

ARTICLES OF ICELANDIC PENSION FUNDS ASSOCIATION

Name and domicile

Art. 1

The name of the association shall be the Icelandic Pension Funds Association, the Icelandic abbreviation of which is LL. Its domicile shall be in Reykjavík [Iceland].

Art. 2

The Icelandic Pension Funds Association is an association operating under the Compulsory Insurance of Pension Rights and the Operation of Pension Funds Act, No. 129/1997.

Objective

Art. 3

The objective of the association shall be:

- a) To safeguard in all respects the interests of the fund members of the pension funds affiliated with the IPFA.
- b) To act as the representative of the pension funds in matters regarding their common interests and to present their views to the authorities and other bodies in all major matters which could affect the common interests of the associated funds.
- c) To take the initiative in the general debate on matters concerning the funds and pensions and promote their positive image.
- d) To be active in matters of publishing and education on behalf of the pension funds, such as by holding seminars and courses, publishing reports and offering other services to the pension funds and their members.
- e) To promote rationalization and development in the activities of the member funds.

- f) To observe the development of matters of pension abroad and take part in international co-operation of associations of pension funds.
- g) To undertake specific projects for individual pension funds within the association according to special decisions by its Board of Directors, providing such activities clear expenses and are consistent with its objective and purpose.

Annual General Meeting

Art. 4

The Annual General Meeting of the Association shall be convened before the end of May each year. The Board of Directors shall decide on the place and date of the meeting, cf. Art. 7.

The Annual General Meeting shall be announced with a month's notice at least by letter or email to the pension funds in question. This notice shall also be published in the IPFA's home page. The Boards of Directors and Managing Directors of the member funds shall have the right to attend Annual General Meetings.

Art. 5

The Annual General Meeting shall be the supreme authority in the matters of the association.

The following matters shall be on the agenda of Annual General Meetings:

1. The report of the Board of Directors on the operations of the association during the past operating year.
2. Approval of the Annual Accounts.
3. Amendments to the Articles of Association of the association.
4. Election of the Board of Directors.
5. Election of a chartered accountant or an office of chartered accountants.
6. Decision on the remuneration to the Board of Directors.
7. Budget for the coming year.
8. Decision on the annual fee, cf. Art. 10.

9. Other matters.

Art. 6

A simple majority shall be decisive at the meetings of the association, cf., however, Art. 13. However, a pension fund may demand of the chairman of the meeting that the number of votes held by each pension fund during voting at the meetings of the association shall be consistent with its percentage of annual fees paid by the member funds during the past calendar year.

Board of Directors

Art. 7

The Annual General Meeting of the association shall elect the Board of Directors which shall be comprised of 8 full members and 8 alternates. The Board members shall be elected to a period of two years at a time, one half of the Board members to be elected each year. Alternates shall be elected to a period of one year at a time. The Board shall assign responsibilities among itself.

Art. 8

The Chairman of the Board shall call its meetings. A meeting of the Board must be called when requested by two or more Board members. The Board shall keep a Minutes Book and the minutes shall be signed by the Board members.

Art. 9

The Board of Directors of the Association shall engage its Managing Director, decide his salary and other terms of employment and set his rules of procedure. The Managing Director shall not be eligible to stand for election to the Board of Directors. The Managing Director shall be responsible for the day-to-day running of the association, complying in this matter with the policy and instructions issued by the Board of Directors.

Annual fee

Art. 10

Each pension fund which becomes a member of the association shall pay an annual fee to the association. The annual fee shall be decided at the Annual General Meeting of the Association according to the approved budget and shall be decided on the basis of percentage of income from premiums during the past accounting year, of which the annual fee shall amount to 12%.

The annual fee shall be due on 1st June each year.

The accounting year of the association shall be the calendar year.

Application for membership

Art. 11

A pension fund requesting membership of the association shall submit an application to that effect to the Board of Directors of the association along with its operating licence and its Articles of Association. A pension fund shall be considered a full member of the association from the date when the Board of Directors of the Association approves its application for membership.

Withdrawal

Art. 12

Withdrawal from the association shall become valid when it has been approved by the Board of Directors of the pension fund in question and an announcement thereof has been submitted to the association with at least 6 months' notice; the withdrawal shall then take effect as of the end of the then current year.

Amendments to the Articles of Association

Art. 13

Amendments to these Articles of Association may only be made at an Annual General Meeting. The Board of Directors of a pension fund wishing to make amendments to

the Articles shall submit them to the Board of Directors of the association not later than before the end of March. Such proposals, and any proposals by the Board of Directors of the association, on the amendment of the Articles shall be submitted to the member funds along with the announcement of the meeting.

To take effect, amendments to the Articles of Association shall need the approval of at least two thirds of the votes cast.

Dissolution of the association

Art. 14

A decision on the dissolution of the association shall be taken at an Annual General Meeting and shall need two thirds of the votes cast to take effect, providing a proposal to that effect was announced in the announcement of the meeting as an amendment to the Articles of Association.

Approved at the Annual General Meeting of the Icelandic Pension Funds Association on 15th May 2008.