



Performance Bond

Insurance Terms No. ZZ10

The insurer is VÍS tryggingar hf., reg. no. 670112-0470, hereinafter „VIS“.

The insurance is governed by:

- The insurance policy, including endorsements and special terms.
- These insurance terms No. ZZ10.
- The VIS general terms and conditions No. YY10.
- Performance bond certificate.
- Act No. 30/2004 on Insurance Contracts.
- Icelandic standard ÍST 30.

The provisions of the insurance policy and the renewal receipt take precedence over the provisions of the insurance terms. The provisions of the insurance policy, the renewal receipt and the insurance terms take precedence over the non-mandatory provisions of law.

The **terms** describe the rights and obligations of you and VIS.

The **policy** confirms that you have purchased insurance from VIS. The policy is accessible by logging on at vis.is

1. Who is insured?

1.1 The policyholder is the insured

2. What is insured?

2.1 The insurance shall apply to the project specified in the policy or the renewal receipt.

3. What is covered under the insurance?

3.1 VIS is liable for compensation of losses incurred by the customer should the policyholder not fulfil his obligations according to the agreement between the policyholder and the customer.

4. Special limits of liability

4.1 The insurance does not compensate for expenses, or increased expenses, that can be traced, directly or indirectly to earthquakes, volcanic eruptions, landslides, snow avalanches, or other natural disasters.

5. Insurance amount

5.1 The insurance amount is specified in the policy and the performance bond certificate. When the policyholder and the customer have completed the final appraisal of the project, the insurance amount will be reduced, as is set forth in the project agreement and the performance bond certificate.

6. Determination of compensation

6.1 The customer may demand compensation from VIS because of flaws that have emerged in the policyholder's project, or because of any type of expense incurred by the customer as a result of the policyholder's non-fulfilment of the provisions of the project agreement.

7. Recourse

7.1 The policyholder pledges to repay to VIS the compensation that it disburses in connection with the project agreement.

7.2 The policyholder is required to pay interest in accordance with the Act on Interest and Price Indexation, no. 38/2001.

7.3 Reimbursements to VIS in accordance with this Article shall be payable upon demand.



8. Collateral arrangements

- 8.1 If the policyholder or others provide collateral or otherwise guarantee the claim that VIS may have against the policyholder in connection with the performance bond, VIS may accept any collateral or guarantor that it chooses.

9. Modifications to the project

- 9.1 Pledgers of collateral and guarantors may not demand to be relieved of their obligations in the event that the term of the project, and therefore the period of validity of the performance bond, is extended or other modifications made to the project.
- 9.2 If VIS deems the collateral insufficient under the above-specified circumstances, cf. Article 9.1, VIS may demand new collateral instead of, or in addition to, the existing collateral.

10. Insurance requirement

- 10.1 A party who submits collateral is required to purchase and maintain appropriate insurance on it.
- 10.2 The policyholder shall purchase and maintain insurance that is conventional and appropriate for contracting activities.
- 10.3 The insurance must be purchased from a recognised insurance company. VIS is authorised to purchase such insurance on behalf of the party required to do so, and at that party's expense, unless proof of such insurance is presented.

11. Matters of dispute

- 11.1 In the event of a dispute between the policyholder and the customer concerning the customer's entitlement to the insurance amount, the dispute shall be resolved in accordance with Section 32 of ÍST 30, unless another means of resolution has been agreed between the parties.

12. Expiry of the insurance

- 12.1 The insurance shall remain in effect for 12 months after the final appraisal has taken place, unless another agreement has been made.
- 12.2 The project shall be considered delivered when the final appraisal by the policyholder and the customer has taken place. The policyholder shall send the company a confirmation of the appraisal without undue delay.

The information provided on the right margin is for the guidance of customers only and is not part of the terms themselves and is not intended to be used for interpreting specific clauses of the terms.

This is a translation of the authoritative Icelandic text. In the event of any discrepancies between the translation and the original Icelandic text, the original text shall prevail.