

Translated from the Icelandic

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INHERITANCE ACT NO. 8, 14 MARCH 1962

With subsequent amendments No. 29/1985, 48/1989, 86/1989, 20/1991, 91/1991, 174/2000, 65/2006, 88/2008, 162/2010, 126/2011, 145/2013.

CHAPTER I

Succession by Law

Article 1

Heirs at law shall be the following:

The children and other descendants of a deceased person.

A child born out of wedlock shall succeed its father and his relatives, and vice versa, if its paternity has been established in the manner provided for in legislation relating to children born out of wedlock. Article 5 shall apply to the right of

succession of an adopted child and the right of succession after an adopted child.

The parents of a deceased person and their descendants.

The grandparents of a deceased person and their children.

The spouse of a deceased person.

Article 2

The First Succession

The spouse of a deceased person shall inherit one third of the estate left by the deceased if the deceased is survived by children, and the children shall inherit two thirds equally.

If a deceased person leaves no spouse his or her children and other descendants shall inherit the entire estate.

In case a child of a deceased person has died before that person's death, the children of the deceased child shall inherit the part to which that child would have been entitled. More distant relatives shall succeed the deceased in the same manner.

Article 3

The Second Succession

[If a deceased person does not leave any surviving

descendants, his or her spouse shall inherit the entire estate.]1)

In case a deceased person leaves no spouse his or her parents shall inherit the entire estate equally. If one parent did not survive the deceased, the part to which that parent would have been entitled shall be inherited by the children or other descendants of that parent in the manner provided for in Article 2. If the deceased parent did not leave any descendants the part to which that parent would have been entitled shall be inherited by the other parent.

In case a deceased person does not leave surviving parents, the part to which each parent would have been entitled shall be inherited by the children or other descendants of that parent. If one of the deceased parents did not leave any surviving descendants, the descendants of the other parent shall inherit the entire estate.

1) Law No. 48/1989, Article 1.

Article 4

The Third Succession

If a deceased person is not survived by any heir under

Article 2 or 3, his or her estate shall be distributed equally between the parents of the father and mother of the deceased, respectively. If a grandparent has died before the deceased the part that would have been inherited by that grandparent shall be inherited by that grandparent's children. If the parents of either the deceased person's father or mother, and their children, are survived by the deceased, the entire estate shall be inherited by the parents of the deceased person's other parent, and their children.

[Same rules as referred to in paragraph 1 apply, mutatis mutandis, when the parents of the father and mother of the deceased, are of the same sex.]1)

Law No. 65/2006, Article 31

Article 5

An adopted child and its descendants, including descendants by adoption, have right of succession after the adoptive parents and their relatives, and vice versa, as provided for in Articles 2 - 4.

Adoption has the effect of cancelling the rights of succession by law between an adopted child and its natural

parents.

Article 6

If a surviving spouse, who is sole heir at law of the other spouse, dies without having married again or left any surviving descendants, his or her estate shall be distributed equally between the respective heirs of both spouses, provided the surviving spouse has not made other dispositions by will.

If a surviving spouse dies without leaving any surviving heirs, his or her estate shall be inherited by the heirs of the other spouse.

For the purposes of this article the words „heirs of the other spouse “ shall refer to the persons having right of succession to the estate of that spouse at the time of death of the surviving spouse.

CHAPTER II

Deferred Estate Settlement

Article 7

[After the death of a spouse the other spouse has the right of beneficial enjoyment of the joint estate with the common