



200 Commercial Liability Insurance

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INSURANCE TERMS AND CONDITIONS

GENERAL PROVISIONS.

1. Act on Insurance Contracts.

- 1.1 In addition to these terms and conditions, the insurance certificate or other documentation on which the insurance contract is based, the insurance contract is subject to the Act No. 30/2004 on Insurance Contracts.

2. The Insured.

- 2.1 The Policyholder is the Insured.

THE SCOPE OF THE INSURANCE.

3. Commercial Liability.

- 3.1 The insurance covers tort liability incurred by the Insured due to physical injury or property damage arising from the business operation specified on the insurance certificate or premium receipt, provided that the physical injury or damage is traced to a sudden and unexpected event.
- 3.2 In the same manner, if provided for on the insurance certificate or premium receipt, this Insurance covers tort liability incurred by the Insured as the owner or user of a building or other real estate used for the operation specified.

4. Product Liability.

- 4.1 The Insurance covers tort liability incurred by the Insured due to physical injury or property damage caused by the dangerous qualities of goods that the Insured sells or delivers to others in another manner. Special terms apply to such liability which are provided for after Article 27.
- 4.2 Unless otherwise specifically agreed upon, loss or damage occurring abroad will not be compensated.

5. Agreements on Compensation and Compensation Amounts.

- 5.1 The Insurance does not cover liability arising from the Insured's promise to bear more extensive liability than normal non-contractual liability. The same applies to any contract involving a promise of other or more compensation than is provided for under general rules on the determination of non-contractual compensation.

FURTHER INFORMATION ON THE SCOPE OF THE INSURANCE.

6. General Exemptions.

- 6.1 The Insurance does not cover:
- a. loss or damage resulting from non-delivery or late delivery of goods to the recipient or by payment not being made in due time,
 - b. loss or damage from nuclear power or radioactive materials,
 - c. any form of biological or chemical effects and/or poisoning, including those due to pathogens or viruses, resulting from acts of terrorism,
 - d. liability for any loss or damage that can be directly or indirectly traced to asbestos.
- 6.2 The Insurance does not cover liability for loss or damage that is the result, directly or indirectly, in whole or in part, of:
- a. the impact of dates on the functionality of equipment, systems, or a combination thereof,
 - b. supervision of or consulting on the impact of dates on the functionality of equipment, systems, or a combination thereof,
 - c. supervision, approval, decision, confirmation or acknowledgement regarding conditions where the impact of dates on the functionality of equipment, systems, or a combination thereof is a factor



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(including but not limited to the role of a chief executive officer, board members, and accountants carrying out their tasks).

6.3 In Paragraph 2:

- a. **"date"** means the specification of time based on the calendar system wherein timing operates as information, code, label, or in some other manner in equipment, systems, or a combination thereof.
- b. **"equipment"** means any kind of machinery, instrument, goods, and other tangible items or a collection of items, either real estate or personal effects, including but not limited to, computer hardware, software, or an integrated electronic system (including microchips and silicon chips).
- c. **"system"** means any kind of data, directions or a collection thereof, and any kind of medium for data and directions in machine-readable format, on paper, or in the form of rays, waves, physical effects, chemical processes, or in another intangible or tangible form.

7. General Exemptions Due to Property Damage.

7.1 The Insurance does not cover liability for damage or loss of property that:

- a. the Insured owns alone or with others.
- b. the Insured has borrowed, rented, has in storage, for sale, is transferring or for other reasons has in his or her possession, including items that the Insured has taken unauthorized,
- c. the Insured has taken on for repair, cleaning, set-up, or to work on in any way, if the damage is caused by or during the work,
- d. is the result of a fire.

8. General Exemptions Due to Physical Injury.

8.1 The Insurance does not cover liability for physical injury which can be traced to long-term exposure to electrical or magnetic fields.

9. Excluded Risk That Can Be Insured Separately.

9.1 The Company does not reimburse the following compensation claims unless the risk, on which the claim is based, has been specifically insured and is stated on the insurance certificate or premium payment receipt:

- a. liability for damages incurred by the Insured as owner or user of a motor vehicle, aircraft, ship, boat, or any other vehicle,
- b. liability for damages resulting from construction work on real estate owned or used by the Insured,
- c. liability for property loss or damage caused by the Insured's working with explosions; ground drilling; other work in the ground, such as erecting or removing poles, steel panels, etc.; demolition of buildings; filling or other kinds of landscaping; changes in groundwater, flow of water, or other operations involving groundwater, lakes or stream water.

10. Pollution Damage.

10.1 The Insurance does not cover loss or damage attributable to the pollution of air, soil, vegetation, water, or the sea. The Company does, however, compensate for such damage if it can be traced to a single sudden and unexpected event that cannot be attributed to the Insured intentionally or by gross negligence failing to comply with current public instructions.

11. Wages During Absences Due to Accidents and Compensation from Accident Insurance.

11.1 This liability insurance is conditional upon the Policyholder purchasing a workplace accident insurance in accordance with collective wage agreements and legal provisions. Compensations that are paid from contractual or mandatory workplace accident insurance are deducted in full from compensation from this liability insurance. The same applies to compensation amounts that should have been paid from the contractual or mandatory workplace accident insurance that the employer has neglected to buy or maintain in effect.



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- 11.2 Wages that the Insured must, according to law or collective wage agreements, pay to a person who suffers an accident or becomes ill are deducted in full from compensations from this liability insurance.
- 11.3 The Company does not cover recovery claims from social security.

12. Intent and Gross Negligence.

- 12.1 In the event that the Insured or his or her employees who hold positions of responsibility cause a loss or damage intentionally, the Company is not liable in any part. In the event that the scope of the commercial operation of the Insured corresponds to five or more man-years when purchasing the insurance or its renewal, the Company is free from liability in whole or in part if the same parties, as defined in the previous sentence, have caused loss or damage through conduct that can be considered gross negligence.

13. Fines.

- 13.1 The Company does not pay compensation for fines or other sanctions.

14. Geographical Scope of the Insurance.

- 14.1 The Insurance covers only loss or damage that occurs in Iceland, cf. however Article 4.2 regarding product liability.

15. Period of Insurance.

- 15.1 If the consequences of an event that has caused damage and which has happened within the insurance period are not revealed until the Insurance is no longer valid, the Company will nevertheless pay out compensation. The Company will not, however, compensate for damage caused by an event that occurred before the beginning of the insurance period, even if the damage is only revealed after the insurance period has started.

16. Sum Insured.

- 16.1 The Company's liability regarding each single event of loss or damage (insurance event) is limited to the sum insured as specified on the insurance certificate or premium receipt. The liability of the Company for all events of loss or damage within each insurance year (insurance period) is also limited to the sum insured irrespective of whether the event of loss or damage falls under the general terms or individual endorsements.
- 16.2 The Company pays costs that are usual for the Policyholder to incur due to a decision on tort liability or compensation amount, even if the Insurer's payment thus exceeds the sum insured. The same applies to interest that the Policyholder is ordered to pay due to a liability claim covered by the Insurance.
- 16.3 If the sum insured is lower than the liability compensation ordered, the Company is only required to pay the portion of the interest and costs that corresponds to the compensation amount that it is required to pay.

DUTIES OF THE INSURED TOWARDS THE COMPANY.

17. Fraud and False Information.

- 17.1 If the Policyholder, upon the purchase or renewal of the insurance contract, has fraudulently or in any other manner neglected his or her obligation to provide the Company with information about events which may have significance for the Company's risk assessment and an insurance event has occurred, the Company's liability shall be rendered void in whole or in part, pursuant to Article 20 of the Act on Insurance Contracts. False and unsatisfactory information authorizes the Company, moreover, to terminate the insurance, cf. Article 21 of the Act.
- 17.2 If the Insured upon compensation settlement intentionally provides false information that he or she knows or should know will lead to the payment of compensation in his or her favour and to which he or she is not



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entitled, the right to compensation shall be rendered void and the Company may terminate all its insurance contracts with the Insured as is further stipulated in Article 47 of the Act on Insurance Contracts.

18. Increased Risk.

- 18.1 The Insured shall notify the Company of all and any changes to the nature of the business operations that might entail an increase in risk. In the event that the Policyholder neglects his or her duty to notify the Company and there is subsequent loss or damage due to the changed risk, the liability of the Company decreases based on the premium payment increase that the Company would otherwise have required.

19. Precautionary Measures.

- 19.1 The Insured and his or her employees are obliged to ensure that only legally certified employees operate heavy machinery and other similar equipment.
- 19.2 Before commencing excavation, drilling, or masonry in houses or outside, the Insured and his or her employees shall familiarize themselves with the location of pipes, cables, and other conduits and wiring in the places where construction is planned.
- 19.3 Violations of precautionary measures pursuant to the Paragraphs 1 and 2 as well as other established precautionary measures, may lead to the Company's liability being rendered void, in whole or in part.

20. Measures to Avert Loss or Damage.

- 20.1 When an insurance event has taken place, or there is imminent danger that such an event may occur, the Insured must do all in his or her power to avert or minimize the damage. Negligence in this respect may result in the reduction or loss of compensation according to the Act on Insurance Contracts.
- 20.2 The Insurance applies to damage and to costs imposed on the Insured as a result of measures to prevent loss or damage, as provided for in Article 38 of the Act on Insurance Contracts.

21. Notification of Loss and Measures in the Event of Loss or Damage.

- 21.1 The Insured must immediately notify the Company of any loss or damage. The same applies if he or she gains knowledge of, or suspects, that a compensation claim that may be assumed to be covered by the Insurance will be filed against him or her.
- 21.2 The Insured may not acknowledge his or her liability or enter into any agreements regarding compensation without the Company's permission unless he has only done so as required by law when he paid the claim or admitted to its legitimacy.

CONTRACTS WITH INJURED PARTIES.

22. The Company's Right to Negotiate with the Injured Party and Regarding the Payment of the Sum Insured.

- 22.1 The Company has the right to negotiate agreements with the injured party (the party claiming compensation from the Insured) and, as appropriate, to undertake legal measures. The costs will be paid by the Company, pursuant to the provisions of Article 16.2.
- 22.2 The Company may pay compensation directly to the injured party. If a compensation claim is presented, the Company may, at any stage of the case, meet its obligations and free itself of further payments by paying the sum insured with accrued interest as well as costs corresponding to the sum insured.

INSURANCE TERM, PREMIUM PAYMENTS, ETC.

23. Entry into Effect, Insurance Term, and Termination.



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- 23.1 The insurance enters into effect when the Company has approved the insurance request, unless it is specifically agreed that it will come into effect later. The Insurance is in effect during the period specified on the insurance certificate or the premium receipt. When this period ends, the insurance is extended for one year at a time unless the Policyholder has cancelled it within one month from the date the Company sent a notification regarding the due date of the new period, as provided for in Article 24.1. There is, however, no obligation to notify the Company of the cancellation until two weeks before the end of the insurance period. If, however, the Insurance is purchased for business operations and the scope of the operations corresponds to more than five man-years, or the operation is carried out for the most part abroad, the termination must always be delivered to the Company one month before the end of the period at the latest.
- 23.2 When insurance is purchased due to business operation and the operation is as provided for in the concluding sentence of Paragraph 1, the Policyholder cannot cancel the Insurance during the insurance period in order to transfer the insurance to another company.
- 23.3 In case of an insurance event leading to a severe breach of confidence between the Company and the Policyholder, or if a risk assessment, on which the insurance and the premium are based, has completely changed, the Company may terminate the insurance with two months' notice. If there are three events of loss or damage liable for compensation within an 18-month period, the Company may terminate the insurance. A written termination notice shall be issued without undue delay once the Company becomes aware of the events that authorize the Insurer to terminate the insurance. Should the insurance be cancelled, the Company is under obligation to proportionally refund the premium for the remaining insurance period.

24. Payment of Premiums.

- 24.1 The first premium shall be paid when the insurance comes into effect, and subsequent premiums on specified due dates. The Company sends a notification to the Policyholder regarding the due date for the payment of the premium. The notification shall specifically state the grace period which shall be a minimum of one month from the date on which the notification is sent.
- 24.2 If a premium is not paid by the end of the grace period, pursuant to the Paragraph 1, the Company may send a special warning demanding payment within 14 days, after which the insurance is terminated if the premium is still unpaid.
- 24.3 If the Policyholder has not specifically negotiated the payment of the premium with the Company before the expiration of the grace period pursuant to Paragraph 2, it is considered to be unpaid, if it is not paid in full when the grace period expires.
- 24.4 A claim for the payment of the premium is sent to the address of the Policyholder as registered in the National Registry (*Þjóðskrá*) unless he or she has specifically designated another address. The company shall be immediately notified of any changes to the designated address.
- 24.5 If an insurance is cancelled pursuant to Paragraph 2, the Policyholder shall nonetheless pay the premium for the period that the insurance was in effect. The premium will then be calculated as though the insurance were short-term insurance.
- 24.6 When collecting premiums, the Company is authorized to collect a special fee, which is further specified in the premium tariffs, to cover the collection costs of the premium. It shall also be specified in the premium payment notification.

25. Premium Calculation.

- 25.1 When premiums are calculated based on variables (such as turnover; wages; or the number of employees, machines, or pieces of equipment), the premium shall be estimated at the beginning of the insurance period, but the final premium is paid at its end.
- 25.2 No later than one month before the end of the insurance period, the Policyholder is required to provide the Company with all the information which the Company considers necessary for the final determination of the premium. Should this information not arrive on time, the Company may determine the final premium as it believes to be reasonable.



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25.3 If the final premium amount is higher than the preliminary premium which had been calculated, the Policyholder must pay the difference within one week of being requested to do so. If the final premium amount is lower than the preliminary premium, the Company must refund the difference within one week of completing the calculations.

26. Deductible.

26.1 The Insured carries a deductible in every event of loss or damage as provided for in the insurance certificate or the renewal receipt, but with the maximum and/or minimum stated therein.

26.2 If the principal amount of a damage claim does not exceed the deductible, the Company does not pay for costs either, even if the claim and the costs combined exceeded the amount of the deductible.

27. Dispute Resolution and Venue.

27.1 Unless otherwise provided for in these terms and conditions, the insurance certificate or other documentation on which the insurance contract is based, the provisions of Act No. 30/2004 on Insurance Contracts shall apply.

27.2 Disputes related to this insurance contract and the Company's liability in other respects may be appealed to the Insurance Complaints Committee. Information on the Committee and the rules governing its work may be obtained from the Company.

27.3 Despite the provisions of Paragraph 2, the parties are entitled to bring the dispute before the courts. Such disputes, as well as other disputes arising from this insurance, shall be brought before the District Court of Reykjavík. The Company may, however, also initiate proceedings arising from the insurance in the jurisdiction of the Policyholder.

27.4 The Company's domicile and venue are in Reykjavík.

SPECIAL TERMS FOR INSURANCE DUE TO PRODUCT LIABILITY.

28. General Provisions.

28.1 These terms apply with the amendments stipulated in Articles 29 to 37 herein, in regards to dangerous qualities of goods sold (product liability). Coverage of loss or damage abroad is conditional upon the payment of a special premium for such risk, as stipulated in Article 33.

29. Loss or Damage Covered by the Insurance Due to Product Liability.

29.1 The Insurance applies to liability in tort, incurred by the Insured due to physical injury or property damage caused by the dangerous qualities of goods that the Insured sells or delivers to others in another manner, provided that the physical damage or losses have occurred after the Insured delivered the product. The Company is only obliged to pay compensation if the damage was caused in the field of operation that is stated in the insurance certificate or premium payment receipt and by the goods mentioned therein.

30. Dangerous Qualities of Raw Materials, Building Parts, Machine Parts, etc.

30.1 The Insurance also covers damages to items manufactured from the sales goods of the Insured, that are added to or mixed with it, or in any other comparable manner connected with it.

30.2 Compensation is paid for events according to Paragraph 1, irrespective of whether loss or damage that has occurred was loss according to Article 29 or financial loss according to Article 31(b). In other respects, the Company's obligation to pay is dependent on Article 29. The Insurer's obligation is limited to liability that is traced directly to the necessity of disposing of or repairing an item that is made from the Insured's product or connected to it, pursuant to Paragraph 1, or the fact that the item becomes more expensive in production or its price decreases.



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- 30.3 Compensation is, however, only paid for the item's depreciation, for additional costs in its production or design, or as a direct cost for its repair.
- 30.4 Compensation for other damage, expenses, or costs, e.g. for sending repairpersons or other employees to the location, recalling the item, investigating or transporting items made using the Insured's product, or providing warning of the risk of such items, will not be paid.
- 30.5 If loss or damage has occurred on account of items that are provided for in Paragraph 1, the value of the Insured's product, considered to be that of an unflawed product, is to be deducted from the insurance compensation.

31. Exemptions to Liability as Regards Dangerous Qualities.

- 31.1 The Insurance does not cover:
 - a. damage to the product itself,
 - b. financial loss that cannot be traced to an accident or property damage, see, however, Article 30.2,
 - c. loss, expenses, or costs occurring when the Insured recalls a product, manufactures, or ships a new product, repairs, destroys, or removes a product or makes any other arrangements of such a nature due to defects in the products sold,
 - d. operating loss, loss of use, or any other indirect loss or damage,
 - e. loss or damage caused by a product that is used in operating aircraft and that either causes an aircraft accident or the creates the risk of that happening,
 - f. specific punitive damages.

32. Gross Negligence etc.

- 32.1 The Insurance does not cover product liability as provided for in Articles 29 and 30 when:
 - a. loss or damage can be traced to that the use of the product, such as in its production or sale, which has not been in accordance with established, or otherwise recognized rules due to the intent or gross negligence of the Insured or his or her employees,
 - b. the Policyholder, or the party entrusted with the management of the operation on his or her behalf, knew that the sales product was defective or intentionally caused the defect, or the manager was not aware that the product was defective but it can be attributed to gross negligence,
 - c. loss or damage results from incorrect information being given intentionally or due to gross negligence as to how the product should or may be used, irrespective of the manner in which such information is provided.

33. Loss or Damage Abroad.

- 33.1 In addition to loss or damage in Iceland, as stipulated in Article 14, the Insurance covers loss or damage due to the dangerous qualities of goods which occurs in the countries that are specified on the insurance certificate or premium receipt. The payment of a special premium for such risk is required for the Insurance to apply to loss or damage abroad.
- 33.2 Compensation for loss or damage that is provided for in Articles 29 or 30 and that occurs outside the specified countries, will be paid if the damage is caused by a product that is exported from these countries (unchanged, recycled, or as part of another product) for either:
 - a. for private use, or
 - b. intended for work, without the Insured's knowing or being able to presumably know that the product was exported from these countries.

34. Insurance Period.

- 34.1 Instead of Article 15, the following rule shall apply to the loss or damage stipulated in Articles 29 and 30: The Insurance covers liability claims against the Insured during the insurance period, irrespective of when the incident giving rise to the claim occurred. The Insurance does not cover loss or damages which come to



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light before the insurance term begins. A liability claim is considered delivered when one of the following has taken place, whichever occurs first:

- a. when the Insured receives the first written claim for compensation, regarding an incident of loss or damage,
- b. when the Insured, or the party entrusted with the management of the operation on his or her behalf, first becomes aware that an incident of loss or damage has occurred, and there is direct risk that there will be loss or damage which could possibly be traced to the conduct of the Insured or his or her product.

- 34.2 The Company will not compensate for damages of a liability claim made against the Insured during the insurance term if the Insured does not notify the Company of the claim within 3 months of the termination of the insurance.
- 34.3 In the event that a liability claim has been made against the Insured according to Paragraph 1(b) during the effective term of the insurance and the conditions of the second paragraph regarding the three month notification deadline have been met, the Company will only pay the claim for compensation if the Insured receives a written claim according to Paragraph 1 (a) and that he or she notifies the Company about the claim within 2 years of the expiry of the insurance.

35. Sum Insured.

- 35.1 Instead of Article 16, the following rules shall apply to loss or damage due to the dangerous qualities of a product: The Company's liability during each insurance year is limited to 10% of the sum insured specified in the insurance certificate or premium receipt. This applies even if more than one incident of loss or damage occurs within the insurance year.
- 35.2 Costs that are incurred with the approval of the Company in order to determine the liability of the Insured and interest on the compensation amount are paid even if the Company's payment thus exceeds the sum insured. If the sum insured is lower than the principal of the compensation amount, the Company only pays for the part of the costs and interest that corresponds to the sum insured.
- 35.3 If loss or damage occurs outside of the Nordic countries, the Company's payment obligation is generally limited to the sum insured.
- 35.4 The cost of preventing loss or damage, as provided for in Article 20, is covered to the amount specifically stated in the insurance certificate or premium receipt.

36. Maximum Amount, When Multiple Events of Loss or Damage Can Be Traced to the Same Cause.

- 36.1 The Company's liability in regards to tort compensation claims made against the Insured, cf. Article 34, and which can be traced to the same cause, is limited to the sum insured provided for in Article 35. The Company's liability for all the claims is limited to the sum insured for the insurance year in which the compensation claim for the first event of damage was made, even if the claims are filed over several years. Any insurance compensation which may have been paid out for other events of loss or damage during the same year shall, however, be deducted.

37. Costs of Delivering New Products, etc.

- 37.1 Notwithstanding the provisions of Article 20 of these terms and conditions, in no case does the Company pay costs, expenses, or damages as described in Item c, Paragraph 1, Article 31, even if these result from efforts to prevent loss or damage. The same applies to costs, expenses or damages that occur when investigating whether the product is defective or whether there is a risk that an insurance event might take place, or in case of damage that is caused by the fact that a defective product cannot be used.



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Registration in the Claims Database Creditinfo Lánstraust hf.

Claims submitted to insurance companies are registered in a specialized claims database which is run by Creditinfo Lánstraust hf. according to an agreement with Finance Iceland (*Samtök fjármálafyrirtækja*, SFF), of which the Company is a member, and according to authorization of the Icelandic Data Protection Authority (*Persónuvernd*). The Company is the party responsible as defined by Act No. 90/2018 on Data Protection and the Processing of Personal Data regarding the registration of data in the database and the searches carried out therein. The objective of the registration in the claims database is to counter insurance fraud and overpayment of insurance benefits. Registered is the information about the Claimant's ID number (*kennitala*), the insurance claim number, the kind of loss or damage and of the insurance, the date of the insurance event and of the registration, the location of the insurance event and, where applicable, the unique number of the insured item, such as a car's registration number. When registering a claim, the Company receives a summary of all claims that the Claimant has filed, regardless of with which insurance company, and that have been registered in the claims database. Only those employees of the Company who register damages and work on damage settlements have access to the database. The data shall be deleted from the database when it is no longer needed for the purpose of the processing, at the latest when 10 years have passed since the registration of the data.

ENDORSEMENTS.

The Following Endorsements Apply if Stated in the Certificate or Premium Receipt.

No. 1. Endorsement Regarding an Ownership Share in Real Estate.

The Insurance covers tort liability due to loss or damage in relation to real estate or a share thereof as stated in the insurance contract. The Insurance only covers loss that is caused by the real estate or (ownership) part thereof of the Insured or due to his or her joint responsibility with other owners or users of the real estate, and, in such case, in proportion to his or her ownership share.

In case where the Policyholder is a housing association, which has purchased the insurance for a whole multi-unit building, the Insurance also covers the liability of the owners of individual properties with respect to each other, but with all other limits set forth in the insurance contract.

No. 2. Endorsement Regarding Work on the Maintenance of Buildings.

If the construction costs due to the maintenance of a building exceed 5% of its fire insurance valuation, an additional fee must be paid.

In the case that the Insurance is only purchased to cover a share in the property, it shall correspond to the assessed value of the share. As a rule, an additional fee must be paid when scaffolding is used during maintenance work.

No. 3. Endorsement Regarding Bulldozers, Backhoes, Excavators, and Other Similar Machinery.

The Company does not compensate claims that are covered by mandatory vehicle insurance. The Insurance does not cover compensation claims that are the consequence of the weight of machinery, such as damage to bridges, roads, or underground piping or wiring.

The insurance does, however, cover, compensation claims for damages occurring during excavation or other normal use of such machinery. In the event of loss or damage to items during such use, general provisions on the minimum and maximum deductible of the Insured do not apply; instead special provisions stated in the certificate or premium receipt apply.

The Insured, foremen, and machine operators are under obligation to comply with precautionary measures, as stipulated in Article 19 of the general insurance terms and conditions.

A condition for compensation for damages to underground cables, water pipes, and the like, is that the employee in question has previously familiarized him- or herself with the risk of such damage in the areas where construction is planned.



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No. 4. Endorsement Regarding Contractor Operations and Construction Work.

In the event of loss or damage to items during excavation, drilling, or masonry (inside or outside), general provisions on the minimum and maximum deductible of the Insured do not apply; instead, special provisions stated in the certificate or premium receipt apply.

No. 5. Endorsement Regarding Blasting Risk.

This Insurance covers loss or damage to items that occur as a result of blasting operations. Exempted are, however, damages to buildings or other structures that are within 5 metres of the blasting site.

Blasting operations shall be carried out under the management of a person licensed to carry out such work. Additionally, the Company shall be given the opportunity to examine conditions at the blasting site before blasting operations are carried out. Failure to comply with these precautionary measures may result in the Company's liability being rendered void in full or in part.

No. 6. Endorsement Regarding Garages and Vehicle Workshops.

The Company pays compensation claims for damages to motor vehicles and for damage caused by motor vehicles that the Policyholder has for repair, cleaning, refilling, washing, oiling, storage, transportation (sending or delivery), and test driving carried out with the approval of the manager within 10 km of the workshop.

Liability with regard to loss or damage resulting from fire or theft, however, is exempted. If it proves necessary to redo work due unprofessional or inadequate work, however, the Insurance does not cover such costs. This also applies to repaired items that have been delivered to the owner or the owner's agent.

General provisions on the minimum and maximum deductible of the Insured do not apply; instead, special provisions stated in the certificate or premium receipt apply.

This endorsement also applies to compensation claims relating to damages to individual machines that the Insured has sent for repairs at their own workshop or in connection with its operation.

No. 7. Endorsement Regarding Car Washes and Detailing Stations.

The Company pays compensation for damages to motor vehicles and for damages caused by motor vehicles that the Policyholder has for repair, renewal, washing, oiling, or transportation (sending or delivery), carried out with the approval of the manager within 10 km of the station.

Liability with regard to loss or damage resulting from fire or theft, however, is exempted, as are damages to vehicles caused by washing machines.

General provisions on the minimum and maximum deductible of the Insured do not apply; instead, special provisions stated in the certificate or premium receipt apply.

No. 8. Endorsement Regarding Service Stations.

The Company pays compensation claims for damages to motor vehicles and for damages caused by motor vehicles that the Policyholder has for refilling, washing, oiling, or transportation (sending or delivery), carried out with the approval of the manager within 10 km of the station.

Liability with regard to loss or damage resulting from fire or theft, however, is exempted.

General provisions on the minimum and maximum deductible of the Insured do not apply; instead, special provisions stated in the certificate or premium receipt apply.

No. 9. Endorsement Regarding Vessel Repairs.

Notwithstanding the provisions in Items b, c and d of Article 7.1 in the general terms and condition, the Company provides insurance against those liability claims that are filed due to damage to ships or boats on which the Policyholder is engaged in repairs or modifications, as well as damages caused by the vessels.

No compensation is paid for damages caused by theft.

If it proves necessary to redo work due unprofessional or inadequate work, however, the Insurance does not cover such costs.



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General provisions on the minimum and maximum deductible of the Insured do not apply; instead special provisions stated in the certificate or premium receipt apply.

This endorsement also applies to compensation claims relating to damages to individual machines that the Policyholder has for repairs at his or her workshop or in connection with its operation.

No. 10. Endorsement Regarding Cloakrooms.

Notwithstanding the provisions of Item b of Article 7.1 in the general terms and conditions, the Company pays compensation for clothing that is damaged or lost in cloakrooms. A continuous watch must be maintained in the cloakroom and numbered tickets issued for all items stored therein, and failure to comply with these precautionary measures can result in the Company's liability being rendered void in full or in part.

General provisions on the minimum deductible of the Insured do not apply; instead, special provisions stated in the certificate or premium receipt apply.

No. 11. Endorsement Regarding Fish Farms.

The insurance does not cover damages resulting from infections to fish, fry, roe, or milt that the Policyholder sells or delivers live for further farming outside of the farm.

No. 12. Endorsement Regarding Fur Farming and Pig Farming.

The insurance does not cover loss or damages resulting from infections to animals that the Policyholder sells or delivers live for further farming outside the farm.

No. 13. Endorsement Regarding Poultry Farming.

The insurance does not cover loss or damages resulting from infections to birds or eggs that the Policyholder sells or delivers live for further farming outside the farm.

No. 14. Endorsement Regarding Sports Areas, Swimming Pools, Gyms, Saunas, Etc.

The insurance does not cover sports competitions or tournaments that are cancelled.

The insurance does not cover clothing or other valuables that are stored or left in cloakrooms, changing rooms, closets, etc.

No. 15. Endorsement Regarding Veterinarians.

The Company pays compensation for loss or damage to animals that the Policyholder has treated as a veterinarian, provided that the damage results in the death of the animal. The Insurance does not compensate, however:

- a. loss or damage that occurs at fish farms and fur farms,
- b. loss or damage caused by infection,
- c. loss or damage due to work carried out for another veterinarian, animal hospital, etc., when liability rests on such entities according to the regulations of tort law on employer liability.

No. 16. Endorsement Regarding Health Institutions, Hairdressers', and Beauty Salons.

The insurance does not cover clothing or other valuables that are stored or left in cloakrooms, changing rooms, closets, etc.

No. 17. Endorsement Regarding Physicians.

Notwithstanding the provisions of Article 3.1 of these terms and conditions, this insurance does not cover liability claims relating to physical injury that can be traced to the medical actions of the Insured or his or her employees.



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No. 18. Endorsement Regarding Fuelling Stations.

The Company pays compensation claims for damages to motor vehicles and for damages caused by motor vehicles that the Policyholder has for refuelling.

Liability with regard to loss or damage resulting from fire or theft, however, is exempted.

General provisions on the minimum and maximum deductible of the Insured do not apply; instead, special provisions stated in the certificate or premium receipt apply.

No. 19. Endorsement Regarding Tire Workshops.

The Insurer pays compensation claims for damages to motor vehicles and for damages caused by motor vehicles that the Policyholder services. Liability regarding loss or damage resulting from fire or theft, however, is exempted. General provisions on the minimum and maximum deductible of the Insured do not apply; instead, special provisions stated in the certificate or premium receipt apply.

No. 20. Endorsement Regarding Road Grates.

The Company only compensates for loss or damage that can be directly traced to road grates but not loss or damage on fenced land that is caused by livestock being able to escape over or past the grate.

A separate path must be laid for horses, etc., to bypass the road grate and warning signs are to be installed to provide guidance for such paths. Failure to comply with these precautionary measures can result in the Company's liability being rendered void in full or in part.

No. 21. Broad Endorsement Regarding Electronics Repair Workshops and Electricians.

Notwithstanding the provisions stipulated in Items b and c of Article 7.1 of the general terms and conditions, the Company insures against the liability claims submitted due to damages to equipment that the Policyholder has for repairs, installation, cleaning, or storage.

Liability regarding loss or damage resulting from fire or theft, however, is exempted, as is liability regarding repairs to vessels or equipment from vessels.

If it proves necessary to redo work due to unprofessional or inadequate work, however, the insurance does not apply.

General provisions on the minimum or maximum deductible of the Insured do not apply; instead, special provisions stated in the certificate or premium receipt apply.

No. 22. Broad Endorsement Regarding Machine Workshops.

Notwithstanding the provisions contained in Items b and c of Article 7.1 in the general terms and conditions, the Company provides insurance against claims submitted due to damage to equipment that the Policyholder has undertaken to repair, clean, or store.

Liability with regard to loss or damage resulting from fire or theft, however, is exempted, as is liability regarding repairs to vessels or equipment from vessels.

If it proves necessary to redo work due to unprofessional or inadequate work, however, the insurance does not apply.

General provisions on the minimum or maximum deductible of the Insured do not apply; instead, special provisions stated in the certificate or premium receipt apply.

No. 23. Broad Endorsement for Cranes.

Notwithstanding the provisions contained in Items b of Article 7.1 in the general terms and conditions, the Company provides insurance against liability claims submitted due to damages to items that are lifted, lowered, or transported by a crane that the endorsement covers.

The registration number of the crane to which the endorsement applies must be recorded in the certificate.

Only those events of loss or damage that can be directly traced to the use of the crane as construction equipment will be compensated. The Company does not pay compensation for loss or damage covered by mandatory vehicle insurance or other insurance.



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Loss or damage to items owned by the Insured, alone or with others, will not be compensated, nor will items that the Insured has borrowed or taken without permission.

The equipment of the crane must be in accordance with applicable regulations, inspection obligations must be met, and the crane operator must be certified. Failure to comply with these precautionary measures can result in the Company's liability being rendered void in full or in part.

General provisions on the minimum or maximum deductible of the Insured do not apply; instead, special provisions stated in the certificate or premium receipt apply.

No. 24. Endorsement for Vehicle Inspection Stations.

The Company pays compensation for damages to motor vehicles and for damages caused by motor vehicles that the Policyholder has for inspection, as well as for test driving that is carried out with the approval of the manager within 1 km of the inspection station.

Liability regarding loss or damage resulting from fire or theft is, however, exempted.

General provisions on the minimum or maximum deductible of the Insured do not apply; instead, special provisions stated in the certificate or premium receipt apply.

No. 25. Endorsement Regarding Agents of Shipping Companies.

Notwithstanding the provisions of Item b of Article 7.1 in the general terms and conditions, the insurance compensates for loss or damage to items that the Insured has in his or her possession as an agent of a shipping company. Other provisions of the term and conditions on exemptions apply nevertheless.

No. 26. Endorsement Regarding Jet Skis.

The liability of the Company is conditional upon the jet skis not being located on a sailing route. The insurance does not apply for lessees younger than 16 years of age.

No. 27. Endorsement for Package Travel.

1. Scope of Insurance.

- 1.1 The insurance covers liability for which the Insured is responsible according to Article 22 of Act No. 95/2018 on Package Travel and Linked Travel Arrangements, due to accidents suffered by humans or damage to items due to unacceptable package tours that the Insured has organized and/or sold.
- 1.2 The insurance is a supplement to the Insured's commercial liability insurance and covers only events that fall outside the scope of that insurance.

2. Terms and Conditions of the Insurance.

- 2.1 In addition to these specialized terms and conditions, the general terms and conditions for commercial operations liability insurance (Articles 1-27) are in effect as applicable.

3. Sum Insured.

- 3.1 Despite the sum insured, as stated in the insurance certificate according to Article 16.1 in the general terms and conditions for liability insurance, the liability of the Company with respect to each individual claimant according to this endorsement is limited, on the one hand regarding physical damage and, on the other hand, regarding property damage, to the amounts stated in the insurance certificate or premium receipt.
- 3.2 The Company's liability due to each single insurance event is limited to the sum insured specified in the insurance certificate, as provided for in Article 16.1 in the general terms and conditions for liability insurance. The compensation for property loss, however, is never higher than the amount stated in the insurance certificate or premium receipt regarding the endorsement.

If the sum insured is insufficient to compensate the liable damage, having taken into account the limitations stipulated in Article 3.1 of the endorsement, proportional compensation will be paid to the individual claimants.



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3.3 When the Insured is permitted according to other laws or international agreements to limit compensation for which he or she is liable according to Paragraph 1 of Article 22 of the Act on Package Travel and Linked Travel Arrangements, the Company never pays more compensation than the permitted limit stipulates.

4. The Insured's Deductible.

4.1 The Insured pays the deductible in each case of loss or damage of the amount stated in the insurance certificate or in the renewal receipt.

5. Special Limitations.

5.1 The Insurance does not cover:

- a. financial loss that cannot be traced to an accident or property damage (general financial loss),
- b. liability for damage to the baggage of a traveller while such baggage is in the care of a carrier,
- c. specific punitive damages.

6. Geographic Scope.

6.1 In place of Article 14 of the general terms and conditions of this liability insurance, in this endorsement such rule applies that the Insurance covers loss or damage occurring anywhere in the world provided that the traveller travels in accordance with a package tour and linked travel arrangements contract.

7. Insurance Period.

7.1 The insurance covers compensation claims for loss or damage that occurs during a package tour that begins during the insurance period. The Insurance covers loss or damage that occurs during a package tour within one year after the beginning of the trip.

7.2 Loss or damage that is reported when more than two years have elapsed from the end of a package trip is not compensated.

8. Other Insurances.

8.1 The Company does not pay:

- a. compensation claims that are covered by mandatory liability insurance of the Insured or a third party,
- b. compensation claims covered by other insurance or by public insurance.

9. Recourse.

9.1 The Company acquires the claims the Insured has rights to against a third party insofar as the Company has paid compensation.

No. 28. Endorsement Regarding Dry Cleaning.

Notwithstanding the provisions of Article 7 of the general insurance terms and conditions, the Company pays compensation for loss or damages that occur when clothing is lost or damaged during dry cleaning or storage. With the exception, however, that if the damage can be traced to incorrect clothing put into a machine together. The condition for compensation is that the customer has a marked and numbered ticket from the dry cleaner's that he or she received when depositing the clothes for cleaning. General provisions on the minimum deductible of the Insured do not apply; instead, special provisions stated in the certificate or premium receipt apply.

No. 29. Endorsement Regarding Liability Related to Acute Pollution.

1. Scope of Coverage.



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- 1.1 The insurance covers the Insured's liability regarding acute pollution according to Article 16 of Act No. 33/2004 on Marine and Coastal Antipollution Measures, cf. the Paragraph 2 of Article 2 of Regulation No 1078/2005 on Vessel Insurance and Land Operations Regarding Acute Pollution. The Insurance also covers the costs of the Insured due to actions to limit or prevent further damage.
- 1.2 The insurance according to this endorsement is a supplement to the Insured's commercial liability insurance and covers only events that fall outside the scope of that insurance.

2. Terms and Conditions of the Insurance.

- 2.1 In addition to this endorsement, the general terms and conditions for commercial liability insurance (Articles 1-27) are in effect as applicable.

3. Geographic Scope.

- 3.1 The insurance applies in Iceland and in the pollution jurisdiction of Iceland.

4. Special Limitations.

- 4.1 The insurance does not cover:
 - a. general financial loss, i.e. loss or damage that is not considered to be direct loss or damage to humans, animals, biota, soil, and material assets,
 - b. specific punitive damages.

5. Sum Insured.

- 5.1 The insurance coverage is limited to one million SDR (Special Drawing Rights) for each insurance event and in total for all insurance events during each insurance period combined.

6. The Insured's Deductible.

- 6.1 The Policyholder pays a deductible in each case of loss or damage to the amount stated in the insurance certificate or in the renewal receipt. The Insured's deductible shall have no effect on the rights of a third party to compensation from the Insurance.

7. Lapse of the Insurance.

- 7.1 In the event that the insurance lapses, e.g. due to default on premium payments according to Paragraph 2 of Article 24 in the general terms and conditions, the Company is liable to a third party (injured party) for any loss or damage that occurs within four weeks after the Company notified the Environment Agency of Iceland (EAI) that the insurance had lapsed, unless other satisfactory insurance has been purchased.

8. Recourse.

- 8.1 The Company acquires the rights of a third party insofar as the Company has paid compensation.
- 8.2 The Company may demand reimbursement from the Insured or his or her employees who hold positions of responsibility for all damages that they have caused intentionally. If the same parties have caused the loss or damage by gross negligence, they may be required to reimburse the damages in full or in part.
- 8.3 The Company always has the right of recourse against the Policyholder if the Company has paid out compensation payments according to Paragraph 1, Article 7 here above, for an insurance event after the Insurance has lapsed.

9. Special Dispute Resolution.

- 9.1 Notwithstanding the authorizations of Articles 27.2 and 27.3 in the general terms and conditions to submit disputes to the Insurance Complaints Committee or a court of law, the matter may be submitted to the



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Minister of the Environment for a resolution regarding whether an event, to which the loss or damage has been traced, can be considered acute pollution, cf. the Paragraph 3 of Article 7 of Regulation No. 1078/2005.

These terms and conditions are valid from 15 January, 2019.