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## **Rules on the listing of securities on the ICEX Alternative Market**

### **Chapter I General provisions**

#### Article 1

Shares and other securities which are accepted by the ICEX Board of Directors (hereafter ICEX Board) can be listed on the ICEX Alternative Market.

Applications shall be made for listing of security classes for the ICEX Alternative Market in accordance with these rules.

When an application has been received, the ICEX Board will evaluate whether the issuer and its securities fulfil the conditions for listing which are described below.

#### Article 2

The securities and their issuer shall fulfil conditions of legislation, regulations and rules which apply to the issuer, its operation and the securities, including agreements.

The listing shall, in accordance with the ICEX Board, serve the interest of the public and the securities market.

#### Article 3

Trading with the securities shall be without limitations.

### **Chapter II Requirements for listing shares**

Rules on Listing Requirements can be found in a separate document on the Exchange webpage.

### **Chapter IV Handling of applications**

#### Article 13

When ICEX has received an application and the accompanying documents as outlined above, ICEX reviews the documents.

The ICEX Board accepts or rejects an application in writing as soon as possible, but never later than two months after a full application is submitted. The ICEX Board shall provide reasons or conditions for non-approval of the application.

#### Article 14

##### *First day of listing*

The listing cannot take place until all conditions have been met according to the rules of ICEX and the securities have been issued.

If an offer of securities takes place at the same time as an application for listing at ICEX is submitted, the listing can be concluded no sooner than the subscription period has ended.

### **Chapter V**



## **Prospectus**

### **Article 15**

#### *Information in the prospectus*

A prospectus must contain such information as is necessary, having regard to the nature of the issuer and of the securities, for investors to be able to evaluate the assets and liabilities, the financial position, performance and future prospects of the issuer and guarantors, as appropriate, as well as the rights attached to the securities. The information must be presented clearly and comprehensively.

A summary of the information which must be included is provided in Act No. 33/2003, on Securities Transactions, and Regulations issued pursuant to the Act.

## **Chapter VI**

### **Other provisions**

#### **Article 16**

The issuer pays an entry fee when the listing takes place, and an annual fee while the listing is active according to ICEX fee schedule at each time.

#### **Article 17**

If the situation arises that the price formation for the issuer's securities becomes uncertain, such as due to uncertainty for the future of the issuer, because certain information is not available and/or failure to conform to the obligation to provide information, the ICEX Board can decide to place the issuer's securities class/classes temporarily on an observation list.

In certain cases ICEX can, following a request from the issuer and provided that ICEX agrees with the arguments for the request, move the issuer's securities class/classes to an observation list.

#### **Article 18**

If ICEX finds that an issuer does no longer abide by these rules or the decisions that ICEX makes on grounds of them the issuer shall be notified. In accordance with article 6 of the Agreement between ICEX and the issuer for listing of securities on ICEX, the Exchange can decide the following measures:

1. request information from the respective issuer;
2. temporarily place the securities of the respective issuer on an observation list;
3. issue a public statement regarding the case in question;
4. set conditions for or suspend transactions with the issuer's securities; such a suspension can be temporary or for an undetermined period of time;
5. subject the issuer to financial penalties that may amount to up to tenfold annual fee for listing of the issuer's securities on ICEX, should the Board of Directors consider the violation to be serious;
6. remove the issuer's securities from ICEX listing temporarily or permanently. Securities can only be removed from listing by decision of the ICEX Board.

#### **Article 19**

If the issuer's estate undergoes bankruptcy proceedings its listed securities will be removed from ICEX listing.

#### **Article 20**

The Board of the issuer may request that the issuer's securities be removed from the Exchange listing. The ICEX Board shall comply upon receipt of a written statement with the request.

The ICEX Board may however delay removing the securities for one year from receiving the statement, cf. paragraph 1. Furthermore, the Board may also decide to publish the statement in whole or in part.

#### **Article 21**

Unless otherwise stipulated in these rules, the decisions made by the ICEX Board of Directors shall apply in each case.



**Chapter VII**  
**Entry into Force, etc.**  
Article 22

These rules are set in accordance with Act no. 34/1998, on activities of stock exchanges and regulated OTC markets, and enters into force on 1 January 2006.



# **Rules**

## **on disclosure requirements for issuers of securities listed on the ICEX Alternative Market**

### **Chapter I**

#### **Introduction and General Provisions**

##### Article 1

The objective of the present rules on the disclosure requirements, which are set by the Board of Icelandic Stock Exchange (hereafter named ICEX), is to guarantee that investors have, at all times, access to the latest information necessary to form an opinion of the investment choices currently offered. Spokespersons of the issuers concerned must thus always make every effort to make public any information they feel could have significant impact on price formation of the securities.

*The text of these rules shown in italics is intended as a guideline. It should not be regarded as a binding or exhaustive treatment of the subject.*

##### Article 2

###### *Internal rules on the treatment of confidential information and disclosure requirements*

The issuer of listed securities must adopt its own rules on the treatment of insider information and insider trading. In rules adopted in accordance with the present Article, issuers shall at least provide for:

1. the publication without delay of important information concerning the activities of an issuer;
2. sending ICEX such information no later than it is made available to other parties;
3. controlling that information which is not public does not come into the possession of unauthorized parties;
4. seeing that decisions of annual general meetings (AGM) and comparable meetings held between AGM's, be made public without delay;
5. ensuring that requirements as to format and means of publishing information are respected;
6. arranging that annual accounts, semi-annual reports, and information connected with them, be published in proper fashion;
7. the company's compliance officer, is responsible for upholding the rules and registering communication which takes place as a consequence of the rules.

The rules shall be delivered to ICEX, cf. Article 39 of Act No. 34/1998.

*These rules may vary according to the issuer in question, but their purpose shall be to assist an issuer in fulfilling the disclosure requirements and encouraging proper handling of confidential information.*

##### Article 3

###### *Important decisions and events*

The issuer shall make every effort to make public without delay previously unpublished information on decisions or events which in its evaluation may have significant impact on price formation of its securities.

*This rule is the main principle of information disclosure and issuers should be guided by it at all times in their disclosure of information. It is impossible to prepare an exhaustive list of the conditions under which disclosure requirements would apply. Below are some examples of events which could have such an effect on the operations of an issuer that they should be reported, together with the impact they have.*



- *major increase or decrease in the regular activities of an issuer;*
- *purchase or sale of substantial fixed assets, including real estate;*
- *decisions or events, if an issuer is part of a consolidation, concerning other companies in the consolidation which would have an effect on the situation of the consolidation;*
- *price-level changes which have a significant affect on an issuer;*
- *consummation/termination of important agreements on co-operation;*
- *substantial profit/loss on certain actions;*
- *important research results;*
- *important new products;*
- *large markets acquired or lost;*
- *important investments;*
- *acquisition of companies or sale of operating units;*
- *A change (increase or decrease) or confirmation of credit rating;*
- *initiation of litigation by or against an issuer, if the outcome may be expected to have a substantial effect on the issuer;*
- *liquidation, a request for stoppage of payments, composition with creditors, or bankruptcy proceedings;*
- *proposed merger with another company or splitting up of a company;*
- *decisions by the Board or proposals on changes to an issuer's share capital;*
- *proposals for changes in the Articles;*
- *changes to substantial holdings in a company in the consolidation in which the Board or management are involved or aware of;*
- *actions of a company intended to improve the price formation or supply of, and demand for, its securities.*

#### Article 4

##### *Postponement of Disclosure Obligations*

If an issuer of securities avails itself of the authorisation provided for by law to postpone making insider information public, it must contact ICEX without delay and explain how long the postponement may be expected to last.

According to the third paragraph of Article 59 of Act No. 33/2003, on Securities Transactions, an issuer has a limited authorisation to postpone making insider information public to protect its legitimate interests, provided that such delay is not likely to mislead the public and provided that the issuer is able to ensure the confidentiality of such information, as provided for in Regulation No. 630/2005. The Regulation mentions, for example, that such authorisation could be applicable in the case of ongoing negotiations and if a decision requires the approval of the Board of Directors or other body within the company to take effect.

#### Article 5

##### *Timing of information disclosure*

All information covered by these Rules shall be forwarded to ICEX immediately or as quickly as possible.

*At times it is a matter of opinion exactly when individual incidents or events occur. In such case it is natural to refer to that point in time when the chain of events has reached the stage where it may be considered likely that it will lead to a formal or binding decision.*

*Thus, in some cases a disclosure requirement may arise before decisions are formally taken and for this reason it may not always be possible, for example, to wait for their formal approval by the Board of Directors.*

*An issuer should always bear in mind that information can be misused.*

*It is right to contact ICEX in cases where no formal decision has been taken and information cannot be made public as yet, but there is considered to be a risk that knowledge may be acquired by unauthorised third parties.*



## Article 6

### *Equal access of investors to information*

An issuer shall ensure equal treatment of investors concerning access to information covered by these Rules and treat and preserve this information in such a manner as will ensure that unauthorized persons do not have access to such information before it is made public. Such information may not be provided without it being sent to ICEX previously or, at the latest, concurrently.

*This could involve information provided in statements, interviews, meetings with investors, documentation distributed within the enterprise, or newsletters to shareholders.*

## Article 7

### *Form and content of notifications*

An issuer shall, in all disclosure of information, take care to present a clear picture of the issue being discussed in each case. Efforts shall be made to word notifications to ICEX such that investors will realize at once what is being discussed in the notification, and what effect this will have on the company, for instance on its outcome and financial situation.

The title shall indicate the main substance of the notification.

Effort shall be made to present the most important information at the beginning. In the case of an extensive notification, it shall be accompanied by a summary abstract.

All notifications to ICEX shall include the date, name of issuer, telephone number and information on the issuer's contact person.

## Article 8

### *The language of notifications*

Notifications shall be in Icelandic.

Notifications of a foreign company may be in English.

An Icelandic company with a foreign subsidiary may publish information concerning the subsidiary specifically in English.

If there are cogent reasons for doing so, ICEX may grant exemptions from the above requirements in full or in part.

If notifications are published in a foreign language, ICEX may require that a notification in Icelandic be included.

*ICEX recommends that companies publish their announcements in both Icelandic and English.*

## Article 9

### *Method of delivery and publication*

The contact person or his/her alternate shall send information to ICEX by e-mail addressed to news@icex.is.

Information becomes official when ICEX has received it in a proper manner and published it in the ICEX News System.

Information must be received directly from an issuer unless a power of attorney has been provided by the issuer to a third party.

*The main rule according to this article is that issuers send information to ICEX in the prescribed manner. During ICEX opening hours, notifications may not be sent to other parties until they have been published in the ICEX News System. Outside of ICEX opening hours, notifications should be sent to ICEX no later than at the same time they are sent to others. If it is not possible, for technical reasons, to send information for publication by e-mail, they shall be sent by facsimile or by messenger in electronic format. To ensure that this information has been published as required by law, issuers*



*should check whether the information has been published in the ICEX news system within a normal space of time.*

#### Article 10

##### *Annual General Meetings (AGMs) and shareholders' meetings*

ICEX shall be informed of the date of a shareholders' meeting as soon as the date has been set.

An issuer must announce or advertise shareholders' meetings and their agenda as provided for in the company's Articles of Association and current laws applying to the issuer's legal form and activities. ICEX must be sent copies of such announcements or advertisements for publication in the ICEX News System no later than the day before or the same day as they are published, together with all motions to be submitted to the meeting.

In the case of a shareholders' meeting, held between AGMs, the reasons for holding it shall be mentioned in the above documentation.

ICEX must be sent information on the results of the AGM or shareholders' meeting, together with information on motions passed, immediately upon its completion.

If an issuer intends to present previously unpublished information to an AGM or shareholders' meeting, which are likely to be of major significance for the price formation of its shares, or if it is aware that such information will be revealed, it must send ICEX a notice of this as soon as the information is available and no later than at the commencement of the meeting. If this is not possible, the company must contact ICEX without delay to decide how this information shall be made public.

Notifications of motions submitted to Annual General Meetings shall provide clear information as to the point in time determining dividend allocation.

**ICEX recommends that shareholders' meetings not be held during opening hours of the News System. If an issuer holds its AGM or a shareholders' meeting during opening hours, trading in the issuer's shares in the ICEX trading system is suspended during the period of the meeting and until its results have been published in the ICEX News System.**

It is preferable that the point in time used as reference be the close of the day when the AGM is held, when the decision on a dividend will have been formalised.

#### Article 11

##### *Management and auditors*

All changes to the composition of an issuer's Board of Directors, its senior management and auditors must be notified to ICEX without delay. In addition, ICEX must be notified of any changes to the managing directors of the company's principal subsidiaries.

## **Chapter II**

### **Announcement of Results**

#### Article 12



### *Changes in the financing of the company and share capital*

Information shall be sent to ICEX whenever a decision has been made on significant changes or plans have been approved for changes in the company's financing, including plans to increase or reduce share capital, for substantial bond issuing or issuing of other rights connected with the company's shares.

When an increase in share capital is scheduled, ICEX shall in addition be sent information on conditions pertaining to share capital increases as soon as these are known, including:

1. the amount of increase in share capital;
2. pre-emptive rights of current shareholders and/or others, and whether the offer is to be directed at a special group or to the general public;
3. subscription and sales arrangements, price of the tender and the subscription and sales time period.

After a change such as an increase or reduction in share capital, a bonus issue, or a consolidation, ICEX shall be sent information to confirm the final amount of share capital.

### Article 13<sup>1</sup>

#### *Annual financial statements*

A listed company must make an effort to see to it that company accounts always satisfy the strictest requirements generally made of companies in the sector in which it operates. They must be compiled in accordance with currently applicable Acts, sound accounting principles and Exchange guidelines, cf. the appendix to the rules.

The annual financial statement shall give an account of executive remuneration as provided for in Appendix I.

If company accounts are not in accordance with legislation and sound accounting practices, as provided for in the first paragraph above, mention shall be made to that effect and of the reasons.

If the company is part of a consolidation, consolidated accounts must be published.

If the accounts of subsidiaries of Iceland-listed parent companies are not audited by the same accounting firm as the parent company, a co-operating company of the above-mentioned accounting firm, or another recognised accounting firm, mention shall be made to that effect.

The accounts of a foreign company must be in accordance with Acts and practices applicable in its home country. ICEX may specially request explanations if these deviate greatly from the accounting practices known in Iceland.

Annual accounts shall be sent to ICEX as soon as they are complete and no later than three months after the end of the accounting year to which they apply. They shall, in addition, be sent to those members of ICEX who so request and shall be made accessible to the media. They shall also be available for public inspection and the press release issued in accordance with Article 18 shall state where the public may acquire a copy without charge.

ICEX shall provide registered firms with a list of Exchange members.

### Article 14

#### *Press release concerning the publication of annual accounts*

Following the meeting of the Board of Directors where the annual accounts of a company are formally approved, the company shall issue a press release regarding this. Such a press release must contain information detailed such that the annual accounts do not include, in the opinion of the firm, additional information which could have a substantial effect on price formation of shares in the given firm.

No later than fifteen days prior to the publication of such a release, the company must send ICEX information on the proposed week of publication. If there are changes to the proposed week of publication, this must be announced to ICEX as promptly as possible.

If substantial deviations are anticipated between information supplied in the press release per paragraph one, and that which appears in the final annual accounts, ICEX is to be sent information regarding this, without delay.

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<sup>1</sup> Issued 1 July 2003



A press release as provided for in the first paragraph must comply with currently applicable Exchange guidelines.

#### Article 15

##### *Interim statements*

Listed companies shall prepare an interim financial statement covering the first six months of the fiscal year. The interim statement shall be delivered to ICEX following the Board meeting where the statement is presented, and no later than two months after the end of the period covered by the statement. It is not a requirement that the statement be audited or reviewed. If the interim statement is audited or reviewed, it must be signed by an accountant. If the company is part of a consolidation, a consolidated financial statement shall be presented.

No later than seven days before the release of the statement the company must inform ICEX of the expected week of publication. If there is a change of planned week of publication, ICEX shall be notified as soon as possible.

#### Article 16

##### *Information on projected performance and operating plan*

If a company makes public its projected performance, either for the current year or the future, it shall provide the main criteria on which the projections are based on, especially regarding the main uncertainties.

As soon as the company gains knowledge about substantial deviation from previously published information about performance and operating plan, or deviations from natural conclusion that could have been drawn from information provided earlier, it shall inform ICEX information about this, regardless of whether this deviation leads to better or worse performance than projected.

### **Chapter III**

#### **Other securities**

##### Article 17

These rules apply as applicable to other securities listed on the ICEX Alternative market.

### **Chapter IV**

#### **Other provisions**

##### Article 18

##### *Violations of disclosure requirements*

If the Exchange is of the opinion that an issuer is not respecting these Rules the issuer shall be so informed.

In accordance with Article 6 of the agreement between the ICEX and the issuer concerned, on the listing of securities on ICEX, ICEX may decide to:

1. demand information from the issuer in question;
2. place the securities of the issuer in question temporarily on a list for investigation, cf. the first paragraph of Article 36 of the Rules on listing of securities on ICEX;
3. publish a public statement concerning the matter in question;
4. set conditions for transactions, or suspend, trading in the securities of the issuer. Such a suspension may apply temporarily or indefinitely;
5. levy a fine on the issuer which may amount to up to ten times the annual fee paid by the issuer for listing its securities on ICEX, if ICEX Board feels violations are major;
6. remove the securities of the issuer from the ICEX listing, either temporarily or permanently. Securities may only be removed from listings according to a decision by ICEX Board.

##### Article 19

ICEX may grant an exemption from the publication of information according to these rules, provided this, in the estimation of ICEX, is not detrimental to the interests of the securities market.



Article 20

Unless otherwise provided in these rules, decisions by the ICEX Board shall remain valid in all cases.

**Chapter V**  
**Entry into Force, etc.**

Article 21

These rules are adopted according to Act no. 34/1998 and enter into force on 1 January 2007.



## Appendix I <sup>2</sup>

### Rules on Disclosure Requirements concerning Executive Remuneration by Issuers of Equities on ICEX Alternative Market

#### 1. Annual accounts must supply the following information:

##### 1.1. *Salary payments to senior executives*

Information on salaries, payments and any type of benefits, in particular to individual Board members and the top executive (CEO or managing director) of the issuer during the previous financial year.

If the issuer is part of a consolidation, information shall be provided on the same payments and benefits to the above-listed parties from companies in the consolidation.

The same information shall be provided giving a breakdown for the top executives of specific operating divisions of the issuer, including executives of the issuer's subsidiaries of significance for its administration and operations.

##### 1.2. *Remuneration to other executives*

Information on total payments and benefits of other executives of issuers is at least to be provided in the form of a total figure for the group, together with the number of executives and clarification of the individuals included in the group.

##### 1.3. *Payments to auditors*

Information on total payments to auditors/auditing firms shall be provided as a total figure, making a distinction, however, between payment for auditing, on the one hand, and for other services, on the other.

##### 1.4. *Agreements on stock options, etc.*

Information on agreements with parties listed in Point 1.1, according them the right to purchase or sell financial instruments issued by an issuer or company in the consolidation, i.e. stock options agreements, etc.

An account shall be given of the following aspects covered by such agreements:

- a) the types of financial instruments, as of what time the entitlement is established,
- b) the total number of shares or financial instruments covered by the agreements,
- c) during what period the rights can be exercised,
- d) for what price the right will be exercised (buying price),
- e) what conditions must be fulfilled in order to exercise the right,
- f) the market value of the underlying financial instruments, including an explanation as to how the market value was calculated and the main criteria on which the calculations were based.

Similar information is to be given for all parties referred to in Point 1.2 at least as a total figure for the entire group.

##### 1.5. *Extraordinary transactions*

Information on the nature and scope of an issuer's extraordinary transactions with the parties referred to in Point 1.1 during the previous or current financial year. This could involve any sort of transactions outside of the normal, such as the purchase or sale of real estate or major liquid assets, financial instruments, etc. Information should also be provided on the amounts of any loans, as well as

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<sup>2</sup> Issued 1 July 2003



mortgaging, surety and guarantees which have been provided to the parties referred to in Point 1.1, or related parties, with a breakdown including information on interest, repayment terms and other principal conditions. If such transactions have been conducted previously and are not yet settled, information on these shall also be provided.

#### **1.6 Other/extraordinary agreements**

A description of all extraordinary agreements, if such exist, with parties referred to in Point 1.1, including agreements on payment, employment contracts and severance agreements which may involve substantial expense for the issuer, such as provisions that an employment contract or other long-term agreement may not be terminated, requires unusually lengthy notice of termination or contains provisions for special payments to an executive ceasing employment due to changes in ownership. Extraordinary agreements on retirement benefits or pension contributions are also to be specified, as well as any sort of extraordinary payments to be made in connection with termination of employment or following such.

##### *Explanatory notes*

This involves salaries or other job-related payments which are made upon termination of employment or afterwards and are not included under Point 1.1. An “unusually lengthy notice of termination” is taken to mean notice in excess of twelve months.

#### **1.7. Shareholdings of executives**

The total nominal value of shares issued by the issuer or a company in the consolidation owned by any of the parties referred to in Point 1.1, as well as shares owned by any of the issuer’s other key personnel. Calculations of shareholdings shall include both direct and indirect holdings of an issuer’s shares as well as holdings of related parties.

In addition, the total nominal value of shareholdings of each individual group listed in Point 1.2 shall be provided.

##### *Explanatory notes*

A direct holding means a holding by the executive concerned personally or by a related party. An indirect holding means a shareholding in a company through a legal entity which is under the control of the executive(s) or related parties.

#### **1.8 Declaration concerning corporate governance – “Comply or explain”**

A company’s Board of Directors must declare in its annual financial statements and/or annual report whether the company has complied with the Guidelines on Corporate Governance. If the company has not complied with the Guidelines in all respects, it must account for any deviations, specify during what period the deviation from each provision occurred and explain its reasons for so doing.

##### *Explanatory notes*

The Guidelines on Corporate Governance are available on the ICEX website, [www.icex.is](http://www.icex.is). The guidelines in question were issued in 2004, as the outcome of a co-operative effort by ICEX, the Icelandic Chamber of Commerce and the Confederation of Icelandic Employers. The Guidelines were revised in 2005.

ICEX recommends that the issuer state in the report from the Board of Directors whether or not the company complies with the Guidelines. It is desirable that companies discuss the details of their corporate governance in their annual report, if one is published.

#### **1.9 Entry into force**

These Rules shall apply as of 1 January 2006.

##### *Explanatory notes*



These Rules are intended to supplement provisions of Regulationa on listing of securities on a stock exchange, and to supplement the provisions of Act No. 144/1994 on Annual Accounts. Due to their nature, they apply exclusively to issuers of shares listed on ICEX and the ICEX Alternative Market. No previous provisions are replaced, as there are no specific ICEX rules on information disclosure concerning executive remuneration; instead the Rules refer to provisions of the above-mentioned Regulations, provisions of the Annual Accounts Act and good accounting practice.