of a merger, care shall be taken to ensure that the pension rights of the Fund members are not diminished from that warranted by the Fund's asset position.

18.4 With reference to Article 18.2 and in the event of a merger with another pension fund pursuant to Article 18.3, the assets of the Fund shall be handled in accordance with the provisions of Article 49 of Act No. 129/1997.

Article 19. Transitional provision

19.1 Rights of Fund members, as they will be on 31 December 1990 in accordance with the provisions of the Regulation in force at the time, shall be converted into rights in accordance with the provisions of the rights that enter into force on 1 January 1991, and shall be indexed from then on in the same manner as the rights that arise as of 1 January 1991.

19.2 The basic rights of Fund members include those pension rights which were determined by conversion of rights on 31 December 1990 and which were due to contributions paid to the Fund up to the end of 1990, and pension rights granted by contributions paid from 1 January 1991 to 31 December 2000 according to the entitlement tables. The basic rights of Fund members according to the above shall be converted into rights according to Articles 6.1-6.10 in such a way that the old-age pension rights at the age of 65 according to the

provisions of Article 6.10 on accelerated drawing of pension shall be equal to the old-age pension rights that the Fund member had on 31 December 2000.

19.3 On 31 December 2000, the basic rights of Fund members pursuant to Article 19.2, which do not reach a certain minimum of the rights that full indexation of premiums would have granted, shall be increased in accordance with the provisions of this Article. If the basic rights of a Fund member prove to be less than 80% of the rights which the Fund member's contributions paid to the Fund before the end of 2000 would have granted in accordance with the Fund's tables of rights in Article 6.10, the basic rights of the Fund member shall be increased to that extent. For each Fund member covered by these provisions, the lump sum premium required to reach the 80% threshold shall be found in accordance with Table IV in Article 6.10, and this amount shall be recorded as a rights entry of the Fund member in question on 31 December 2000.

19.4 In addition to the basic rights which have been determined in accordance with Articles 19.2 and 19.3, pension rights which have been determined by the distribution of profits in accordance with the rules of the Fund up to the end of 2000 shall be added. Pension rights in respect of profits distributed before the end of 1998 in accordance with Article 6.10 in force at the time shall be converted on 31 December 2000 in accordance with the provisions of Article 19.2.

19.5 The acquired rights of Fund members and pensioners as of 1 December 2005 shall be reduced by 5%.

19.6 On 1 July 2007, the basic rights of Fund members pursuant to Articles 19.2 and 19.3 who did not reach a certain minimum by 31 December 2000 of the rights granted by full indexation of premiums shall be increased in accordance with the provisions of this Article. If these basic rights of a Fund member prove to be less than 90% of the rights which the Fund member's contributions paid to the Fund before the end of 2000 would have granted in accordance with the Fund's tables of rights in Article 6.10, they shall be increased as follows:

For each Fund member who is subject to these provisions, the lump sum fee in accordance with Table IV in Article 6.10 in force at the end of 2000 is found to be required to reach the 90% mark as of 31 December 2000. This amount, indexed to 1 July 2007 but then reduced by 5%, cf. Article 19.5, shall be registered as a transfer of rights of the Fund member in question which shall take effect on 1 July 2007.

19.7 The acquired rights of Fund members and pensioners as of 1 September 2009 shall be reduced by 10%.

19.8 The acquired rights of Fund members and pensioners as of 1 July 2010 shall be reduced by 10%.

19.9 The acquired rights of Fund members and pensioners as of 1 January 2011 shall be reduced by 5%.

19.10 The acquired rights of Fund members and pensioners as of 1 January 2012 shall be reduced by 5%.

19.11 The acquired rights of Fund members and pensioners as of 31.12.2011 shall be reduced by 6% on 1.10.2012.

19.12 The acquired rights of Fund members as of 31.12.2012 and pension payments shall be reduced by 5.5% from the first day of the month following confirmation of these Articles of Association by the ministry concerned.

19.13 Notwithstanding the provisions of Article 11.3 on payment of pensions in arrears, the entry into force of that provision shall have no effect on pension payments to those who have commenced drawing their pensions upon the entry into force of these Articles of Association.

Article 20 Private pension division

20.1 Lífsverk Pension Fund operates a private pension fund that accepts contributions in excess of 10% of the premium base and premiums for supplementary insurance coverage and private pension savings, cf. Act No. 129/1997. The Board of the pension fund is in charge of the management of the private pension department.

20.2 Of the Fund member's contribution base pursuant to Article 4, 10% shall go to the mutual insurance department and the excess to the private pension department without a special application to that effect,

provided that the Fund member has not requested in writing that a larger part or all of his/her contribution be paid to the mutual insurance department or a specified private pension department. Those who wish to provide additional pension savings and pay into the private pension fund in excess of this must sign an agreement to that effect and send it to the Fund. The agreement includes a declaration that they want to abide by the Articles of Association of Lífsværk pension fund. Anyone who pays a contribution to the private pension fund becomes a beneficiary of it.

20.3 Premiums paid to the private pension fund shall be the private pension of the paying beneficiary and specified in his/her separate account. The beneficiary enjoys a share of the Fund's profits in proportion to his/her shareholding in the private pension scheme in question.

20.4 The retention and return of the contributions of the private pension division shall be financially separate from the mutual insurance division. The retention and return of private pension according to Article 20.2 shall be specifically delimited within the savings channels of the private pension department. The Board of Directors of the Fund formulates an investment policy for the private pension division in accordance with Act No. 129/1997. The Board of Directors of the Fund is authorised to formulate a special investment policy for each individual savings plan of the private pension fund.

20.5 The return for each financial year shall be calculated in accordance with the Financial Supervisory Authority's Rules No. 335/2015 on Annual Accounts of Pension Funds.

20.6 Withdrawal of a deposit or a special payment agreement may be initiated two years after the first payment of the premium to the Private Pension Division, but never before the beneficiary has fulfilled special additional conditions pursuant to Articles 20.7, 20.8 and 20.9.

20.7 When the beneficiary has reached the age of 60, pension savings may be paid out together with interest in one instalment or in equal monthly payments for the period of time requested by the beneficiary.

20.8 If the beneficiary becomes disabled and the loss of working ability he/she suffers is 100%, he/she is entitled to pension savings and interest paid out in fixed monthly payments over seven years. If the disability percentage is less than 100%, the monthly payout decreases in proportion to the decrease in the disability percentage and the withdrawal period is extended correspondingly. It is permissible to have a shorter payment period or to pay pension savings plus interest in a lump sum in the case of a balance of less than ISK 500,000. The amount shall be changed annually in proportion to the consumer price index, based on the basic index of 173.5 points.

20.9 If the beneficiary dies before the deposit is fully paid out, it shall pass to his/her heirs and be divided between them in accordance with the rules of inheritance law. It is permissible to pay the heirs' share either in a lump sum or in equal monthly payments. If the beneficiary is not survived by a spouse or child, the deposit will go to the deceased's estate, in which case the limitation in Article 8 paragraph 2 of Act No. 129/1997 will not apply.

20.10 Equal monthly payments in Articles 20.7, 20.8 and 20.9 mean equal payments in proportion to the number of payment months so that the Beneficiary receives each year the portion of the balance, including interest, which corresponds to the number of years remaining in the repayment period.

20.11 The operation of the private pension division is financially separate from the operation of the mutual insurance division of the Fund. Common costs shall be divided in a normal and unambiguous manner between the operating components of the Fund's departments.

20.12 The contract can be terminated with two months' notice. The agreement expires if the beneficiary ceases to work, which is a prerequisite for his/her payment to the Fund, unless he/she wishes to continue paying into a private pension fund. Termination of a private pension savings agreement or supplementary insurance

coverage does not entitle the holder to the payment of deposits or rights. The beneficiary is permitted to transfer his/her credit or his/her rights, following termination, between custodians pursuant to Article 8(3) of Act No. 129/1997, against payment of costs.

20.13 The provisions of Article 12 apply to the authorisation to reimburse pension savings in private pensions to foreign nationals.

20.14 Beneficiaries are not permitted to transfer, pledge or otherwise dispose of deposits or rights under an agreement on supplementary insurance coverage or pension rights in private property. However, it is permissible to make an agreement according to items 1-3 of Article 14(3) of Act No. 129/1997 on the division of rights between the beneficiary and his/her spouse.

Article 21 Specified private pension division

21.1 Fund members are permitted to allocate up to 3.5% of the premium base, pursuant to Article 4, to a specified private pension fund of the Fund, if provided for in the collective agreement or employment contract. The Board of the pension fund is responsible for the management of the specified private pension department.

21.2 Those who wish to become members of a specified private pension division shall notify the Fund in a verifiable manner in accordance with the rules set by the Fund and in accordance with the provisions of applicable acts and regulations. Fund members may in the same manner notify that they wish to cease payments to a specified private pension fund.

21.3 Premiums paid to the specified private pension fund shall be the personal pension of the beneficiary and specified in his/her separate account. The beneficiary enjoys a share of the Fund's profits in proportion to his/her shareholding in the private pension scheme in question.

21.4 The retention and return of specified private pension shall be financially separate from the mutual insurance division and shall be specifically delimited within the savings plans of the private pension division.

21.5 A beneficiary may commence drawing a specified private pension at the age of 62, in which case payments shall be distributed at least over the remaining period up to the age of 67. If the beneficiary so requests, it is permitted to deviate from the aforementioned repayment period if the balance is less than ISK 500,000. The amount shall be changed annually in proportion to the consumer price index, based on the basic index of 173.5 points.

21.6 If the beneficiary becomes disabled and the loss of working ability he/she suffers is 100%, he/she is entitled to have specified private pension savings and interest paid out in fixed monthly payments over seven years. If the disability percentage is less than 100%, the monthly payout decreases in proportion to the decrease in the disability percentage and the withdrawal period is extended correspondingly. It is permissible to have a shorter payout period or to pay specified private pension savings plus interest with a lump sum in the case of a balance of less than ISK 500,000. The amount shall be changed annually in proportion to the consumer price index, based on the basic index of 173.5 points.

21.7 If the beneficiary dies before the deposit is fully paid out, it shall pass to his/her heirs and be divided between them in accordance with the rules of inheritance law. It is permissible to pay the heirs' share either in a lump sum or in equal monthly payments. If the beneficiary is not survived by a spouse or child, the deposit goes to the deceased's estate, in which case the limitation in paragraph 2 of Article 8(2) of Act No. 129/1997 does not apply.

21.8 Equal monthly payments in Articles 21.6 and 21.7 mean equal payments in proportion to the number of payment months, so that each year the beneficiary receives the portion of the balance, including interest, which corresponds to the number of years remaining during the repayment period.

21.9 The operation of the specified private pension division is financially separate from the operation of the mutual insurance division of the Fund. Common costs shall be divided in a normal and unambiguous manner between the operating components of the Fund's departments.

21.10 The agreement can be terminated with two months' notice. The agreement expires if the beneficiary ceases to work, which is a prerequisite for his/her payment to the Fund, unless he/she wishes to continue paying contributions to the specified private pension department. Termination of an agreement on specified private pension savings does not entitle the holder to the withdrawal of deposits or rights. The beneficiary is permitted to transfer his/her credit or his/her rights, following termination, between custodians pursuant to Article 8(3) of Act No. 129/1997, against payment of costs.

21.11 Authorisation to reimburse specified private pension savings to foreign nationals is subject to the provisions of Article 12.

21.12 Beneficiaries are not permitted to transfer, pledge or in any other way dispose of deposits or rights in a specified private pension unit. However, it is permissible to make an agreement according to Items 1-3 of Article 14(3) of Act No. 129/1997 on the division of rights between the beneficiary and his/her spouse.

Article 22 Amendments to the Articles of Association

22.1 Amendments to these Articles of Association require two thirds of the votes cast at the Annual General Meeting or approval by a simple majority at two consecutive Annual General Meetings.

22.2 The Board of Directors of the Fund is authorised to make amendments to these Articles of Association without submitting them to the Annual General Meeting if they result from mandatory provisions of acts or regulations. The Board of Directors shall inform Fund members of the changes at the next subsequent annual general meeting.

Article 23 Entry into force

23.1 These Articles of Association shall apply from the first day of the month following confirmation by the Ministry concerned.

This is an English translation of the Articles of Association in Icelandic approved and signed by the Board of Directors of Lifsverk Pension Fund on April 16, 2024 and confirmed by the Ministry concerned on May 3rd 2024. In the event of any discrepancy between this English translation and the original version in Icelandic, the Icelandic version prevails.