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INSURANCE TERMS AND CONDITIONS

1. Scope of Insurance, Act on Insurance Contracts, and Terms.

1.1 The Company pays compensation for an accident that the Insured suffers as specified in these terms and conditions, on the insurance certificate, or the premium receipt.

1.2 This insurance contract is subject to the Act on Insurance Contracts No. 30/2004, except where provided for otherwise in these terms and conditions, the insurance certificate, or other documents on which the contract is based.

1.3 In these insurance terms and conditions, the terms "Company" (TM tryggingar hf.), "Policyholder," and "Insured" are used in the same meaning as in Part II of the Act on Insurance Contracts, cf. Article 62 of the Act.

1.4 The word "**accident**" means in this document a sudden extraneous event that causes injury to the body of the Insured and occurs demonstrably without his or her will.

1.5 Compensation is only paid if the accident is the main cause for the death of the insured or his or her loss of ability to work, partially or entirely.

2. Insurance Period, Termination, and Payment of Premiums.

2.1 The insurance is in effect for the period stated on the insurance certificate or premium receipt. At the end of the period, the insurance is extended for one year at a time unless the Policyholder has cancelled it within a month of when the Company sent a notification of the due date for the new insurance period in accordance with Paragraph 3. There is, however, no obligation to notify the Company of the cancellation until two weeks before the end of the insurance period. If the Insurance is purchased for business purposes, however, and the scale of the operation corresponds to more than five man-years or if the operation takes place primarily abroad, the Company shall always receive the cancellation at least one month before the end of the period.

2.2 When the Insurance is purchased for a business pursuant to the business provisions in the concluding item of Paragraph 1, the Policyholder cannot cancel the insurance during the insurance period to transfer the insurance to another company.

2.3 In case of an insurance event that has resulted in a breach of confidence between the Company and the Policyholder, or 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 loss events liable for compensations within an 18-month period, the Company is entitled to terminate the insurance. A written termination shall be made without unreasonable delay after the Company is made aware of the events that authorize it to terminate the Insurance. The Company shall reimburse the premium proportionally to the remaining insurance period.

2.4 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.

2.5 If the premium is not paid by the end of the grace period pursuant to Paragraph 3, 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.

2.6 If the Policyholder has not specifically negotiated payment of the premium before the expiration of the grace period pursuant to Paragraph 4, it is considered to be unpaid if it is not paid in full when the grace period expires.

2.7 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.

2.8 If an insurance lapses pursuant to Paragraph 4, 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.

2.9 Insurance for a shorter period than one year will not be renewed without a request.

2.10 Termination shall be made in writing.

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2.11 At the beginning of each insurance year, the premium shall be estimated on the basis of information from the Policyholder on the estimated number of workweeks in each risk category. The Policyholder must provide the Company with all information, that it believes necessary for a final determination of the premium, within two months of the end of the insurance year. If the Policyholder neglects to give the information in time, the Company may determine the final premium as it believes to be reasonable. If the final premium is higher than the temporary premium that has been paid, the Policyholder must pay the difference within a week of the claim. If the final premium is lower than the preliminary premium, the Company must refund the difference within a week from the calculation.

2.12 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.

3. Where the Insurance Applies.

3.1 The insurance applies to an accident that the Insured suffers at work or during a normal route from his or her home to his or her workplace and from his or her workplace to his or her home. If the Insured has a place to stay other than his or her home due to his or her work, this place replaces his or her home, and the insurance then also covers normal routes between his or her home and place of stay.

3.2 The Insurance also covers the Insured's travel within Iceland and abroad that are made on behalf of the Policyholder. If the Insured usually stays outside the EEA on account of his or her job for more than six months, the Company is to be notified in writing, cf. Article 8.1.

4. Sports, etc.

4.1 The Insurance covers accidents that occur during sports practices, competitions, and games, provided that such sports activity was on behalf of the Policyholder or his or her employee association and the Insured's participation was expected as a part of his or her job. It is irrelevant whether the accident occurred during conventional working hours or not.

5. Limitations to Liability.

5.1 The Company does not cover:

a. accidents that are directly or indirectly caused by nuclear reaction, ionizing radiation, pollution from radioactive materials, nuclear fuel and nuclear waste material, or by war, invasion, military action, civil unrest, rebellion, riot, or similar events,
b. accidents occurring during boxing, any type of wrestling, driving sports, glider or hang-glider flying, bungee jumping, mountaineering that requires specialized equipment, cliff climbing, scuba diving, and parachuting,
c. accidents that the Insured suffers in a fist-fight,
d. accidents occurring during flight unless the Insured is a passenger on a commercial or charter flight by a party that has the requisite aviation authority permits,
e. accidents that the Insured suffers while participating in a criminal act,
f. accidents caused by tanning booths, medical treatment, surgeries, or use of medication, unless recommended by a physician due to a liable accident,
g. accidents or illnesses caused by food poisoning or beverage poisoning,
h. accidents caused by consumption of narcotics,
i. accidents caused by toxic gases, unless these have occurred without warning and against the will of the Insured,
j. accidents or illnesses caused by any type of biological or chemical effects and/or poisoning, including from pathogens and viruses, caused by acts of terrorism,
k. any damage directly or indirectly caused by asbestos.

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5.2 If the Insured causes an insurance event intentionally or by gross negligence, the Company's liability is subject to Articles 89 and 90 of the Act on Insurance Contracts.

5.3 If an event that would generally fall under provisions of Items b, c, d or g. of Paragraph 1, is part of the employees' or a group of employees' vocational risk, the Policyholder may negotiate specifically that the insurance also covers such risk. The Policyholder shall then give the company necessary information for it to be able to assess the risk and determine the premium.

6. Limitation to Liability for Accidents That Are Covered By Mandatory Vehicle Insurance Policies.

6.1 No compensation will be paid from the insurance for accidents that are caused by the use of registered motor vehicles and that are covered by mandatory vehicle insurance, regardless of whether it is liability insurance or accident insurance of the driver and owner pursuant to the Traffic Act, unless otherwise stipulated in a collective wage agreement (kjarasamningur). The same applies if the right to compensation has been established on the basis of legal procedures and other official regulations on liability for damage caused by uninsured and unknown vehicles.

7. Limitations to Liability Due to Natural Disasters.

7.1 If an earthquake, volcanic eruption, flood, landslide, or other natural disaster causes, in a single event, an accident for many persons who are covered by the workers' compensation insurance, the Company's total compensation is limited to ISK 600 million and the compensation is divided proportionally between the beneficiaries. This amount is indexed to the Consumer Price Index for indexation of February 2008 (282.6 points) and increases at the beginning of each calendar year in proportion to changes to the Index.

7.2 The limitation to liability provided for in Paragraph 1 applies even if the injured persons are not employees of the same Policyholder.

8. Change in Risk.

8.1 The premium for the insurance is inter alia based on the Insured's occupation as specified on the insurance certificate or premium receipt and that he or she is not outside of the European Economic Area (EEA) for more than six months at a time, cf. Paragraph 2 of Article 3. If there are changes to the Insured's circumstances in this regard or due to other circumstances, which are specified on the insurance certificate or premium receipt and on which the premium is based, the Policyholder is to immediately notify the Company. The Policyholder is also subject to this notification requirement if there is change in the risk in instances provided for in Paragraph 3 of Article 5. The Company is entitled to increase the premium from the time of the change in risk.

8.2 If the Company has not received a notification pursuant to Paragraph 1 at the time of the payment of the first premium after the change at the latest, and this negligence results in the premium not being increased, the Company's liability is lowered proportionally for each insurance event.

9. Fraud and False Information.

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

9.2 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.

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10. Measures Regarding Accidents.

10.1 The injured must seek medical attention immediately after the accident occurs, accept all necessary medical procedures, and follow the physicians's instructions entirely.
10.2 The Company shall be notified of the accident immediately on special forms of the Company, if they are available, and otherwise temporararily in another way.
10.3 If an accident causes the death of the Insured, the Company shall be notified as soon as possible.
10.4 The Company has the right to request an autopsy of the deceased.
10.5 In case of an accident, the Company may let its advisory physician examine the Insured.
10.6 At the end of medical treatment or when it is possible to determine the consequences of the accident, the Company shall be sent a medical certificate and a compensation claim.
10.7 The Company pays for medical certificates it has requested.
10.8 The person who is entitled to compensation under the insurance loses this entitlement if no compensation claim is made to the Company within a year after he or she became aware of the events on which it is based, cf. Paragraph 1, Article 124 of the Act on Insurance Contracts.

11. Death Benefits.

11.1 If an accident causes the death of an Insured within three years of the accident, the Insured's beneficiary shall receive death benefits, minus compensations for permanent physical damage, cf. Article 12, that the Company may have paid for the same accident.
11.2 Who the beneficiaries are and regarding the determination of compensation to each beneficiary, and, as applicable, compensation to the estate of the Insured, is subject to stipulations in the collective wage agreement that applies to the Insured's job.

12. Compensation for Permanent Damage to Health.

12.1 If an accident causes permanent damage to health (called permanent disability in the collective wage agreement) to the Insured within three years of the accident, compensation shall be paid for the damage that shall be evaluated for points pursuant to charts on degrees of disability issued by the Disability Committee (*örorkunefnd*), cf. Paragraph 3, Article 10 of the Tort Damages Act No. 50/1993 with amendments. The assessment shall be based on the Insured's health as it is when stable. The damage to health (disability) shall never be evaluated as more than 100 points for each damage event.
12.2 The insurance amount and determination of benefits for permanent damage to health is subject to that which is further specified in the relevant collective wage agreement.
12.3 Disability benefits are paid in proportion to the insurance amount, unless otherwise stipulated in the collective wage agreement. Disability present before the accident shall not be taken into account when calculating disability benefits.
12.4 When determining disability benefits, the following additional rules shall be followed:
   a. Loss of or deformation of a limb or an organ that was unusable before the accident does not give rights to compensation for permanent damage to health. Disability due to loss of or deformation of a limb or an organ that was previously disabled shall be evaluated with regard to the disability before the accident.
   b. Permanent damage to health shall be evaluated one year after the accident at the earliest, on the basis of the injured's condition at that time. If the injured or the Company then believes that his or her health is not stable, either party may request that the final evaluation be postponed, but for no longer than three years from the date of the accident.
   c. Although it may be presumed that the condition of the injured may change, the disability assessment shall be performed no later than three years after the accident without exception. In such cases, the disability is to be assessed as if it is presumed to be final. If there is a likelihood that the condition of the injured may be improved through medical treatment or therapy, and he or she is unwilling to undertake such treatment

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without a valid reason, it is nevertheless mandatory to take into account the possible improvement that such treatment could bring about when determining the degree of disability.

d. If the Insured dies before the assessment of permanent damage to health, no compensation is paid for such damage.

13. Compensation for Temporary Loss of Ability to Work – Per Diem Payments.

13.1 If an accident causes temporary loss of ability to work, the Company will pay the per diem payments that were in effect on the date of the accident.

13.2 The per diem is paid in proportion to the loss of ability to work from the day specified on the insurance certificate and until the injured has regained his or her ability to work, though for no longer than the maximum compensation time period specified on the insurance certificate, and not for any period beyond three years after the date of the accident. If the injured's loss of ability to work is to any extent a result of other causes than the accident, the per diem is lowered in proportion to the extent to which these causes contribute to the loss of ability to work. The Company decides the extent and the degree of permanence of the loss of ability to work on the basis of medical certificates and other available data.

13.3 The per diem is paid out to the Policyholder while he or she pays wages to the Insured pursuant to the relevant collective wage agreement, after that the per diem payments are to be paid to the Insured.

13.4 The amount of per diem and the settlement is in other regards subject to the stipulations in the collective wage agreement.

14. Compensation for Broken Teeth.

14.1 The Company pays repairs to healthy and well-maintained teeth that break or are damaged in an accident. The Company's payment is, however, limited to ISK 500.000 for each accident and the accrued payments for accidents during each insurance period are limited to ISK 750.000. These amounts are indexed to the Consumer Price Index for indexation of February 2008 (282.6 points) and are increased at the beginning of each calendar year in proportion to changes to the Index.

14.2 The Company does not, however, compensate for teeth that break while the Insured is eating. No compensation is paid for damages such as teeth that are broken in a workplace accident, or other incidents which are compensated by public insurance institutions pursuant to the Act on Social Security and regulations regarding the participation of the authorities in dental costs.

15. Payment of Compensation and Interest.

15.1 Compensation may be claimed 14 days after the Company has the opportunity to gather the information required to assess the insurance event and to determine the compensation amount. The Insured is entitled to interest of his or her claim pursuant to Article 123 of the Act on Insurance Contracts.

16. Lapse.

16.1 Claims covered by this insurance lapse in accordance with the provisions of the Act on Insurance Contracts and the Act No. 150/2007 on the Expiration of Debt and Other Obligations, as applicable.

17. Dispute Resolution. Venue.

17.1 In case of a dispute regarding the insurance, it it shall be settled before an Icelandic court in accordance with Icelandic law, unless otherwise provided by international agreements by which Iceland is bound.

17.2 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

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obtained from the Company and on the Company's website (www.tm.is) and the website of the Financial Supervisory Authority (www.fme.is).

17.3 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.

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 the 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 processing, at the latest when 10 years have passed since the registration of the data.

ENDORSEMENT.

No. 1 Personal Effects.

If an employee of the Policyholder suffers damage to usual necessary clothing and other items at work, such as watches, glasses, etc., the Company shall compensate the damage pursuant to assessment. Such damage shall only be compensated if it happens accidentally at work and is not covered by another insurance. Such damage shall not be compensated if it is demonstrably caused by the employee's negligence or lack of care. The maximum compensation amounts for each employee for each insurance event as well as combined for the insurance period, together with the deductible in each insurance event, are specified on the insurance certificate or premium receipt.

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