

## Application and contract regarding private pension savings membership

based on Act No. 129/1997

I, the undersigned, hereby apply for membership of the private pension division of Stapi Pension Fund. I have familiarised myself with the agreement terms and conditions on the reverse side of this application form and I accept those in their entirety. By my signature to this application and a confirmation from the private pension division of Stapi Pension Fund a contract is considered to have been entered into between me as a policy holder and the private pension division of Stapi Pension Fund as a depository in accordance with the provisions of the contract.

### Applicant (beneficiary):

|         |                       |
|---------|-----------------------|
| Name    | ID No.                |
| Address | Postcode and location |
| Email   | Phone/Mobile          |

I, the undersigned request that \_\_\_\_% of my total wage/salary be paid to the private pension division of Stapi Pension Fund in accordance with the terms of the contract, cf. the reverse side of this application.

I request that my employer withhold part of my wage/salary on each pay day and deposit this with the private pension division of Stapi Pension Fund in accordance with the terms of the contract, cf. the reverse side of this application.

### Employer

|         |                       |
|---------|-----------------------|
| Name    | ID No.                |
| Address | Postcode and location |
| Email   | Phone/Mobile          |

I request that my deposit be invested in:

The Conservative Portfolio    The Dynamic Portfolio    The Deposit Portfolio

In the event that a fund member does not select a specific portfolio, his/her savings are automatically invested in the dynamic portfolio if the member is aged 54 or younger. Otherwise the savings are invested in the conservative portfolio.

Please note! If an applicant wishes to utilise pension savings towards payments of mortgage loans, a specific request to this effect must be submitted to the Directorate of Internal Revenue, cf. [www.leidretting.is](http://www.leidretting.is). Pension savings earmarked for the payment of mortgages are automatically channelled into a specific inventory of deposit accounts, cf. Article 7 of the contract below.

By my signature, I accept that the information I provide in this application will be saved and registered in my transaction history at Stapi Pension Fund. All processing of personal information, including its acquisition, registration, electronic recording and handling is in accordance with the Act on Personal Data Protection and the personal data protection policy of Stapi Pension Fund, published on the Fund's website.

|                |                       |
|----------------|-----------------------|
| Place and date | Applicant's signature |
|----------------|-----------------------|

### To be filled in by Stapi Pension Fund (depository)

|                |   |
|----------------|---|
| Place and date | Confirmed by the private pension division of Stapi Pension Fund |
|----------------|---|

The Pension Fund will return to applicants a confirmed photocopy of the application and notify the employer.

Stapi Pension Fund, ID No. 6010192, bank account 565-26-6969. The number of the private pension division is X501

## Terms of contract

### Article 1

According to this contract, the applicant is the policy holder and the private pension division of Stapi pension fund is the depository. The policy holder undertakes to pay a monthly contribution to the depository, amounting to the stipulated % of total amount of paid salary, cf. the policy holder's application. The policy holder instructs his/her employer to withhold the negotiated contribution from paid salary and transfer this amount to the depository. Payments shall commence no later than 2 months after the signing of this contract. The settlement period of each contribution must not exceed 1 month, the date due being the 10th day of the month following the one in which the salary is paid

### Article 2

A separate account must be maintained for the accrued contribution of each policy holder in the private pension division. Interest and index-linked adjustments are to be credited to this account, in accordance with the average return on those of the fund's securities which comprise the policy holder's chosen portfolio, after costs have been deducted.

### Article 3

A policy holder who has reached the full age of 60 is authorised to withdraw his/her complete deposit. In the event that a policy holder suffers a loss of health assessed as equivalent to a 100% invalidity, he/she is entitled to having his/her deposit disbursed in equal instalments during a period of no less than 7 years, or up to the time he/she reaches 60 years of age. In the event that invalidity is assessed as below 100% the annual disbursement is reduced proportional to the lower invalidity percentage with a corresponding extension of the payment period.

### Article 4

On the decease of a policy holder, his/her assets in the fund's private pension division are transferred to legal heirs and divided among them in accordance with the stipulations of the Inheritance Act.

### Article 5

This contract is terminable at 2 months' notice. In the event that the policy holder ceases to work for the employer specified on the application, the provisions of the contract relating to payment of contributions are automatically invalidated, unless the policy holder specifically wishes to continue the payments. The policy holder must notify the depository of such a termination of employment. Cancellation of the contract does not confer the right to disbursement of deposit or entitlements. Upon termination of contract, assets may be transferred to another depository authorised to receive pension savings relating to additional insurance cover in accordance with Act No. 129/1997.

### Article 6

The composition of the portfolios can change from one period to another but always adheres to the investment policies determined annually by the Board of Directors of Stapi Pension Fund. The investment policies are as follows:

|                                    | <b>The Conservative Portfolio</b> | <b>The Dynamic Portfolio</b> | <b>The Dynamic Portfolio</b> |
|------------------------------------|-----------------------------------|------------------------------|------------------------------|
| Domestic bonds                     | 0-100%                            | 0-100%                       |                              |
| Short term securities and deposits | 0-100%                            | 0-80%                        | 100%                         |
| Domestic stocks                    | 0-25%                             | 0-30%                        |                              |
| International securities           | 0-30%                             | 0-50%                        |                              |