

Information on the Fund member

Name	ID No.
Address	Post code
E-mail	Tel. – Mobile

1. Basis of the notification

- 1.1 On the basis of the collective wage agreement that applies to my work for my employer, I pay a premium of up to 15.5% to Gildi Pension Fund.
- 1.2 I have decided to pay the amount in excess of 12% to a specified private pension division as defined in the Articles of Association of the Pension Fund. This declaration constitutes my binding decision with respect to the Fund as regards a corresponding decrease in premiums to mutual insurance protection.
- 1.3 This notification is issued on the basis of Act No. 129/1997, as subsequently amended, the collective wage agreement on which I base my rights and the Articles of Association of Gildi Pension Fund.
- 1.4 The allocation of the premium according to this notification is to be executed no later than within two months of the receipt of the notification.
- 1.5 The substance of the notification may be changed by means of a new notification. Such action does not change the allocation of the premiums that have already been allocated by means of the previous notification.

2. Decision

Allocation of a proportion of the premium to the specified private pension (maximum 3.5%)

% premium is to be allocated to the specified private pension and invested in the specified private pension division of the Fund. Up to 3.5% may be selected even if the premium of the Fund member is less than 15.5%, in which case everything in excess of the 12% premium will be paid into the specified private pension division. The premium paid into the specified private pension will then increase if the premium to the Fund increases until the above maximum is reached.

To reiterate: I understand that through this decision, I have an effect on the rights that my premiums form in the Pension Fund. Premiums in specified private pension plans are my personal property and will be inherited by my heirs according to the rules of the Inheritance Act in the event of my demise. Allocating premiums to a specified private pension plan means that as regards such premiums, I will not earn the right to a life-long pension, disability pension, including indexation, or spouse's pension. Thus, there is a qualitative difference to the rights that I earn in the mutual insurance and the specified private pension according to the provisions of the Articles of Association of the Fund as effective each time.

- 1.5 Investment of premiums

a. Selection of investment plan at Gildi

- Framtíðarsýn 1: Bonds 65% – shares 35%
- Framtíðarsýn 2: Bonds 80% – shares 20%
- Framtíðarsýn 3: Indexed deposits 100%

Change of investment plan: Changing investment plans is permitted, and earned specified private pensions may be transferred between investment plans. Such changes must be notified to the Fund on a form prepared by the Fund.

More information on the investment policies of the investment plans: Assets are invested according to the investment policies in effect each time. The policy is generally reviewed once a year. The effective investment policy is accessible to Fund members, e.g. on the website of the Fund.

I confirm that I have familiarised myself with the investment policy before making a decision.

b. Request for the transfer of the premium for specified private pensions to another depositary.

If requesting the transfer of premiums to another depositary, do not select an investment option according to Item a above (Framtíðarsýn).

I request that Gildi Pension Fund transfer the proportion of my premium for specified private pensions according to this application to the following depositary for pension savings which I have entered into an agreement with.

Name of the depositary

ID No. of depositary

To reiterate: For another depositary to be able to accept this premium, the Fund member must enter into an agreement for specified private pension with the depositary in question. The transfer of the premium will take place as soon as possible once the Fund has received the premium. There may be delays in the transfer of premiums due to e.g. aspects that relate to the co-ordinated and safe execution of the transfer of premiums.

3. Rules on payouts from the specified private pension division

- 3.1 Payment due to age: Fund members may begin making withdrawals from the specified private pension division from the age of 62 in which case payments should be equally divided until at least the age of 67.
- 3.2 If the right holder so requests, an exemption may be made to the above payment rule if the amount is less than ISK 500,000. The reference amount shall be adjusted based on changes in the consumer price index from the base index of 173.5 points.

Payment due to disability: In the event that the right holder becomes disabled and the disability is assessed as being 100%, the right holder earns the right to have his credit in the specified private pension division paid out in even annual payments over a period of seven years. In the event that the disability is assessed as being less than 100%, the annual payment decreases and the pay-out period lengthens in proportion to decreases in the disability percentage. If the right holder so requests, an exemption may be made to the above payment rule if the amount is less than ISK 500,000. The reference amount shall be adjusted based on changes in the consumer price index from the base index of 173.5 points.

- 3.2 Payment due to demise: On the demise of the right holder who has assets in a specified private pension account, the credit will be paid to the right holder's heirs and will be divided among them according to the rules stated in the Inheritance Act. Should a beneficiary have neither spouse nor children, the deposit shall accrue to the estate of the deceased, in which case the limitation in the second sentence of the second paragraph of Article 8 of Act No. 129/1997 shall not apply.

4. Informed consent

Whether the premium is to be paid into a specified private pension division instead of a mutual insurance division is dependent on the decision of the Fund member. With this notification, the Fund member confirms he has familiarised himself with the rules that apply to insurance cover in the mutual insurance division on the one hand and the rules that apply to the specified private pension division on the other. The Fund member is also aware that he can obtain further information as regards the selection from Fund employees at the offices of the Fund.

For information purposes, the following touches on a number of aspects that relate to the difference between mutual insurance rights and specified private pension rights.

4.1 Rights in the mutual insurance division:

By making premium payments, the Fund member earns the entitlement to old age pension as well as rehabilitation and disability pension and the member's spouse and children the right to spouse and child pension as provided for in Articles 10 to 14 in the Articles of Association of the Fund and the rights tables of the Fund that are published in an annex to the Articles and are a part thereof.

Age-dependent rights accumulation and the indexation of rights: The accumulation of rights is dependent on the age of the Fund member at the close of the wage month in which the premium is paid to the Fund. The rights are indexed and change in accordance with changes to the consumer price index for indexation from the wage month for which the premium is paid.

Accumulation of pensions units, special rule: Fund members who had rights in the Fund based on the end of 2004 were permitted to pay to the Fund premiums up to a particular maximum with the accumulation of pension units according to further rules contained in the Articles of Association, cf. Article 10. This can matter for Fund members who are entitled to pension units accumulation to ensure that they take full advantage of such authorisation. Information on premiums for pension unit accumulation can be obtained from the Fund's offices.

Retirement pension from the mutual insurance division is paid to end of life in accordance with Article 11 of the Fund's Articles of Association. Pension withdrawals are commonly initiated at the age of 67, although it is possible to begin to do so either earlier or later according to the provisions of the Fund's Articles of Association.

Rehabilitation pension and disability pension: A Fund member who has not reached the age of 67 and who loses the ability to work, in accordance with the further provisions of the Fund's Articles of Association, is entitled to disability pension from the Fund in accordance with his accrued rights until the date of loss of working ability, provided that he has paid into the Fund for a total of 24 months and has verifiably suffered loss of income due to the loss of ability.

Extrapolation rights of disability pension: On the fulfilment of certain conditions, Fund members are entitled to the extrapolation of their disability pension rights together with accumulated rights in accordance with the further defined provisions of the Fund's Articles of Association. The extrapolation rights are in addition to the accumulated rights based on the rights that the Fund member would have accumulated to the age of 65 had he paid to the Fund to that age. Extrapolations take account of his average rights accumulation during the three calendar years immediately before the loss of work ability.

Spouse's pension: In the event of the demise of a Fund member who enjoyed old age or disability pension from the Fund or who had paid premiums for at least 24 months over the course of the past 36 months or for 6 months over the course of the past 12 months, his surviving spouse is entitled to a pension from the Fund in accordance with the Fund's Articles of Association. Some things that should be kept in mind:

- The amount of the spouse's pension is 50% of the pension rights of the Fund member and includes both the accumulated rights and the possible extrapolated rights as further provided for in the Articles of Association of the Fund.
- Full spouse's pension, according to further provisions contained in the Articles of Association, is always paid to the surviving spouse for at least 36 months and then half that for up to 24 months thereafter, provided that their financial partnership has not been dissolved prior to the demise of the Fund member. The surviving spouse, however, will always receive a pension until the youngest child supported by the deceased Fund member reaches the age of 20, provided that such child is supported by the spouse. If the spouse remarries or embarks on cohabitation that can be regarded as the equivalent of a marriage, the spouses' pension shall be cancelled.

Child pension: In the event of the demise of a Fund member who has paid premiums for at least 24 months over the past 36 months or for 6 months during the past 12 months or has enjoyed old age or disability pension corresponding to at least ISK 10,000 per month, his children and adoptive children that survive him shall be entitled to a pension from the Fund to the age of 18 according to further rules contained in the Articles of Association of the Fund. The amount of child pension is a specific amount.

4.2 Pension savings in a specified private pension division

Pension savings in specified private savings are the personal property of the Fund member in question. Payout rules are defined in Chapter 3, cf. also the Articles of Association of the Fund. The amount is free for withdrawal as of the age of 62 over a certain period of years, on the loss of ability to work if disability is in excess of 50% and then over a certain period, and on the demise of the Fund member, in which case inheritance rules apply. The Fund member selects an investment option for his specified private pension.

4.3 General

Rights in the mutual insurance division can be valuable insurance rights. By their nature, payments on their basis can amount to higher or lower amounts than the accumulated premiums that have been paid to the Fund. There is a relationship between the paid premiums and the rights that the Fund member earns in the mutual insurance division. This means that if the Fund member decides to allocate a proportion of the premium to a specified private pension division instead of into the mutual insurance division, the member will earn less right from the mutual insurance while earning greater rights in the specified private pension.

Among the risks involved in the mutual insurance division is demographic risk, i.e. the longevity of Fund members, disability frequency among Fund members as well as the frequency of marriages and number of children in general. In addition, rights in mutual insurance are dependent on the investment returns of the assets of the division. The Fund, furthermore, may have to increase or decrease pension rights in the mutual insurance division. Developments in actuarial and demographic criteria can, in particular, have an impact, as can the returns on the assets of the mutual insurance division and price developments.

Among the risks involved in the specified private pension division are particularly the development of returns and that the Fund member fully utilises his pension savings over a shorter period than he needs for living expenses or other expenses. On the other hand, assets in specified private pension savings are inherited by the heirs of the Fund member according to the rules of the Inheritance Act but do not, however, create the right to spouse or child pension in the same manner as in the mutual insurance division.

Rights are based on the currently effective Articles of Association: Note should be made of the fact that the information contained herein as regards rights in the mutual insurance division and in the specified private pension division are merely presented to make it easier for the Fund member to make a decision. Reservations are made as regards possible errors or inaccuracies. In the event that this information departs from the provisions of the Articles of Association of the Fund, the provisions of the Articles shall prevail. As a result, it is important that Fund members familiarise themselves with the content of the Articles of Association. In addition, it should be noted that rights pursuant to the Articles of Association may be amended from time to time.

5. Reservations regarding amendments

- 5.1 The rules that apply to specified private pensions according to this notification are based on the Articles of Association of Gildi Pension Fund. The rules may be amended according to the rules that apply to amendments to the Articles of Association of the Fund according to law. The applicable legislation states, among other things, that the Minister must confirm the substance of the amendments, having received the recommendations of the Financial Supervisory Authority (FME), before such amendments come into effect.
- 5.2 The investment policies for selected investment options are based on the investment policies of Gildi Pension Fund as determined by the Board of Directors of the Fund each time. In the event of any changes to the investment policies of the Fund, these will be advertised on the website of the Fund.
- 5.3 The investment option in question may be closed and the earned assets in the specified private pension of the Fund member transferred to a new investment option in the event that such transfer is the result of changes to the Fund's investment policies. It is sufficient to announce such changes on the website of the Fund and/or by letter addressed to the domicile (according to Registers Iceland) of the Fund member and/or send notification to the member's personal site with the Fund, currently named "Sjóðfélagavefur" (Fund member site). Such notification, moreover, may be sent in another manner provided that such method is based on the Articles of Association of the Fund or other rules that the competent authorities have approved.

Place

Date

Signature of pension fund member

Confirmation from Gildi Pension Fund