323 Critical Illness Insurance

This is a translation of the authoritative Icelandic text. Should there be any discrepancy between the translation of these terms and the Icelandic version, the original Icelandic terms apply.

INSURANCE TERMS AND CONDITIONS

1. The Basis of the Insurance Contract and Definition of Terms.

1.1 The basis of the insurance contract is these terms and conditions, information in the application form, and other documents related to the contract, both at the time of its original composition and later, if the liability of the Company lapses.

1.2 In these terms and conditions, the following terms mean the following:

a. **the Company** is TM líftryggingar hf.,
b. **the Policyholder** is the one who enters into a contract with the Company regarding critical illness insurance,
c. **the Insured** is the one whose health is covered by the insurance,
d. **the insurance contract** is the contract which applies between the Company and the Policyholder regarding the insurance,
e. **the sum insured** is the amount which is paid out in case of an insurance event.

2. The Insurance Period, Beginning and End of the Company's Liability.

2.1 The Company’s liability begins when it has received written application for an insurance, provided that the application is not refused on the basis of risk information. The Company's liability also does not cover damage or loss caused by incidents that have happened by the time of the application's receipt and that the Company has learned about while considering the application, resulting in it being denied.

2.2 The Insurance is renewed yearly, until the Insured is 70 years old, and ultimately lapses on the maturity date specified in the insurance certificate, if it has not lapsed earlier due to non-payment of premium, cf. Article 3.2.

2.3 If the Policyholder wants to terminate the Insurance, the termination shall be made in writing.

3. Premium Payments and the Consequences of Non-Payment of the Premium.

3.1 The first premium shall be paid when the Insurance comes into effect and later premiums on specified due dates. The Company sends notifications of the premium payments to the Policyholder. The notification shall specifically state the grace period which shall be at least one month from the date the notification is sent.

3.2 If the premium is not paid by the end of the grace period pursuant to Paragraph 1, the Company is authorized to send a special warning wherein payment is demanded within 14 days, after which the Insurance is terminated if the premium is still unpaid.

3.3 If the Policyholder has not specifically negotiated 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.

3.4 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.

3.5 If the Insurance lapses pursuant to Paragraph 2, the Policyholder shall nonetheless pay the premium for the period that the Insurance was in effect. The premium is then calculated as if it were a short-term insurance.

3.6 When collecting the premium, the Company is authorized to collect a special fee, which is further specified in the premium tariffs, in order to cover the collection costs of the premium. It shall also be specifically noted in the premium payment notification.

4. Fraud and False Information.

4.1 If the Policyholder or the Insured, when establishing or renewing an insurance contract, has neglected his or her duty, fraudulently or otherwise, to inform the Company of circumstances that may be significant for its risk assessment, and an insurance event has occurred, the Company’s liability is rendered void in whole or in part, cf. Article 83 of the Act on Insurance Contracts. False and incomplete information moreover

323 Critical Illness Insurance

This is a translation of the authoritative Icelandic text. Should there be any discrepancy between the translation of these terms and the Icelandic version, the original Icelandic terms apply.

INSURANCE TERMS AND CONDITIONS

entitle the Company to terminate the Insurance, cf. Article 84 of the Act.

4.2 If the Claimant provides incorrect information that he or she knows or should know will result in the payment of compensation that he or she is not entitled to, his or her right to compensation is rendered void, and the Company can terminate all insurance contracts with the Insured as is further specified in Article 120 of the Act on Insurance Contracts.

5. Illnesses and Incidents that are Covered by the Insurance. Compensation Categories.

5.1 The Insurance covers the following illnesses and incidents that are further divided into four compensation categories, as distinguished herein:

Compensation Category 1 – Cancer,
Compensation Category 2 – Cardiovascular diseases,
Compensation Category 3 – Neurodegenerative diseases,
Compensation Category 4 – Other serious illnesses and accidents.

Compensation Category 1 - Cancer:

1.a. Cancer.

Any malignant tumour, which is characterized by uncontrollable growth and spread of malignant cells along with invasive growth in tissue, leukemia, lymphoma, and sarcoma.
Exempt are:

a. non-invasive cancers (cancers in situ) and premalignant cancers,
b. tumours when HIV/AIDS is present,
c. all skin cancers (other than malignant melanoma) wherein the thickness of a tumour is under 0.5 millimetre,
d. prostate cancer of stage T1, N0 M0, according to the TNM staging system or of score 5 or lower on the Gleason scale,
e. stage 1 of Hodgkin's Disease,
f. stage A of chronic lymphatic leukemia,
g. cervical intraepithelial neoplasia.

The diagnosis shall be based on a histological or cytological test on a tumour which has been removed or on a tissue sample, carried out by a specialist in pathology.

1.b. Benign Brain Tumours.

Brain tumours within the skull that are not malignant. Exempt are:

a. cysts,
b. granulomas,
c. tumours in the pituitary gland, spinal cord, meninges (meningiomas), or cranial nerves, e.g. tumours in vestibulocochlear nerves (acoustic neuroma),
d. chordomas,
e. vascular defects in or on arteries and veins,
f. brain contusions.

1.c. Major Organ Transplants - Bone Marrow.

The Insured undergoes a surgery as a recipient of bone marrow.

Compensation Category 2 - Cardiovascular Diseases:

2.a. Heart Attack/Coronary Thrombosis.

Necrosis in a part of the heart muscle which is a result of insufficient blood circulation. It is required that all three elements below are present:

a. pain in the chest cavity and/or shortness of breath,
b. indications of transmural ischemia with atypical ECG changes, e.g. significant increase in ST segment, Q-waves, or bundle branch blocks,
c. increase in specific heart enzymes (CK-MB, troponin).

The Insurance exempts stable and unstable angina

323 Critical Illness Insurance

This is a translation of the authoritative Icelandic text. Should there be any discrepancy between the translation of these terms and the Icelandic version, the original Icelandic terms apply.

INSURANCE TERMS AND CONDITIONS

pectoris.
The diagnosis must be confirmed by a cardiologist.

2.b. Coronary Artery Bypass Surgery.
The Insured undergoes open heart surgery upon the advice of a cardiologist, wherein an artery graft is inserted to bypass blockages in one or more coronary arteries. This does not include other surgeries such as angioplasty or surgeries using a laser.

2.c. Heart Valve Surgery.
Open heart surgery upon the advice of a cardiologist wherein an artificial valve is inserted in the place of one or more heart valves, or an atypical valve is repaired.

2.d. Aorta Graft Surgery.
The Insured undergoes surgery upon the advice of a cardiologist to repair a blockage, rupture, or aneurysm on the aorta in the chest or abdominal cavity.

2.e. Stroke.
Any interruption of blood circulation in the brain which results in symptoms in the central nervous system which last longer than 24 hours and involve necrosis of brain tissue, bleeding, or thrombosis/embolism. It is required that the symptoms of significant damage be in the central nervous system. Symptoms that last for a shorter period of time than 24 hours are exempt.
The diagnosis shall be confirmed by a neurologist.

2.f. Major Organ Transplants – Heart, Lungs, Kidney, and Pancreas.
The insured undergoes surgery as the recipient of a heart, lungs, pancreas, or kidney.

2.g. Kidney Failure.
Final stage of kidney failure which is characterized by chronic and permanent failure of the function of both kidneys and results in either hemodialysis, peritoneal dialysis, or kidney transplant.

Compensation Category 3 - Neurodegenerative Diseases:

3.a. Multiple Sclerosis.
Multiple sclerosis which is characterized by lasting damage to the nervous system, deterioration of the myelin sheath, which encloses the nervous tissue in the nervous system (demyelination). The diagnosis that MS is present needs to be unambiguous, including magnetic resonance imaging (MRI), and carried out by a neurologist. The Insured must exhibit symptoms of atypical activity in the nervous system, which have lasted for at least 6 consecutive months, or two characteristic episodes must have taken place.

3.b. MND.
Motor neuron disease (MND) which has been diagnosed by a neurologist.

3.c. Alzheimer’s Disease.
Unambiguous diagnosis of Alzheimer's disease which is confirmed by a geriatrician and/or a neurologist before the sixtieth birthday of the Insured with appropriate testing, examinations, and assessment of symptoms. The disease would result in the Insured needing constant supervision and assistance with activities of daily living.

3.d. Parkinson's Disease.
Unambiguous diagnosis of Parkinson's disease with unknown cause, carried out by a neurologist, before the sixtieth birthday of the Insured. The Insurance covers only Parkinson's disease with unknown cause (idiopathic). All other kinds of Parkinson's disease are exempt.

Compensation Category 4 - Other Serious Illnesses and Accidents:

4.a. Major Organ Transplants - Liver.
The Insured undergoes surgery as the recipient of a liver.

4.b. Meningitis Caused by Bacterial Infection.
Inflammation in the meninges or the spinal cord which results in a significant and permanent reduction in nerve activity and has been confirmed by a neurologist. It is required that the presence of bacterial infection in cerebrospinal fluid is confirmed by lumbar puncture.

4.c. Deafness.
Permanent and irreversible loss of hearing to such an extent that the loss of hearing is measured to be

323 Critical Illness Insurance

This is a translation of the authoritative Icelandic text. Should there be any discrepancy between the translation of these terms and the Icelandic version, the original Icelandic terms apply.

INSURANCE TERMS AND CONDITIONS

more than 85 decibels in all frequency ranges in the ear in which hearing is better, using an audiogram from a pure-tone audiometric test.
An appropriate specialist (otorhinolaryngologist) must submit medical documentation which must, among other things, include an audiometric test and hearing threshold test. It may not be possible to cure the loss of hearing through medical intervention.

4.d. Blindness.
Total, permanent, and irreversible loss of eyesight in both eyes, confirmed by an ophthalmologist.

4.e. Loss of Limbs.
Permanent loss of two or more limbs above the wrist or ankle caused by an accident or illness.

4.f. Serious Burns.
Third-degree burns that cover at least 20% of the body surface area of the Insured, confirmed by a specialist with extensive experience in treating burns.

4.g. HIV Infection Due to Blood Transfusion, Assault, or Performance of Specific Occupations.
The Insured becomes infected with HIV or is diagnosed with AIDS, and the cause can be traced to any of the following factors:
a. blood transfusion as part of medical treatment,
b. an assault that the Insured suffers,
c. an incident that the Insured encounters in his or her occupation as a healthcare worker, firefighter, paramedic, or police officer.

The incident that causes the infection shall have occurred within the insurance period of the Insurance and must fulfil the following conditions:
a. The incident must have been reported to the relevant authorities and an examination of it must have been carried out by authorized methods.
b. When an HIV infection occurs due to an assault or as a consequence of an incident that has occurred due to the performance of usual job responsibilities, the negative result of an HIV antibody test that has been performed within 5 days from when the incident occurred must be submitted.
c. In addition, another HIV antibody test must be conducted within 12 months, which confirms that the HIV virus has appeared or that HIV antibodies are present.
d. The incident that has caused the infection must have occurred in Iceland.

The Insurance does not cover HIV infection that is a result of other causes, including sexual acts or drug use.

6. Insurance Event, Payment of Compensation, Interest, and Termination of Insurance.

6.1 An insurance event is only considered to have occurred if the Insured is diagnosed with any of the illnesses, undergoes any of the surgeries, or suffers any of the incidents that are listed and defined in Article 5.

6.2 The compensation is paid only once in each compensation category, pursuant to Article 5. If compensation has been paid out, the condition for the Company's liability for compensation in another compensation category is that more than 6 months pass between the first and second insurance events.

6.3 Compensation is not paid out to the Insured unless the insurance event is confirmed during the insurance period of the Insurance. After the Insurance has lapsed, no liability for compensation exists, even though it may be considered likely that the illness had been present while the Insurance was in effect.

6.4 The compensation is not paid out until an Icelandic specialist in the respective field has confirmed the diagnosis.

6.5 The beneficiary of compensation, regardless of whether the compensation concerned is pursuant to Article 5 or compensation from Child Insurance, cf. Article 8, is the Insured specified in the insurance certificate.

6.6 The compensation may be requested 14 days after the Company has had the opportunity to obtain the documentation necessary to assess the insurance event and determine the amount of compensation.

6.7 The Beneficiary has the right to interest on his or her claim pursuant to Article 123 of the Act on Insurance Contracts.

6.8 When the Company has paid out compensation due to events of loss or damage from all four compensation categories of the Insurance, cf. Article 5, the Insurance lapses.

323 Critical Illness Insurance

This is a translation of the authoritative Icelandic text. Should there be any discrepancy between the translation of these terms and the Icelandic version, the original Icelandic terms apply.

INSURANCE TERMS AND CONDITIONS

7. Limitations to Liability.

7.1 Other illnesses, surgeries, or incidents than those listed as liable for damages in Article 5 are not liable for damages pursuant to this Insurance.

7.2 Compensation is not paid out for cancer that is diagnosed in the first three months after the purchase of the
Insurance or its renewal. This limitation does not apply, however, if the Insured has had the same type of insurance from another company until the time when this Insurance comes into effect.

7.3 Compensation from Child Insurance, cf. Article 8, is paid out only once for each child.

7.4 Liability for damages is conditional upon the Insured living at least 30 days from the time when the insurance event is confirmed.

8. Child Insurance.

8.1 The Company pays compensation due to an insurance event that children of the Insured who are between 3 months and 18 years of age suffer within the insurance period of the Insurance. The Company also pays compensation pursuant to the same definition for foster children and stepchildren of the Insured who have the same legal residence and live in the same place as the Insured. An insurance event is only considered to have occurred if a child is diagnosed with any of the illnesses, undergoes any of the surgeries, or suffers any of the incidents that are listed and defined in Article 5.

8.2 Compensation paid out of Child Insurance is 50% of the insurance amount of the Insured, but nevertheless never more than 13.300.000 ISK for each child, which is modified based on the changes to the Consumer Price Index for indexation from January 1, 2015 (421.0 points). Compensation for the same child can never be higher, even if there is more than one insurance in effect with the Company wherein the child may have a right to compensation.

8.3 Payments of compensation from the Insurance for each child, foster child, and stepchild of the Insured have no effect on the sum insured nor the validity of the Insurance. Compensation is not paid for children, foster children, and stepchildren of the Insured, unless an illness liable for damages is diagnosed within the insurance period. If an illness is diagnosed after the Insurance has lapsed, no liability for compensation exists, even though it may be considered likely that the illness had been present while the Insurance was in effect. Compensation is not paid for illnesses or surgeries that can be demonstrably traced, directly or indirectly, to the condition of the child before the age limit specified above or before the Insurance coming into effect. Compensation is not paid for adopted children if the causes of an illness or a surgery can be traced to the condition of the child before it was adopted. The same applies to foster children and stepchildren. Liability for compensation is conditional upon the children, foster children, or stepchildren living for at least 30 days from the date an eligible illness was diagnosed or a surgery carried out. For further information on payment of compensation, scope of coverage, and limitation to liability, see Articles 5, 6, and 7, as applicable.

9. Changes to Sum Insured and Premium.

9.1 The applicable sum insured is stated in the insurance certificate and the renewal receipts. On the certificate it is also stipulated whether the amount of the Critical Illness Insurance changes with age. If it does change, it is also recorded on the certificate by what age of the Insured the change comes into effect and the amount of the Critical Illness Insurance then decreases yearly from that time, always at the beginning of the first day of each insurance year. The calculation of the reduction aims to keep the premium unchanged in real value between years, but in general the Critical Illness Insurance premium is dependent on the age of the Insured and changes yearly at renewal.

10. Indexation Clause.

10.1 At renewal at the beginning of each insurance year the sum insured and the yearly premium change in exact proportion to the change in the index from the base index of life insurance, which is recorded in the certificate, to the index in the month prior to renewal. A decrease of the index does not have a decreasing

323 Critical Illness Insurance

This is a translation of the authoritative Icelandic text. Should there be any discrepancy between the translation of these terms and the Icelandic version, the original Icelandic terms apply.

INSURANCE TERMS AND CONDITIONS

effect, neither on the premium nor on the sum insured of the life insurance.

11. Waiver of Premium.

11.1 If the Insured loses more than half of his or her ability to work, he or she acquires the right to proportional reduction of premiums while this situation lasts, though no sooner than after three months and no longer than till 65 years of age.

11.2 Irrespective of Paragraph 1, the Insured does not acquire the right to waiver of the premium:

a. if the loss of ability to work is caused by an illness or incident that is subject to Article 5 of these terms and conditions,
b. for a longer period of time than one year before the request for a premium waver is received by the Company,
c. due to illnesses that were present or had presented symptoms before the Insurance came into effect, nor for consequences of an accident that had happened before the Insurance came into effect,
d. if the loss of ability to work is caused by war, military actions, riots, uprisings, or similar events,
e. if the loss of ability to work is caused by abuse of alcohol or drugs or by participating in criminal acts.

11.3 Provisions in Article 4 about false information apply also about waiver of premium, as applicable. Request for a waiver of premium shall be made in writing in the form provided by the Company and sent to the Company along with necessary documentation regarding the assessment of loss of ability to work, at no cost to the Company.

11.4 As the basis of its assessment of the loss of ability to work, the Company will consider the Insured's capability to perform his or her usual job duties and options to perform other jobs. The Insured is obligated to immediately report to the Company if he or she regains his or her ability to work, in whole or in part. During the time the Insured is entitled to the waiver of premium, the Company can always request health information from him or her, such as medical examination, at the company's own cost. The Company notifies the Insured in writing about its decision on waiving the premium.

12. Right to Increase the Sum Insured without a Declaration of Medical Condition.

12.1 If the premium for Critical Illness Insurance is determined without an additional premium, the Insured may request an increase of the sum insured in writing during the insurance period of the Insurance, without further information about his or her medical condition, within three months from the time when he or she either has a child or adopts a child who is younger than 18 years old. It is not possible to use this right when a claim for compensation has been filed pursuant to Article 6, or if the Insured has been diagnosed with any of the illnesses, undergone any of the surgeries, or suffered any of the incidents that are listed and defined in Article 5. It is furthermore not possible to use the right if the Insured is awaiting surgery which is defined in Article 5 or has suffered a serious injury during the contract period.

12.2 The sum insured can be increased by no more than 25% but it can never be higher than 25.000.000 ISK. The right to an increase of the sum insured according to this Article lapses as of the 45th birthday of the Insured.

12.3 The premium of the Insurance increases in accordance with the increase of the sum insured according to the premium tariffs of the Company. The increase comes into effect on the next due date after all conditions have been fulfilled.

13. Changes to the Basis of the Insurance.

13.1 The Company reserves the right to change the premium tariffs if a general increase in risk occurs or general criteria of the Insurance prove to be different than was intended in the technical basis of the Insurance.

14. Confidentiality.

14.1 The Company and its staff treat the information regarding Critical Illness Insurance as confidential.

323 Critical Illness Insurance

This is a translation of the authoritative Icelandic text. Should there be any discrepancy between the translation of these terms and the Icelandic version, the original Icelandic terms apply.

INSURANCE TERMS AND CONDITIONS

15. Act on Insurance Contracts.

15.1 Other than is stipulated in these terms and conditions, the insurance certificate, or other documentation that the insurance contract is based on, the Act on Insurance Contracts no. 30/2004 applies.

16. Dispute Resolution and Venue.

16.1 In the event of a dispute about the Insurance, an Icelandic court of law shall rule on it according to the Icelandic law.

16.2 Any disputes concerning the insurance contract and the Company's liability in other respects may be appealed to the Insurance Appeals Committee. Information on this committee and its procedures may be obtained from the Company.

16.3 Despite the provisions of Paragraph 2, the parties may bring the disputed matter before the courts. Such disputes, as well as other disputes that arise from this insurance, shall be brought before the District Court of Reykjavík. The Company may, however, also bring the dispute arising from the insurance before the jurisdiction in the Policyholder's domicile.

16.4 The domicile and venue of the Company are in Reykjavík.

These terms and conditions are valid from 26 September 2022.