

RULES FOR ISSUERS OF FINANCIAL INSTRUMENTS

NASDAQ OMX ICELAND HF.
EFFECTIVE AS OF 17 December 2013

INTRODUCTION	4
SHARES	5
1. ADMISSION TO TRADING	5
1.1. REQUIREMENTS FOR ADMISSION OF SHARES TO TRADING	5
GENERAL REQUIREMENTS FOR ADMISSION OF SHARES TO TRADING	5
1.2. PROCEDURE FOR ADMISSION OF SHARES TO TRADING	15
1.3. PROSPECTUS	17
DISCLOSURE REQUIREMENTS FOR SHARES ISSUERS	18
2. GENERAL DISCLOSURE REQUIREMENTS	18
2.1. GENERAL PROVISION	18
2.2. CORRECT AND RELEVANT INFORMATION	21
2.3. TIMING OF INFORMATION	21
2.4. INFORMATION LEAKS	22
2.5. METHODOLOGY	22
2.6. WEBSITE	23
REGULAR DISCLOSURE REQUIREMENTS	23
2.7. FINANCIAL INFORMATION	23
2.8. TIME OF PUBLICATION OF FINANCIAL INFORMATION	24
2.9. ANNOUNCEMENTS PUBLISHED WITH FINANCIAL STATEMENTS	24
2.10. AUDITOR'S REPORT	25
2.11. COMPANY CALENDAR	25
OTHER DISCLOSURE REQUIREMENTS	26
2.12. FORECASTS AND FORWARD-LOOKING STATEMENTS	26
2.13. GENERAL MEETINGS OF SHAREHOLDERS	27
2.14. ISSUES OF SECURITIES	28
2.15. CHANGES IN BOARD OF DIRECTORS, MANAGEMENT AND AUDITORS	29
2.16. SHARE-BASED INCENTIVE PROGRAMMES	30
2.17. CLOSELY-RELATED PARTY TRANSACTIONS	30
2.18. BUSINESS ACQUISITIONS AND DIVESTITURES	31
2.19. CHANGE IN IDENTITY	32
2.20. DECISIONS REGARDING ADMISSION TO TRADING	33
2.21. INFORMATION REQUIRED BY ANOTHER TRADING VENUE	34
INFORMATION TO THE EXCHANGE ONLY	34
2.22. PUBLIC TENDER OFFERS	34
2.23. ADVANCE INFORMATION	34
DISCLOSURE REQUIREMENTS REGARDING EXECUTIVE REMUNERATION AND CORPORATE GOVERNANCE	35
2.24. REMUNERATION TO SENIOR EXECUTIVES	35
2.25. REMUNERATION TO OTHER EXECUTIVES	35
2.26. DECLARATION CONCERNING CORPORATE GOVERNANCE – "COMPLY OR EXPLAIN"	36
BONDS	36
3. ADMISSION OF BONDS TO TRADING	36

3.1.	REQUIREMENTS FOR ADMISSION OF BONDS TO TRADING.....	36
3.2.	PROCEDURE FOR ADMISSION OF BONDS TO TRADING	37
3.3.	PROSPECTUS	39
4.	DISCLOSURE REQUIREMENTS OF BOND ISSUERS	40
4.1.	GENERAL PROVISIONS ON DISCLOSURE REQUIREMENTS.....	40
4.2.	ON-GOING DISCLOSURE REQUIREMENTS.....	41
4.3.	RESULTS	42
	UNITS IN COLLECTIVE INVESTMENT SCHEMES.....	43
5.	ADMISSION OF UNITS TO TRADING	43
5.1.	REQUIREMENTS FOR ADMISSION OF UNITS TO TRADING	43
5.2.	PROCEDURE FOR ADMITTING UNITS TO TRADING	43
5.3.	PROSPECTUS	45
6.	DISCLOSURE REQUIREMENTS FOR ISSUERS OF UNITS	46
6.1.	GENERAL PROVISIONS ON DISCLOSURE REQUIREMENTS.....	46
6.2.	ON-GOING DISCLOSURE REQUIREMENTS.....	47
6.3.	REGULAR DISCLOSURE REQUIREMENTS	48
7.	OTHER FINANCIAL INSTRUMENTS	50
7.1.	GENERAL.....	50
	COMMON PROVISIONS.....	51
8.	GENERAL RULES FOR ISSUERS OF FINANCIAL INSTRUMENTS	51
8.1.	FEES	51
8.2.	OBSERVATION STATUS	51
8.3.	INFRINGEMENT OF RULES	51
8.4.	DECISION TO IMPOSE SANCTIONS.....	52
8.5.	AN ISSUER DOES NOT FULFIL REQUIREMENTS FOR ADMISSION OF FINANCIAL INSTRUMENTS TO TRADING	52
8.6.	REMOVAL OF FINANCIAL INSTRUMENTS FROM TRADING	52

INTRODUCTION

These Rules (“the Rules” or “the Rules of the Exchange”) apply to issuers of financial instruments (“issuers”) admitted to trading on the regulated market of NASDAQ OMX Iceland hf. (“the Exchange” or “NASDAQ OMX Iceland”). By signing an agreement with the Exchange on the admission to trading of financial instruments, the issuer undertakes to comply with the relevant provisions of the Rules. Certain defined provisions of the Rules also apply to issuers that have applied for admission of financial instruments to trading.

The Rules are issued by the Exchange in accordance with Act No. 110/2007 on Stock Exchanges. Under paragraph 1 of Article 22 of the Act, a stock exchange must establish clear and transparent rules on the admission of financial instruments to trading on a regulated market. The rules shall ensure that any financial instruments admitted to trading on the market are capable of being traded in a fair, orderly and efficient manner and, in the case of securities, are freely negotiable.

The Rules, which are adopted to supplement and reiterate the provisions of law and regulations, stipulate among other things requirements for the admission of financial instruments to trading and the disclosure requirements of issuers of shares, bonds and units in collective investment schemes. Individual types of financial instruments are dealt with in a comparable manner, i.e. requirements for admission of financial instruments to trading and disclosure requirements are specified.

Rules on requirements for admission of shares to trading are largely harmonized between NASDAQ OMX Helsinki, NASDAQ OMX Stockholm, NASDAQ OMX Copenhagen and NASDAQ OMX Iceland.

The Rules are divided into chapters dealing with different types of financial instruments, i.e. shares, bonds and units in collective investment schemes. An additional chapter deals with admission of other financial instruments to trading. The concluding section applies to issuers of all financial instruments admitted to trading and includes common provisions on fees, the observation status, penalties for violations of the Rules, removal of financial instruments from trading and entry into force.

A number of explanatory notes are included in the Rules, in italicized text with a grey background, which are intended to provide a detailed explanation and interpretation of the Rules. This should not be regarded as a binding or exhaustive treatment of the subject.

The Rules can be obtained on the Exchange’s website:

<http://www.nasdaqomx.com>

SHARES**1. ADMISSION TO TRADING****1.1. Requirements for admission of shares to trading**

1.1.1. The process, the requirements and some other issues pertaining to admission of shares to trading are set out below. For the purposes of this Chapter, the term Requirements for admission to trading (“the Requirements”) shall mean the requirements set out in Section 1.1.4 to 1.1.21.

1.1.2. Requirements for admission of shares to trading are largely harmonized between NASDAQ OMX Helsinki, NASDAQ OMX Stockholm, NASDAQ OMX Copenhagen and NASDAQ OMX Iceland .

Companies whose shares are admitted to trading on NASDAQ OMX Iceland will be presented on the Nordic List together with companies whose shares are admitted to trading on NASDAQ OMX Helsinki, NASDAQ OMX Stockholm and NASDAQ OMX Copenhagen . The Nordic List is divided into three segments based on the market cap of the company concerned (Large Cap, Mid Cap and Small Cap). In addition, all companies are presented according to a company classification standard. Information about, inter alia, the exchange at which the relevant shares are admitted to trading is also presented in the Nordic List.

Requirements for admission of shares to trading are largely harmonized between NASDAQ OMX Helsinki, NASDAQ OMX Stockholm, NASDAQ OMX Copenhagen and NASDAQ OMX Iceland. However, because of special requirements regarding, inter alia, national legislation or other differences in the regulatory framework in a specific jurisdiction, some minor differences may in certain cases exist.

1.1.3. The Requirements shall apply at the time when the shares of the company are admitted to trading, as well as continuously after the admission to trading. Notwithstanding this general presumption, the following parts of the Requirements shall only apply at the time of admission to trading:

- Annual financial statements and operating history (1.1.8– 1.1.10)
- Profitability and working capital (1.1.11– 1.1.12)
- Market Value of Shares (1.1.17)

GENERAL REQUIREMENTS FOR ADMISSION OF SHARES TO TRADING**1.1.4. *Incorporation***

The company must be duly incorporated or otherwise validly established according to the relevant laws of its place of incorporation or establishment.

1.1.5. *Validity*

The shares of the issuer must:

- i. conform with the laws of the company’s place of incorporation, and
- ii. have the necessary statutory or other consents.

1.1.6. Negotiability

The shares must be freely negotiable.

Free negotiability of the shares is a general prerequisite for admission to trading on the Exchange. When the company's Articles of Association include limitations on the transferability of the shares, such limitations may be typically considered to restrict free transferability in the meaning of this Section, and other arrangements with a similar effect may lead to a similar interpretation.

1.1.7. Entire class must be admitted to trading

The application for admission of shares to trading must cover all issued shares of the same class.

The application for admission of shares to trading must cover all shares of the same class that have been issued and that are issued in an IPO preceding the first day of trading.

Subsequent issues of new shares and admission to trading of such new shares shall be in accordance with the practices applied by the Exchange and requirements in the legislation.

Annual financial statements and operating history

1.1.8. A company that applies for the admission of its shares to trading must be able to submit audited annual financial statements, or the consolidated financial statements of the company and its subsidiaries, if applicable, for at least three years in accordance with the laws governing the company's annual financial statements in its home country.

1.1.9. In addition, the different activities and lines of business of the company and group must have a satisfactory operating history.

1.1.10. The Exchange may grant an exemption from a Requirement regarding annual financial statements and operating history if the Exchange considers this desirable in the interests of the company and deems that investors have the information necessary to assess the company and its shares as an investment.

The general rule is that the company shall have complete annual financial statements for at least three years. When the operating history of the company is evaluated, a company that has conducted its current business, in essential respects, for three years and is able to present annual financial statements for these years is normally deemed to fulfill the Requirement. Evaluation of annual financial statements and operating history shall cover the company including its subsidiaries. The basis for the assessment shall be the situation for the company as it develops over time. Since a company may acquire or divest one or more subsidiaries, this, of course, must be reflected in the annual financial statements. The company must be able to demonstrate its operations in order for the Exchange and the investors to assess the development of the business.

Pro forma accounts (or other financial information that is presented for comparative purposes to explain changes to official annual financial statements or a lack thereof) are presented as required in the prospectus, and typically such accounts are presented for one fiscal year. However, the Exchange may require additional comparable information for evaluating fulfillment of Section 1.1.9. Material changes in the company's line(s) of business or field of operation prior to admission to trading, or for

example a reverse takeover, may lead to the Requirement stipulated in Section 1.1.9 not being fulfilled, or require extensive additional information about the business of the company before making an informed judgment of the company.

In order for an exemption to be granted from the Requirement to have annual financial statements for three years, there should be sufficient information for the Exchange and the investors to form an informed judgment of the company and its shares as an investment. This information may be evidence of an otherwise stable and high-quality environment, as may be the case, for example, in the event of spin-offs from companies whose shares are traded on a regulated market or where a company has been formed through an acquisition or merger between two or more companies whose shares would be suitable for trading on a regulated market, or other corresponding cases. For evaluating companies with less than three years of operational history, even more attention will be paid to the information presented about the business and operation of the company.

Profitability and working capital

1.1.11. The company shall demonstrate that it possesses documented earnings capacity on a business group level.

1.1.12. Alternatively, a company that has not demonstrated that it possesses documented earnings capacity shall demonstrate that it has sufficient working capital available for its planned business for at least twelve months after the first day of trading.

As a principle, this Section means that the company shall be able to document that its business is profitable. Accordingly, the company's financial statements shall show that the company has generated profits or has the capacity to generate profits of a reasonable size in comparison with the industry in general. The general rule is that a profit must have been reported during the most recent fiscal year. For companies that lack financial history, stringent requirements are imposed regarding the quality and scope of the non-financial information set forth in the prospectus and the application for admission of shares to trading in order for investors and the Exchange to be able to make an assessment of the company and its business. At the very least, it should be made clear when the company expects to be profitable and how the company intends to finance its operations until such time.

When demonstrating to the Exchange and investors the existence of sufficient working capital for the next twelve months, various means may be used, including cash-flow estimates, planned and available measures for funding, descriptions of the planned business and investments, and well-founded assessments of the future prospects of the company. It is important that the basis for the company's well-reasoned assessment be made clear. Despite such financing, the Requirement is not considered to be fulfilled in a case where, for some other reason, the company's financial status is extraordinary or threatened, as may be the case, for example, if a company restructuring or a similar voluntary process has taken place.

Liquidity

- 1.1.13. Conditions for sufficient demand and supply shall exist in order to facilitate a reliable price formation process.
- 1.1.14. A sufficient number of shares shall be distributed to the public. In addition, the company shall have a sufficient number of shareholders.
- 1.1.15. For the purposes of Section 1.1.14, a sufficient number of shares shall be considered as being distributed to the public when 25 percent of the shares within the same class are in public hands.
- 1.1.16. The Exchange may accept a distribution percentage lower than 25 percent if it is satisfied that trading in the shares can take place in a normal manner given the number of shareholders and the distribution of the shares.

A prerequisite for stock exchange trading is that there is sufficient demand and supply for the securities. Such sufficient demand and supply must support reliable price formation in trading. There are various components in the evaluation of these Requirements prior to an initial admission of shares to trading. Factors that may be considered in the evaluation may include previous trading history.

As a general Requirement, there shall be a sufficient number of shares in public hands, and there shall be a sufficient number of shareholders. The number of shareholders may be considered as one way to estimate sufficient demand and supply. In this context, a small number of shares or shareholders may lead to deterioration in reliable price formation. Under normal circumstances, companies having at least 500 shareholders holding shares with a value of around EUR 1000 each will be considered to fulfill the Requirement regarding the number of shareholders.

In this context, the term “public hands” refers to investors who are not insiders, parties financially connected to insiders, a parent company or subsidiary or shareholders with holdings of 10% or more.

Also the holdings of members of the board and the executive management of the company, as well as any closely affiliated legal entities such as pension funds operated by the company itself, are not considered to be publicly owned.

Calculations of shares that are not publicly owned include shareholders who have pledged not to divest their shares during a protracted period of time (so-called lock-up).

There may be situations in which more than 25 percent of the shares are in public hands at the time of the admission to trading, but where the distribution falls under such percentage thereafter. It should be noted that the 25 percent rule is a proxy supporting the main principle that there should be a sufficient share distribution. Consequently, once the shares are admitted to trading, the Exchange will regularly assess whether share distribution and liquidity are sufficient from an overall viewpoint, and the 25 percent rule will thus become only one of many components in such an assessment. This also means that a company that is not complying with the 25 percent rule will not automatically be considered to violate the rule.

In the event that the conditions regarding liquidity materially deviate from the Requirements, the company will be encouraged to remedy the situation. It may be suggested that the company commissions the services of a liquidity provider. If trading

in the company's shares remains sporadic, the Exchange may consider giving the shares observation status. Such a decision by the Exchange is preceded by a discussion with the company.

If the company considers applying for admission of a second class of shares to trading, the Exchange's assessment will be based on whether there will be sufficient liquidity in the shares in such a class. In practice, this means that the Exchange will make an overall assessment of expected trading interest.

There may be situations where share distribution is not sufficient at the time when the shares are admitted to trading but full assurance has been provided that such distribution will be achieved shortly thereafter. In such cases, the Exchange may see fit, based on its assessment of the situation, to accept the application for admission to trading with reference to Section 1.1.22.

1.1.17. **Market Value of Shares**

The expected aggregate market value of the shares admitted to trading on the Exchange shall be a minimum of an amount equivalent to EUR 1 million at the currently published official rate of exchange.

The expected aggregate market value of the shares is typically evaluated based on the offering price in the Initial Public Offering, but other means of evaluation can be used as well. This Requirement applies only prior to an initial admission of shares to trading on the Exchange.

1.1.18. **Suitability**

The Exchange may also, in cases where all Requirements are fulfilled, refuse an application for admission of shares to trading if it considers that the admission would be detrimental for the securities market or investor interests.

In exceptional cases, a company applying for admission of shares to trading may be deemed to be unsuitable for admission, despite the fact that the company fulfils all of the Requirements. This may be the case where, for example, it is believed that the admission of the company's shares to trading might damage confidence in the securities market in general. If a company, despite fulfilling all continuous Requirements for admission of shares to trading, is considered to damage confidence in the securities market in general because of its operations or organization, the Exchange may decide to give the shares observation status or to remove them from trading.

In order to maintain and preserve the public's confidence in the market, it is imperative that individuals discharging managerial responsibilities in the company, including members of the board, do not have a history that may jeopardize the reputation of the company and thus confidence in the securities market. It is important that the history of such individuals be sufficiently disclosed prior to admission of the shares to trading as part of the information set out in the prospectus. For example, the company should carefully consider whether information relating to the criminal record of such persons should be disclosed or not, and the same goes for information pertaining to involvement in bankruptcies and suchlike. In extreme circumstances, if a relevant person has a history of felonies, in particular white-collar crimes, has been involved in a number of bankruptcies in the past or had managerial responsibility in a company

that has committed serious or repeated violations of the Rules of the Exchange such circumstances may disqualify the company's shares from being admitted to trading, unless such an individual is relieved from his/her position in the company.

The management and the board of directors

1.1.19. The board of directors of the company shall be composed so that it sufficiently reflects the competence and experience required to govern a company whose shares have been admitted to trading on a regulated market and to comply with the obligations of such a company.

1.1.20. The management of the company shall have sufficient competence and experience to manage a company whose shares have been admitted to trading on a regulated market and to comply with the obligations of such a company.

A prerequisite for being a company whose shares are admitted to trading on a regulated market is that the members of the board and persons with managerial responsibilities in the company have a sufficient degree of experience and knowledge in respect of the special obligations for such companies. It is equally important that such persons also understand the demands and expectations placed on companies whose shares have been admitted to trading. It is neither mandated nor warranted that all members of the board possess such experience and competence, but the board needs to be sufficiently qualified based on an overall assessment. As regards the management, at least the CEO and CFO must be sufficiently qualified in this respect.

When assessing the merits of relevant persons in the company or its board, the Exchange will take into consideration any previous experience gained from a position in a company whose shares have been admitted to trading on the Exchange, another regulated market or a marketplace with equivalent legal status. Other relevant experience shall qualify as well.

It is also important that the members of the board and the company's management know the company and its business, and are familiar with the way the company has structured, for example, its internal reporting lines, the management pertaining to financial information, its investor relation management and its procedures for disclosing ad hoc and regular information to the stock market. The Exchange will normally consider the members of the board and the management as being sufficiently familiar with such circumstances if they have been active in their respective current positions in the company for a period of at least three months and if they have participated in the production of at least one annual or interim financial statements issued by the company prior to the admission of the shares to trading.

It is also important that all members of the board and persons in the management have a general understanding of stock market rules, in particular such rules that are directly attributable to the company and the admission of shares to trading. Such understanding may be acquired by participating in one of the regular seminars that are offered by the Exchange. Individuals that are sufficiently qualified shall demonstrate this to the Exchange, for example by providing a CV, a certification by an acceptable third party or other means that may satisfy the Exchange.

The Exchange requires the CEO to be employed by the company. This Requirement may be waived for a shorter period, if duly justified.

1.1.21. **Capacity for providing information to the market**

Well in advance of the admission of shares to trading, the company must establish and maintain adequate procedures, controls and systems, including systems and procedures for financial reporting, to enable compliance with its obligation to provide the market with timely, reliable, accurate and up-to-date information as required by the Exchange.

The company shall have an organization that ensures timely dissemination of information to the stock market. The organization and the routines should be in place prior to the admission of shares to trading, meaning that the company should have prepared at least one interim financial statement for publication in accordance with the Rules of the Exchange, although this information need not have been disseminated to the market. The Exchange encourages applicants to go even further, in the sense that it is recommended that the organization for dissemination of information to the stock market will have been in operation for at least two quarters and involved in the production of at least two interim financial statements or an annual financial statement and one interim financial statement prior to the admission to trading.

The financial system shall be structured in such a manner that management and the board of directors receive the necessary information for decision-making. This should facilitate speedy and frequent reporting to management and the board of directors, commonly in the form of monthly reports. The financial system must allow for the speedy production of reliable interim financial information and annual financial information. The company shall also have the human resources required to analyze the material so that, for example, profit trends in the external reporting can be commented upon in a manner relevant to the stock market. It may be acceptable that retained external personnel handle parts of the financial function, provided that there is a long-term contractual relationship and reasonable continuity of personnel. However, the responsibility for the fulfillment of the financial functions always rests with the company and having essential aspects of financial expertise based on external personnel is not acceptable.

In order to avoid a situation in which the president becomes overly burdened, there shall be at least one additional person who can communicate externally on behalf of the company. Consultants may function as a support in the distribution of information, especially with respect to the drafting of stock market information. However, basing material parts of the information expertise on consultants or hired external personnel is not acceptable.

To ensure that the company provides the market with timely, reliable, accurate and up-to-date information, the exchange encourages the company to adopt an information policy. A company's information policy is a document that helps the company to continuously provide high-quality internal and external information. It should be formulated in such a manner that compliance with it is not dependent on a single person, and it should also be designed to fit the circumstances pertaining to the specific company. The information provided to the stock market shall be correct, relevant, and reliable and shall be provided in accordance with the Rules of the Exchange. A company's information policy normally deals with a number of areas, such as who is to act as the company's spokesperson, which type of information is to be made public, how and when publication shall take place and the handling of information in crises. With respect to a company whose shares have been admitted to trading, it is also of particular importance that the information policy contains a section dealing with the stock market's disclosure requirements. The internal rules to be laid down by the companies will contribute to this.

1.1.22. **Waivers**

The Exchange may approve an application for admission of shares to trading, even if the company does not fulfill all the Requirements for admission of shares to trading, if it is satisfied:

- i. that the objectives behind the relevant Requirements or any statutory requirements are not compromised, or
- ii. that the objectives behind certain Requirements can be achieved by other means.

The objectives behind the Requirements are to facilitate sufficient liquidity and to promote confidence in the company, the Exchange and the stock market at large. These objectives are normally deemed to have been met if all the Requirements are satisfied. However, each particular case has to be assessed on its own merits. Where the circumstances considered together give a sufficient assurance that the situation of the company and its shares is in compliance with the said objectives, the Exchange may approve an application for admission of shares to trading even if all the Requirements have not been fulfilled. For example, it may be that the share distribution is less than 25 percent, but the number of shares distributed to the public and the number of shareholders is sufficient to provide orderly trading and sufficient liquidity. In such circumstances, the Requirements need to provide a sufficient degree of flexibility, in order not to hinder admission to trading if such trading would be in the best interest of the company and the investors.

Waivers may only be relevant at the time of admission of shares to trading. Consequently, a company whose shares have been admitted to trading does not need to seek a waiver if the situation changes so that one or more of the Requirements are no longer fulfilled. In such circumstances, the Exchange normally initiates a discussion with the company in order to find a solution, if needed. In situations where there are substantial deviations from the Requirements, the issue of removing the shares from trading may be brought up as one ultimate alternative.

Secondary Listings

- 1.1.23. Companies incorporated in Iceland shall be considered as having their primary listing on the Exchange. However, if the company can demonstrate that the majority of the trading interest in its securities relates to a foreign exchange, the Exchange may accept such foreign exchange to be the place of the primary listing.
- 1.1.24. Companies incorporated in a country other than Iceland may be considered as having their primary listing in the country where they are incorporated, if such companies are admitted to trading on an exchange in the particular country and the majority of the trading interest in the shares can be referred to such an exchange. In the absence of admission to trading on an exchange in the country of incorporation, a foreign company may be deemed to have a primary listing on such an established and recognized foreign exchange to which it is considered to have the closest connection, taking into account the trading interest in the shares at such an exchange, compared with any other relevant exchange.
- 1.1.25. Subject to approval by the Exchange according to Section 1.1.23 or 1.1.24, a company with a primary listing on a foreign exchange may apply for secondary listing, and the Exchange may under such circumstances waive one or more of the Requirements for admission of shares to trading set out under Section 1.1.4–1.1.22.
- 1.1.26. When seeking a secondary listing on the Exchange, the company must satisfy the Exchange that there will be sufficient liquidity in order to facilitate orderly trading and an efficient price formation process.

The Exchange will normally recognize the requirements for admission to trading of another well recognized exchange or equivalent regulated market, if the company's shares were originally admitted to trading on such an exchange. A company that considers that its shares were originally admitted to trading on such an exchange needs to make a request to the Exchange to support such a view. The circumstances under which the Exchange may accept the listing to be of a secondary nature are set out in the above Sections.

However, also in case of secondary listings, it is imperative that the liquidity is sufficient to provide for orderly trading and an efficient price formation process. The Exchange will consider the forecast of sufficient liquidity based on an overall assessment of the share distribution of the company, not only on the domestic market but also in a Nordic, European or even global perspective. In its assessment, the Exchange will consider factors such as (i) the share distribution in the national market, and (ii) the efficiency of relevant cross-border clearing and settlement facilities. If deemed appropriate under the circumstances, the Exchange may require that the company use a designated liquidity provider in order to safeguard a sufficient liquidity.

The Exchange may at any time decide that shares shall be deemed to have been primary listed on the Exchange in case of changed circumstances. For example, the Exchange may initiate such a change if it becomes evident that the prerequisites for secondary listing set out in the Sections above are no longer fulfilled.

1.1.27. **Observation Status**

The Exchange may decide to give the company's shares or other securities observation status if:

- i. the company fails to satisfy the Requirements for admission of shares to trading and the failure is deemed to be significant,
- ii. a serious breach of other exchange rules pertaining to companies whose shares have been admitted to trading, is at hand,
- iii. the company has applied for removal of shares from trading,
- iv. a takeover bid for the company has been made public or a bidder has disclosed its intention to make such a bid in respect of the company,
- v. the company has been subject to a reverse take-over or otherwise plans to make or has been subject to an extensive change in its business or organization so that the company upon an overall assessment appears to be an entirely new company,
- vi. there is a material adverse uncertainty in respect of the company's financial position, or
- vii. any other circumstance exists that result in substantial uncertainty regarding the company or the pricing of the securities.

As a signal to the stock market, a company's shares or other securities may temporarily be given observation status. The objective behind the observation status is to raise market awareness of special circumstances relating to the company or its shares to which the investors should pay attention. Reasons for giving the security observation status may vary significantly in various situations, as can be seen from the various different reasons for observation. The observation status should last for a limited period of time,, normally not more than six months.

Removal of shares from trading

- 1.1.28. A company may request that its shares be removed from trading.

A company's request to the Exchange for removal of its shares from trading must be accompanied by written reasoning. Generally, the Exchange requires four weeks' notice to remove the shares from trading but if there is extensive trading and a large number of shareholders, the Exchange may decide to postpone the removal of the shares from trading. The Exchange decides the date of removal of shares from trading on a case-by-case basis.

- 1.1.29. The Exchange may decide not to remove the shares from trading despite a company's request pursuant to Section 1.1.28 if such an action would be likely to cause significant damage to investors' interests or have a negative impact on the integrity of the market.

- 1.1.30. The Exchange may decide to compulsorily remove the shares of the company from trading in circumstances where:

- 1) an application for bankruptcy, winding-up or equivalent motion has been filed by the company or a third party to a court or other public authority,
- 2) the company does not meet the Requirements for admission of shares to trading, assuming that:
 - i. the company has not remedied the situation within a time decided by the Exchange, although under normal circumstances not longer than six months,
 - ii. there are no other available means to remedy the situation and restore the situation, and
 - iii. the non-fulfillment is deemed to be significant.
- 3) the Exchange considers that continued trading in the shares is detrimental for the securities market or investors' interests, or

- 4) the company has failed to pay any fee in accordance with the Exchange's fee schedule when due.

1.1.31. Decisions to remove shares from trading with reference to Section 1.1.30 are made by the Exchange.

1.2. Procedure for admission of shares to trading

1.2.1. *Preparatory meeting*

Before an initial application is made for admission of an issuer's shares to trading, the issuer and listing co-ordinator shall request a meeting with the Exchange concerning the proposed application.

1.2.2. *Application for admission of shares to trading*

An application for admission of shares to trading shall provide a brief description of the company and its activities and the purpose of having the shares admitted to trading. Information must also be provided on the following aspects:

1. share capital and its distribution, including the number of shareholders;
2. information on any share offer proposed concurrent to the admission of shares to trading, the number of shares to be offered for sale and principal conditions of the offer;
3. the co-ordinator for the admission of shares to trading and the co-ordinator of the share offer, if applicable;
4. a designated contact person in the company for the Exchange;

The application must be signed by the company's Board of Directors or its duly empowered representative and the co-ordinator serving as intermediary with the Exchange.

Forms for admission of shares to trading are available on the Exchange's website, <http://www.nasdaqomx.com>.

1.2.3. *Documentation accompanying the application*

An application must be accompanied by the following documentation:

1. a draft prospectus;
2. a completed list of cross-references;
3. the audited financial statements of the company for the last three years, unless an exemption has been granted, signed by a certified public accountant, as well as the interim financial statements for the current year, if applicable;
4. official confirmation of the company's registered share capital;
5. a list of the shareholdings of the 20 largest shareholders and parties financially connected with them such as spouses, cohabiting partners, children who are not financially competent, and legal entities which they control;
6. the current Articles of Association for the company;
7. a list of insiders in accordance with the provisions of the Act on Securities Transactions. Rules on treatment of insider information and insider trading if an issuer has adopted such rules;
8. a time plan for admission of shares to trading which has been prepared in consultation with the Exchange.

The Exchange is also authorised to request submission of additional documents which it feels may have a bearing on the admission of shares to trading.

A list of cross-references and forms for admission of shares to trading are available on the Exchange's website, www.nasdaqomx.com.

1.2.4. ***General conditions***

The following requirements must be fulfilled in advance of any admission of shares to trading:

1. the company must have signed an agreement with the Exchange on the admission of shares to trading on the exchange;
2. an endorsed prospectus;
3. the financial statements (consolidated financial statements if applicable) must be accessible to the public and shall be made available by the company without charge;
4. the Articles of Association must be accessible to the public and shall be made available by the company without charge;
5. share capital must be paid up in full;
6. the company's executives must have attended the Exchange's course on disclosure requirements;
7. an issuer must appoint a contact person to liaise with the Exchange. The Exchange must be notified immediately if the contact person ceases employment and of his/her replacement.

It is important that the contact person be well acquainted with all aspects of the issuer's activities, as well as current laws and regulations which apply to the market. The Exchange must be ensured access to the contact person and an alternate contact person should be appointed.

1.3. Prospectus

1.3.1. *Information in the prospectus*

A prospectus must contain such information as is necessary, having regard to the nature of the issuer and of the financial instruments, 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 financial instruments. The information must be presented clearly and comprehensively.

A summary of the information which must be included is provided in Act No. 108/2007, on Securities Transactions, and Regulations issued pursuant to the Act.

1.3.2. *Other prospectuses*

The Exchange will accept prospectuses and annexes approved by other competent authorities in the European Economic Area.

The Exchange may accept prospectuses approved by competent authorities outside the European Economic Area.

DISCLOSURE REQUIREMENTS FOR SHARES ISSUERS**2. GENERAL DISCLOSURE REQUIREMENTS****2.1. General provision**

The company shall, as soon as possible, disclose information about decisions or other facts and circumstances that are “price-sensitive”. For the purpose of these Rules, “price-sensitive” information means information which is reasonably expected to affect the price of the company’s securities, in accordance with the applicable national legislation.

This General provision addresses situations which require disclosure of information and which are not covered by other sections of this rulebook. The applicable national legislation is, in Sweden: Lag om Värdepappersmarknaden; in Finland: Arvopaperimarkkinalaki; in Denmark: Lov om Værdipapirhandel; in Iceland: Lög um verðbréfavíðskipti. The wording of General provision shall not be considered as a requirement that extends or is intended to extend the purpose of local legislation.

A company whose shares have been admitted to trading shall ensure that all market participants have simultaneous access to any price-sensitive information about the company. The company is also required to ensure that the information is treated confidentially and that no unauthorised party is given such information prior disclosure. As a consequence of the foregoing, price-sensitive information may not be disclosed to analysts, journalists, or any other parties, either individually or in groups, unless such information is simultaneously made public to the market. The abovementioned does not prevent the disclosure of information to other persons in the course of the ordinary execution of their work, profession or tasks.

The General provision also stipulates that all price-sensitive information concerning the company must be disclosed as soon as possible (see also Section 2.3, “Timing of information”). Disclosure must be made according to national legislation and the requirements set forth in Section 2.5, “Methodology”.

The determination of what constitutes price-sensitive information must be based on the facts and circumstances in each case and, where doubts persist, the company may contact the Exchange for advice. The Exchange’s employees are subject to a duty of confidentiality. However, the company is always ultimately responsible for fulfilling its duty of disclosure.

In evaluating whether a price-sensitive effect is reasonably expected to occur, the factors to be considered may include:

- *the expected extent or importance of the decision, fact or circumstance compared to the company’s activities as whole;*
- *the relevance of the information as regards the main determinants of the price of the company’s securities; and*
- *all other market variables that may affect the price of the securities.*

When the company has received the information from an external party, also the reliability of the source can be taken into consideration.

An additional basis for evaluation is whether similar information in the past had a price-sensitive effect or if the company itself has previously treated similar circumstances as price-sensitive. Of course this does not prevent companies from making changes to their disclosure policies, but inconsistent treatment of similar information should be avoided.

As previously mentioned, a company must disclose information when it is “reasonably expected” that the price of the securities will be affected. It is not required that actual changes in the price of the securities occur. The effect on the price of the securities may vary and should be determined on a company by company basis, taking into account, among other things, the share price trend, the relevant industry in question, and the actual market circumstances. Accordingly, an obligation to provide information pursuant to this provision may, for example, exist in the following situations:

- *orders or investment decisions;*
- *co-operation agreements or other agreements of major importance;*
- *price or exchange rate changes;*
- *credit or customer losses;*
- *new joint ventures;*
- *research results;*
- *commencement or settlement of, or decisions rendered in, legal disputes;*
- *financial difficulties;*
- *decisions taken by authorities;*
- *shareholder agreements known to the company which pertain to the use of voting rights or transferability of the shares;*
- *market rumours;*
- *market making agreements; and*
- *information regarding subsidiaries and affiliated companies.*

Some of the examples are described in greater detail below.

Orders or investment decisions; co-operation agreements

If a company discloses a major order, it could be essential to provide information about the value of the order, including the product or other content of the order and time period to which the order relates. Orders relating to new products, new areas of use, new customers or customer types, and new markets may be considered as price-sensitive under certain circumstances. In the context of co-operation agreements, it may be difficult to determine the financial effects and, therefore, it is very important to provide the securities market with a clear description of the reasons, purpose, and plans.

Financial difficulties

If a company encounters financial difficulties, such as a liquidity crisis or suspension of payments, and simultaneously loses control of its situation as significant decisions are taken by other parties, e.g. lenders or major shareholders, such a factor is reasonably expected to be price-sensitive.

The foregoing does not absolve the company of its responsibilities relating to information disclosure and, therefore, the company remains liable for the disclosure of the information. This is achieved by the company staying continuously informed of developments through contacts with representatives from lenders, major shareholders, etc. On the basis of information then received, appropriate information measures may be taken.

Not infrequently, loan agreements contain different types of limits in relation to equity ratio, turnover, credit ratings or suchlike (“covenants”) and if these limits are exceeded, the lender may demand renegotiation of the loan. Exceeding such limits may be a factor of a price-sensitive nature and thus must be disclosed.

Decisions taken by authorities

Even though it may be difficult for the company to control processes where decisions are made by authorities or courts of law, it is still the company’s responsibility to provide information regarding such decision(s) to the securities market as soon as possible. The information must be sufficiently comprehensive and relevant from the market’s viewpoint to enable an assessment of the effect on the company and its operations, result or financial position and thus the extent of the information needed may vary.

If it is impossible for the company to provide an opinion on the consequences of the decisions made by authorities or courts of law, the company may initially make an announcement regarding the decision. As soon as the company has made an assessment of the consequence of the decision, if any, the company should make a new announcement regarding these consequences.

Information regarding subsidiaries and affiliated companies

Decisions, facts and circumstances pertaining to the group or to individual subsidiaries, and in some cases affiliated companies as well, may likewise be price-sensitive. Evaluation is naturally affected by the legal and operational structure of the group and by other circumstances.

A situation may occur in which an affiliated company discloses information independently with regard to its own operations regardless of whether the affiliated company itself has a similar duty of disclosure. In such cases the (parent) company, whose shares have been admitted to trading, is required to evaluate whether that information is also price-sensitive with regard to the company’s securities and, accordingly, disclose such information in accordance with the General provision.

When the subsidiary is a company whose shares have been admitted to trading, circumstances in the subsidiary may be price-sensitive for the parent company whose securities have been admitted to trading and must be disclosed by the parent company. When the information is not significant from the parent company’s perspective and when the investors have sufficient information to assess the announcement from the subsidiary, it is generally unnecessary for the parent company to make a separate disclosure of information already disclosed to the markets by the subsidiary. However, the parent company must disclose the information when special assessment is required from the parent company’s perspective, for example when the consequences to the parent company cannot be easily understood from the announcement made by the subsidiary. In such cases, the information should also follow the requirements of the “Correct and Relevant Information” rule. It is preferable that the group of companies whose shares have been admitted to trading cooperate in making their announcements.

Unexpected and significant deviation in financial result or financial position

In the event that the financial result or position of the company deviates in a significant way from what could reasonably be expected based on financial information previously

disclosed by the company, the company shall disclose information about the change if it is considered price-sensitive.

2.2. Correct and relevant information

Information disclosed by the company shall be correct, relevant and clear, and must not be misleading.

Information regarding decisions, facts and circumstances must be sufficiently comprehensive to enable assessment of the effect of the information disclosed on the company, its financial result and financial position, or the price of its securities.

The information the company discloses must reflect the company's actual situation and may not be misleading or inaccurate in any manner. The requirement regarding relevance dictates that the information must contain facts which provide sufficient guidance to enable evaluation of such information and its effect on the price of the company's securities.

The second part of the provision states that information must be "sufficiently comprehensive to enable assessment of the effect of the information disclosed on the company itself, its financial result and financial position, or the price of its securities" and therefore also information omitted from an announcement may cause the announcement to be inaccurate or misleading. The information in an announcement must however be ready to be disclosed.

In some cases, like mergers and acquisitions, disclosure at various stages of the transactions may be necessary. When the transaction or specific elements of it are not yet finalized, and more information is expected to be disclosed later, the company should refer to such pending matters and in due course give further information about them. However, companies should, in general, avoid disclosing information in stages.

2.3. Timing of information

Disclosure of information covered by these Rules shall be made as soon as possible, unless otherwise specifically stated. If price-sensitive information is given intentionally to a third party, who does not owe a duty of confidentiality, disclosure shall be made simultaneously.

The disclosure of information may be delayed in accordance with applicable national legislation.

Significant changes to previously disclosed information shall be disclosed as soon as possible. Corrections to errors in information disclosed by the company itself need to be disclosed as soon as possible after the error has been noticed, unless the error is insignificant.

The purpose of the requirement is to ensure that all market participants shall have access to the same information at the same time. The requirement to inform the market as soon as possible means that very little time may elapse between the time when a decision is taken or an event occurs, and the disclosure thereof. Normally, the disclosure should not take more time than necessary to compile and disseminate the information, but at the same time it is necessary that the information must be ready to be disclosed, to allow a sufficiently comprehensive disclosure. Even if draft announcements normally are prepared prior to planned decision-making, the rule does not require an announcement e.g. during an ongoing meeting of the board of directors

or other decision-making. The disclosure can then be made after the meeting is finished.

According to these Rules it is not possible to provide price-sensitive information e.g. at general meetings or analyst presentations without disclosure of the information. If the company intends to provide such information during such a meeting or presentation, the company must simultaneously – at the latest - disclose the new price-sensitive information as an announcement in accordance with Section 2.5 (Methodology).

According to national legislation it is under certain circumstances sometimes possible to delay price-sensitive information. In these cases the company must make sure that they comply with all applicable rules in local legislation regarding delayed information.

Whenever the company discloses significant changes to previously disclosed information, the changes should also be disclosed using the same distribution channels as previously. When there are changes to financial information, it is not usually necessary to repeat the complete financial information, but the changes can be disclosed in an announcement with a similar distribution as for the financial information.

2.4. Information leaks

If a company learns that price-sensitive information has leaked prior to such disclosure, the company shall make an announcement regarding the matter. If price-sensitive information is given non-intentionally to a third party, who does not owe a duty of confidentiality, disclosure shall be made promptly.

It may occur that information about the company becomes available publicly without the company itself having disclosed it by an announcement. In such cases the company assesses whether such information may be price-sensitive and whether a disclosure obligation in accordance with the General provision has arisen. The assessment takes into consideration, among other things, accuracy of the information and possible underlying insider information within the company. When such information is largely accurate and in fact price-sensitive information within the company, the company will need to assess whether it has been able to ensure the confidentiality of such information or if price-sensitive information has leaked to the market (see also Section 2.3 regarding Timing of information).

Market rumours or media speculation regarding the company may occur even if information has not leaked from the company. The company is not obliged to monitor market rumours or respond to rumours which are without substance or other inaccurate or misleading information from a third party. In such cases the company may alternatively respond with “no comment”. However, when an untrue rumour has a significant effect on the price of the company’s securities, the company may consider making an announcement in order to provide the market with correct information and to promote orderly price formation. If orderly trading is substantially affected by such rumours, the Exchange will need to consider whether it needs to take action such as suspending trading.

2.5. Methodology

Information to be disclosed under these Rules shall be disclosed in a manner that ensures fast access to such information on a non-discriminatory basis.

Information to be disclosed shall also be submitted to the Exchange for surveillance purposes not later than simultaneously with the disclosure of information, in the manner prescribed by the Exchange.

Announcements shall contain information stating the time and date of disclosure, the company's name, website address, contact person and phone number.

The most important information in an announcement shall be clearly presented at the beginning of the announcement. Each announcement by the company shall have a heading indicating the substance of the announcement.

The purpose of the requirement is to ensure that all market participants shall have access to the same information at the same time. Information for surveillance purposes must be sent electronically in the manner prescribed by the Exchange. For practical assistance regarding the prevailing practice, the company can contact the Exchange.

2.6. Website

The company shall have its own website on which information disclosed by the company on the basis of the disclosure requirements imposed on the company shall, at a minimum, be available for at least three years.

However, financial information shall be available for a minimum of five years from the date of disclosure.

The information shall be made available on the website as soon as possible after the information has been disclosed.

The company is required to have its own website in order to ensure the availability of corporate information to the market.

The requirement applies as of the date of application for admission of shares to trading. The requirement also pertains to annual reports and prospectuses, when possible.

REGULAR DISCLOSURE REQUIREMENTS

2.7. Financial information

A company must prepare all financial information pursuant to accounting legislation and regulations applicable to the company.

A company must disclose audited annual financial statements or, if applicable, consolidated financial statements.

A company must disclose interim financial statements or, if applicable, consolidated financial statements for the first three, six and nine months of the financial year. A company may disclose a management statement, in accordance with law, instead of interim financial statements for the first three and nine months of the financial year.

For the preparation of financial statements, a company must use the International Financial Reporting Standards (IFRS) as approved by the European Union.

2.8. Time of publication of financial information

A company must publish annual financial statements no later than three months after the end of the financial year.

A company may publish unaudited annual financial statements, but no later than two months from the end of the financial year. In such cases, the audited annual financial statements must be published no later than four months after the end of the financial year.

A company must publish interim financial statements no later than two months after the end of each accounting period.

If a company publishes a management statement instead of interim financial statements for the first three and nine months of the financial year, it must do so within the time limits prescribed by law.

If a company publishes unaudited annual financial statements, these shall be sufficiently detailed for the audited annual financial statements not to contain any additional information that could be price-sensitive. Any new price-sensitive information that emerges after the publication of unaudited annual financial statements must be made public as soon as possible in accordance with Section 2.1.

Where information arises during preparation of a financial statement, indicating that the information will deviate significantly from an explicit forecast or reasonable assessment which can be made based on information previously provided by the company, the company must without undue delay publish an announcement on the deviation, cf. Sections 2.1 and 2.12.

2.9. Announcements published with financial statements

A company must publish an announcement together with all its financial statements.

The announcement must start with a summary of all key figures in the financial statements, including earnings per share, as well as information regarding any performance forecast presented.

An announcement accompanying audited annual financial statements or unaudited annual financial statements must specify the date of the annual general meeting and the board of directors' dividend proposal (the dividend amount per share) if such a proposal exists when the announcement is published. If the board of directors does not submit a proposal for a dividend distribution, this must be clearly stated in the announcement.

The “general provision” (2.1) on the disclosure of price-sensitive information shall be used for reference when assessing what information from the financial statements to include in the announcement. Particular care must be taken to ensure that the announcement meets the requirements regarding “correct and relevant information” in Section 2.2. Consistency must be maintained between accounting periods in the presentation of financial information.

If a company presents a forecast or other forward-looking information in annual or interim financial statements, cf. Section 2.12, the information must be disclosed under a separate heading in the company’s announcement.

If the dividend proposal of the board of directors is not available when the financial information is published, the proposal must be disclosed as soon as it becomes available.

2.10. Auditor’s report

The annual financial statements and auditor’s report shall form a single document. If the auditor’s report is non-standard, the company must draw attention to the auditor’s report and its contents at the beginning of its announcement in accordance with Section 2.9.

If a company has published unaudited annual financial statements in accordance with Section 2.8, it must disclose the auditor’s report as soon as possible if it is non-standard, together with the audited annual financial statements.

If no auditor's report has been issued for the interim financial statements, this shall be stated in the interim management report. If an auditor’s report issued for the interim financial statements is non-standard, the company must draw attention to the auditor’s report and its contents at the beginning of its announcement in accordance with Section 2.9.

An auditor’s report is considered non-standard if the auditor has, e.g., added an emphasis-of-matter paragraph or the auditor’s report is qualified, the auditor issues a disclaimer of opinion or an adverse opinion.

2.11. Company calendar

The company must publish a company calendar listing the dates on which the company plans to disclose unaudited annual financial statements, if applicable, audited annual financial statements, interim financial statements and/or management statements, as well as the scheduled date of the annual general meeting.

The company calendar shall be published prior to the start of each financial year.

If any date specified in the calendar changes, the company must publish a notice of the new date as soon as possible, preferably no later than one week before the previously announced date in the case of delayed disclosure or one week before the new date if the intention is to disclose information earlier than specified in the calendar.

The company’s notice shall also specify, if possible, the time of day of the disclosure.

OTHER DISCLOSURE REQUIREMENTS

2.12. Forecasts and forward-looking statements

When the company discloses a forecast, it shall provide information regarding the assumptions or conditions underlying the forecast provided. To the extent possible, forecasts shall be presented in an unambiguous and consistent manner. If the company issues other forward-looking statements, they shall also be presented in an unambiguous and consistent manner.

Where the company reasonably expects that its financial result or financial position will deviate significantly from a forecast disclosed by the company and such deviation is price-sensitive, the company shall disclose information about the deviation as soon as possible. Such disclosure shall also reiterate the forecast initially presented by the company.

The rule itself does not stipulate an obligation to disclose a forecast. It is up to the company to decide whether, or to what extent, it presents a forecast or other forward-looking statements.

“Forecast” is defined as a forecast of a figure for specified accounting periods. For example, the forecast may include comparison with a previous period (such as “slightly higher than last year”) or indicate a figure or a minimum or maximum figure for the expected profit or loss for the accounting period in question and/or subsequent accounting periods. A “forward-looking statement” is a more general description of the company’s expected future developments.

Forecasts and other forward-looking statements shall be presented in an unambiguous and consistent manner. Information regarding, for example, underlying conditions should be presented in a clear manner so as to enable investors to evaluate such information properly and thoroughly. Among other things, the information should be unambiguous as regards the figures to which reference is made, e.g. whether the financial results are expressed before or after tax, whether financial income/expenses are included, whether the effects of planned corporate acquisitions are included, etc. The time frame of the forecast must also be specified. Forecasts and other forward-looking information must be provided under a separate heading in releases. In the case of forecast adjustments, the presentation of forecasts in releases must remain unchanged from the original presentation to facilitate evaluation of the significance of the adjustments.

The “General provision” (Section 2.1) regarding disclosure of price-sensitive information shall also serve as a guide with respect to interpretation of changes in forecasts. This rule requires the company to disclose information about deviations from a previous forecast, when it is reasonably expected that such changes will be price-sensitive. When deciding whether a change in forecast is significant enough to require a public announcement, the company must evaluate the deviation based on the last known actual financial performance. In deciding whether to make an announcement, the company should consider performance prospects and publicly known changes in financial conditions during the remainder of the the period covered by the forecast. Matters affecting such prospects may include changes in the company’s operating environment and seasonal patterns in the company’s line(s) of business. Attention may also be given to any information the company has disclosed about the effect of external factors on the company, e.g. sensitivity analysis regarding commodity prices or in relation to specific market developments. Market expectations, such as analyst

estimates, are not decisive for such evaluation; instead, the information disclosed by the company itself and what can justifiably be concluded from such information is decisive.

When the company has come to the conclusion that a change in a forecast for a given period is likely to be price-sensitive, the company must disclose the change in an announcement. Also when such change is disclosed, it shall be based on sufficient knowledge in order to give unambiguous and consistent information about the change without confusing or misleading the market (see also Section 2.2).

2.13. General meetings of shareholders

Notices to attend general meetings of shareholders shall be disclosed.

The company shall disclose resolutions adopted by the general meeting of shareholders unless such resolutions are insignificant. This requirement applies notwithstanding such resolutions being in accordance with previously disclosed proposals. Where the general meeting has authorised the board of directors to decide later on a specific issue, such resolution by the board of directors shall be disclosed, unless such resolutions are insignificant.

Notices to attend general meetings of shareholders shall always be disclosed. This applies irrespective of if a notice contains price sensitive information or not, if a notice will be sent to the shareholders by post or in any other way will be made public (e.g. in a newspaper) and notwithstanding of if certain information included in the notice previously has been disclosed according to these Rules.

A proposal to a general meeting of shareholders which is price sensitive must be disclosed as soon as possible. This means that a price sensitive proposal must be disclosed as soon as possible even though the content of the proposal will later be part of a notice. A notice must not be disclosed later than when the notice is sent to e.g. a newspaper for publication.

Even though a notice does not contain any price sensitive information the notice must in general be disclosed at the same time as the advertisement is sent to a newspaper. There may, however, be situations where certain information is still outstanding when a draft notice is sent to a newspaper for publication. This could be one reason to await the disclosure until the notice is finalized. The notice must, however, always at the latest be disclosed the evening before the notice is expected to be published in a newspaper and before it is made available on the company's web site. It is thus not sufficient to disclose the information the same morning as the notice will be published in a newspaper.

With insignificant resolutions, the rule refers for example to matters which are of technical nature.

If a company plans to disclose price sensitive information at a general meeting, the company shall disclose the information in an announcement available to all investors, at the latest at the same time it is presented to the general meeting.

After close of the general meeting the company shall as soon as possible disclose information about resolutions adopted by the general meeting of shareholders unless a resolution is insignificant. This requirement applies notwithstanding that such resolutions are in accordance with previously disclosed proposals.

Resolutions whereby the general meeting authorises the board of directors to decide on a matter, such as the issuance of securities or buy-back of own shares, must also be disclosed. In such cases, the company must also disclose the board of directors' resolution to exercise the authority.

Time limits of dividend distributions:

A company must provide clear information on any dividend proposals made at an annual general meeting. The following information must be included in the notice and is considered price-sensitive for the shares:

- 1. the dividend per share and the total dividend amount;*
- 2. If the payment or part of it is not made in cash, the form of payment must be specified exactly (e.g. if made in shares, including treasury shares. In such cases, the number of shares used for payment per share, the total number of shares to be paid as dividend and their reference price must be stated);*
- 3. the record date;*
- 4. the ex-date, i.e. when trading without dividend rights begins;*
- 5. the payment date.*

The Exchange recommends that ex-dividend trading begins no sooner than the trading day immediately following the date on which the dividend proposal is approved (usually the day of the annual general meeting) and that the dividend payout takes place no later than 30 days after the record date. If share issuers do not follow these recommendations, they are required to disclose this specifically.

Shareholders listed in the share register at the end of the record date are entitled to a dividend. Share transactions on the Exchange are settled on the third trading day after trade execution (T+3). When the settlement cycle is T+3, it is preferable that the record date is, at the earliest, the third trading day following the date on which the dividend was decided (day of the annual general meeting) as this ensures that ex-dividend trading does not commence until the day following the approval of the dividend proposal at the shareholders' meeting.

2.14. Issues of securities

The company shall disclose all proposals and decisions to make changes in the share capital or the number of shares or other securities related to shares of the company, unless the issue is insignificant.

Information shall be disclosed regarding terms and conditions for an issue of securities.

The company shall also disclose the outcome of the issue.

The announcement regarding an issue of securities shall include all significant information concerning the issue of new securities. Information in the announcement should, at a minimum, include the reasons for the issue, expected total amount to be raised, subscription price and, where relevant, to whom the issue is directed. If allowed by local company law, an issue of shares (or other securities) to the company itself, as well as a decision to transfer treasury shares of the company to a third party, shall also be disclosed in accordance with this provision.

Disclosure concerning issues of securities shall include terms and conditions of the issue, any agreements or commitments to subscribe for shares, and time schedule information. When the company discloses the outcome of the issue, the announcement should include information such as whether or not the issue has been fully subscribed or if, for example, secondary subscription rights have been exercised. Normally, it is also relevant to repeat the subscription price, especially in cases where a fixed price has not been used (e.g. book-building process).

In accordance with national requirements the companies may be required to publish the total number of shares and voting rights at the end of each such calendar month during which the said number has changed, unless the number has already been published during the calendar month.

2.15. Changes in board of directors, management and auditors

Proposals and actual changes with respect to the board of directors of the company shall be disclosed. In addition, any other significant changes to the company's top management, including but not limited to managing director, shall be disclosed.

The disclosure regarding a new board member or a new managing director shall include relevant information about the experience and former positions held by the board member or managing director.

A change of the auditor shall also be disclosed.

Any announcement regarding a new board member or managing director shall include relevant information about the experience and former positions held by that person. Such relevant information comprises, for example, information about former and present board positions as well as relevant education.

Depending on the organisation of the company, different people and positions may be considered important. In a company, all changes pertaining to the managing director and the members of the board of directors are important. Other changes can also be important and, in such case, must be disclosed. This may, for example, include changes to the supervisory board, management board, or other persons in executive positions, or deputies of the aforementioned persons. On many occasions, the key management's importance from the securities market's perspective depends on the nature of the business and organisation of the company at issue. Changes in management of significant subsidiaries of the company may also be price-sensitive for the shares, especially when significant segments of the business operations are conducted by subsidiaries.

2.16. Share-based incentive programmes

The company shall disclose any decision to introduce a share-based incentive programme. The disclosure shall contain information about the most important terms and conditions of the programme.

The information is required to provide investors with information about the factors motivating management and other employees and also the dilution effects of the incentive programmes, in order to help investors understand the potential total liabilities under such programmes.

An announcement concerning share-based incentive programmes shall normally contain:

- *the types of share-based incentive covered by the programmes;*
- *the group of persons covered by the programmes;*
- *timetable for the incentive programme;*
- *the total number of shares involved in the programmes;*
- *the objectives of the share-based incentive and the principles for granting;*
- *the exercise period;*
- *the exercise price;*
- *the main terms and conditions that must be met; and*
- *the theoretical market value of the share-based incentive programmes, including a description of how the market value has been calculated and the most important assumptions for the calculation.*

The rule is only related to share-based incentive programmes. ‘Share-based incentives’ here means any incentive programme where the participants receive shares, securities carrying an entitlement to shares, other securities where the value is based on the share price, synthetic programmes where a cash settlement is based on the share price, or other programmes with similar features.

Information about “Group of persons covered by the programmes” may consist of a general reference to groups such as board of directors, management, general staff, etc.

2.17. Closely-related party transactions

A transaction between the company and closely-related parties which is not entered into in the normal course of business shall be disclosed when the decision regarding such a transaction is taken, unless the transaction is insignificant to the parties involved.

‘Closely-related parties’ include managing directors, members of the board of directors, and other managers in the parent company or significant subsidiaries who control or exercise significant influence in making financial and operational decisions in the parent company or in the relevant significant subsidiary. Legal entities controlled by these persons and shareholders controlling more than ten percent of the shares or voting rights of the company are also considered as closely-related parties.

In order to ensure credibility and confidence, any transaction with a closely-related party should be disclosed unless it is insignificant to the parties involved.

An example of a matter to be disclosed is when a closely related party, according to the definition in the Section, buys out a subsidiary from the company. Even if the subsidiary is small compared to the group and the price of securities may be unaffected, disclosure must be made according to the rule. There is however no need to disclose information if

the transaction is insignificant to the involved parties. In the case of a buy out of a subsidiary, the evaluation from the disclosing company's point of view should be done in relation to the whole group and not merely to the size of the subsidiary itself. A buy out is often significant in relation to the closely related party - and therefore a disclosure must be made if the transaction is not made in the normal course of business.

A disclosure according to this provision should only be done for transactions which are not entered into in the normal course of business. This means that a disclosure is not required for example on matters which are not exceptional but are generally available to many employees on similar terms.

2.18. Business acquisitions and divestitures

An acquisition or a sale of a company or business which is price-sensitive shall be disclosed.

The disclosure shall include:

- purchase price, unless special circumstances exist;
- method of payment;
- relevant information about the acquired or sold entity;
- the reasons for the transaction;
- estimated effects on the operation of the company;
- the time schedule for the transaction; and
- any key terms or conditions that apply to the transaction, especially when such may affect the validity of the transaction.

The company or business acquired shall be described in a manner that addresses its key line(s) of business, historical financial performance and financial position.

In conjunction with corporate transactions, specific requirements are imposed regarding the completeness of information. Based on the information disclosed about a transaction, the market participants should be able to assess the financial effects of the acquisition or sale as well as the effects on the operation of the disclosing company and the effect on the price or value of the company's securities. Typically, such assessment requires knowledge of the financial effects of the acquisition or sale as well as the effects on the operation of the disclosing company.

Companies whose shares have been admitted to trading must disclose the price in a purchase or a sale of a company because it normally is a key element in an assessment of the effects of the transaction. In rare cases there is, however, a possibility to withhold information regarding the price for an acquired or sold entity. This might be the case where the purchase price is not of importance for the valuation of the company whose shares have been admitted to trading. Another example could be when disclosure must be made in an early stage - according to other disclosure rules - before the final price negotiations have been finalized. It is then impossible to inform about the price, but once the price has been agreed upon, relevant information thereon must be disclosed. It is not unusual that the purchase price is related to the future outcome of the acquired business. In such a case the disclosing company should disclose the total estimated purchase price at once, and then if necessary, adjust the figure in future disclosure. A company cannot evade the disclosure obligation by making an agreement with the opposite party stating that the purchase price or other required information will not be disclosed.

- *Different kinds of transactions can be considered price-sensitive and there can be different ways to evaluate the transactions. Under normal circumstances, the Exchange considers a transaction to be price-sensitive where any of the following pertain:*
- *the target entity represents more than ten percent of the disclosing company's consolidated revenue or assets;*
- *the target entity represents more than ten percent of the disclosing company's consolidated equity capital; or*
- *the consideration paid for the target entity represents more than ten percent of the disclosing company's consolidated equity or more than ten percent of the total market value of the disclosing company's shares if its total equity capital is lower than the market value of its securities.*

Transactions which do not fulfil the abovementioned limits can also be considered price-sensitive, e.g. due to their strategic importance.

Relevant information could include:

- *the effects on the income statement or balance sheet resulting from the integration of operations or, alternatively, the effects of the sale;*
- *in conjunction with very large acquisitions, supplementary information should be provided in the form of pro forma accounts.*

In conjunction with the acquisition of business activities, it may be particularly important to disclose information regarding the purchase price, the type of business that has been acquired, the assets and liabilities included in the acquisition, the number of employees transferred, etc.

In some cases, a transaction might be treated as significant but might still not significantly affect the disclosing company's future result or financial position. In such case, it is advisable to mention this fact in the announcement.

2.19. Change in identity

If substantial changes are made to a company during a short period of time, or in its business activities in other respects, to such a degree that the company may be regarded as a new undertaking, the company shall disclose information about the changes and consequences of the changes.

When a company undergoes significant changes and, following those changes, may be regarded to be an entirely new company, additional information regarding the company is needed. A change in identity of the company may need to be evaluated where, for example, an acquired operation is extremely large and, in particular, where the character of the business is different from the company's business to date. "During a short period of time" means that a gradual development process within a company does not normally fall under this provision.

Evaluation of the change in identity is made on an overall basis. Criteria for evaluating whether there has been a change in identity typically include, but are not limited to, the following:

- *the ownership structure or assets;*
- *the existing business of a company is sold and, in connection therewith, a new business is acquired;*
- *the turnover or assets of the acquired company exceed the turnover or assets of the disclosing company;*
- *the market value of an acquired company exceeds the market value of the disclosing company, or the consideration paid e.g. value of the new securities issued, exceeds the market value of the disclosing company;*
- *the control of the disclosing company is transferred due to a transaction; and*
- *the majority of the board of directors or the management changes as a result of a transaction.*

Upon an overall evaluation, the occurrence of most or all of the abovementioned factors means that a change of identity is deemed to have taken place. On the other hand, the occurrence of only one or two of these factors might not be sufficient to treat the company as a completely new undertaking.

When a change in identity occurs, it is of the utmost importance that the securities market receives enhanced information. The information must be equivalent to what is required pursuant to the rules applicable to prospectuses. This rule applies notwithstanding that the company is not obligated to prepare such a prospectus pursuant to legislation or any other regulation. Information must be provided within a reasonable time.

If, in the Exchange's opinion, the information presented by the company in conjunction with the disclosure of a change in identity is insufficient, the company's securities may be given observation status pending additional information.

Observation status may also be given when the Exchange is of the opinion that the change in operation is such that it can be equated with the admission to trading of a new company. The fulfilment of the Requirements for admission to trading can, in such cases, be questioned and the Exchange may initiate an examination comparable to that conducted for an entirely new company applying for admission of shares to trading on the Exchange. In conjunction with a planned change in identity, the Exchange should be contacted in advance so that issues regarding the shares continued trading may be administered as smoothly as possible. The process for admission of shares to trading is described in chapter 1.2 ("Procedure for admission of shares to trading").

2.20. Decisions regarding admission to trading

The company shall disclose information when it applies to have its securities admitted to trading at the Exchange for the first time, as well as upon a secondary admittance to trading at another trading venue. The company shall also disclose any decision to apply for a removal of its securities from trading at the Exchange or another trading venue. The company shall also disclose the outcome of any such application.

The duty to comply with the disclosure rules enters into force when a company applies for admission of its shares to trading on an exchange. The company has no obligation to disclose unsolicited listings because such listings do not entail any disclosure or other obligations on the company.

2.21. Information required by another trading venue

When the company discloses any significant information due to rules or other disclosure requirements of another regulated market or trading venue, such information shall be simultaneously disclosed.

The purpose of the Section is to ensure that all market participants have the same information on which to base their investment decisions. The simultaneous disclosure obligation exists even if the information to be disclosed is not subject to disclosure under these Rules.

INFORMATION TO THE EXCHANGE ONLY

2.22. Public tender offers

Where the company has made internal preparations to make a public tender offer for securities in another company whose shares are traded on a regulated market, the company shall notify the Exchange when there are reasonable grounds to assume that the preparations will result in a public tender offer.

If the company has been informed that a third party intends to make a public tender offer to the shareholders of the company, and such public tender offer has not been disclosed, the company shall notify the Exchange when there are reasonable grounds to assume that the intention to make a public tender offer will be released.

When discussions have proceeded to an advanced stage in respect of the acquisition of another company whose shares are traded on a regulated market the Exchange must be informed well in advance. However, there must be reasonable grounds to assume that the measure will lead to an offer. The information will be used by the Exchange to monitor trading in order to detect unusual price movements and to prevent insider trading.

The Exchange must also be notified when the company has been contacted by a third party which intends to make a public offer to the shareholders in the listed company, where there are reasonable grounds to assume that the contact will lead to a formal public offer.

There is no formal requirement regarding how to notify the Exchange and notice is normally made by telephoning the surveillance department.

2.23. Advance information

If the company intends to disclose information that will have a highly significant effect on the price of the securities, the company shall notify the Exchange prior to disclosure.

If the company intends to disclose information that is assumed to have a highly significant effect of the price of the securities, it is important that the Exchange receive

the information in advance in order to consider if any measures need be taken by the Exchange. One result might be that the Exchange briefly suspends trading and cancels pending orders in order to provide the market with the possibility to evaluate the new information.

Information in advance is not required where the information is included in a scheduled disclosure, since the market already knows that the company will disclose significant information on such occasion.

DISCLOSURE REQUIREMENTS REGARDING EXECUTIVE REMUNERATION AND CORPORATE GOVERNANCE

2.24. Remuneration to senior executives

Annual financial statements must provide information on remuneration, including any conditional or deferred payments and any fringe benefits from the company and/or extraordinary contracts of the company during the preceding financial year specifically with individual board members and the most senior manager (chief executive or managing director).

If the company is part of a group, information shall be provided on any such payments, benefits and/or contracts to the above parties from companies within the group.

The same information shall be provided specifically for the senior managers of certain divisions of the company, including subsidiaries that are important for its management and operations.

It is important that the company maintains consistency with the information it has previously disclosed on executive remuneration. Under this Section, a company must also provide an account of all extraordinary contracts with executives relating to remuneration payments, e.g. contracts for payment, employment and termination of employment, as well as provisions to the effect that a contract of employment or other long-term contract is non-cancellable or has an unusually long termination notice period (exceeding 12 months), or provisions for special payment should a senior manager leave employment owing to changes in ownership. Any extraordinary contracts on retirement terms or pensions as well as extraordinary payments to be made in connection with cessation of employment or afterwards shall also be disclosed.

If any divisions or subsidiaries of the company account for more than 10% of the equity or earnings of the company or group, the same types of information on the remuneration of the senior management of these divisions or subsidiaries shall be disclosed.

2.25. Remuneration to other executives

Information on total payments and benefits of other executives of a company 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.

Other executives shall mean managers of specific divisions of material significance for the company's operations although they are not among the leading executives of the company or group. This shall apply, for example, to other managing directors or directors than those mentioned in Section 2.24.

2.26. Declaration concerning corporate governance – “Comply or explain”

A company's board of directors must declare in the report of the board in its annual financial statements 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 these provisions occurred and explain its reasons for so doing.

The Guidelines on Corporate Governance are available on the Exchange's website, www.nasdaqomx.com. The guidelines in question are issued as the outcome of a co-operative effort by the Exchange, the Icelandic Chamber of Commerce and the Confederation of Icelandic Employers.

BONDS

3. ADMISSION OF BONDS TO TRADING

3.1. Requirements for Admission of Bonds to Trading

3.1.1. *General*

Bonds can be admitted to trading on the Exchange in accordance with these Rules, provided the bonds and their issuer satisfy the provisions of Acts and Regulations on admission to trading of financial instruments.

An application must be made for admission of bonds to trading on the Exchange, as provided for in these Rules, Acts or Regulations applicable to admission of financial instruments to trading.

Admission of the bonds to trading must, in the assessment of the Exchange, be likely to serve the interests of the public and the securities market.

3.1.2. *Trading without restrictions*

Transactions with the bonds shall be without restriction. The Exchange may grant exemptions from this requirement, provided such restrictions do not hinder transactions with the bonds in any manner.

3.1.3. *Equal rights of bond owners*

Application must be made for admission to trading for all bonds issued in the bond class in question. A bond class shall refer to homogenous bonds where the rights of owners and conditions of the bonds are the same in all respects.

If an issuer enlarges a bond class traded on the Exchange the issuer must without delay apply for the admission of the bonds to trading .

3.1.4. *Information system*

The information system of the issuer must, in the assessment of the Exchange, be such as to make it probable that the company will be able to comply with the demands of the Exchange, and give a realistic picture of the issuer's operations.

The Exchange considers it preferable that companies have some experience of their information systems before their bonds are admitted to trading.

3.1.5. *Size of a bond class*

The estimated market value of a bond class must be an amount no lower than the equivalent of EUR 500,000 in accordance with the current published official exchange rate.

The Exchange may admit smaller bond classes to trading if there is likely to be sufficient market demand and trading in these bonds to enable normal price formation. The estimated market value of a bond class, however, may never be lower than an amount equivalent to EUR 200,000 in accordance with the current published official exchange rate.

3.2. *Procedure for Admission of Bonds to Trading*

3.2.1. *Preparatory meeting*

If no securities class of the same issuer has already been admitted to trading on the Exchange, the issuer and listing co-ordinator shall request a meeting with the Exchange concerning the proposed application.

3.2.2. *Application for admission of bonds to trading*

Application for admission of a bond class to trading shall provide information on:

1. the issuer, its activities and objectives in having the bonds admitted to trading;
2. the bond class for which admission to trading is sought;
3. any offer, if such is planned concurrent to the admission of bonds to trading, the amount of the offer and its conditions;
4. the co-ordinator for admission of bonds to trading and of any offer, if applicable.

The application must be signed by the issuer's Board of Directors or its duly empowered representative and the co-ordinator serving as intermediary with the Exchange.

Application forms for admission of bonds to trading are available on the Exchange's website, www.nasdaqomx.com.

3.2.3. *Documentation accompanying the application*

An application must be accompanied by the following documentation:

1. a draft prospectus.
2. a completed list of cross-references;
3. a completed form providing information on the conditions of the class;
4. a copy of the bond or prospectus for electronic registration;
5. a time plan for admission of the bonds to trading which has been prepared in consultation with the Exchange.

If no other financial instruments of the issuer are traded on the Exchange when application is made for admission of a bond class to trading, the following shall also be submitted:

1. audited annual financial statements for the last two years and interim financial statements for the period if applicable;
2. current Articles of Association of the issuer, if applicable;
3. a list of insiders in accordance with the provisions of the Act on Securities Transactions. Rules on treatment of insider information and insider trading, if the issuer has adopted such rules.

The Exchange is also authorised to request submission of additional documents considered to have a bearing on the admission of bonds to trading.

A list of cross-references and listing forms for admission of bonds to trading are available on the Exchange's website, <http://www.nasdaqomx.com>.

3.2.4. **General conditions**

The following requirements must be fulfilled in advance of the admission of bonds to trading:

1. the issuer must have signed an agreement with the Exchange for admission of bonds to trading on the Exchange;
2. an endorsed prospectus must be submitted;
3. the financial statements must be accessible to the public and shall be available from the issuer without charge;
4. the Articles of Association must be made accessible to the public and shall be available from the issuer without charge.

The issuer must appoint a contact person to liaise with the Exchange. The Exchange must be notified without delay if a contact person ceases employment and of his/her replacement.

It is very important that the contact person be well acquainted with all major aspects of the issuer's activities, as well as current laws and regulations which apply to the market. The Exchange must be ensured access to the contact person and an alternate contact person should be appointed.

3.3. Prospectus

3.3.1. *Information in the prospectus*

A prospectus must contain such information as is necessary, having regard to the nature of the issuer and of the financial instruments, 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 financial instruments. The information must be presented clearly and comprehensively.

A summary of the information which must be included is provided in Act No. 108/2007, on Securities Transactions, and Regulations issued pursuant to the Act.

3.3.2. *Other prospectuses*

The Exchange will accept prospectuses and annexes approved by competent authorities in the European Economic Area.

The Exchange may accept prospectuses approved by competent authorities outside the European Economic Area.

4. DISCLOSURE REQUIREMENTS OF BOND ISSUERS

4.1. General Provisions on Disclosure Requirements

4.1.1. *Requirement to provide information*

Issuers whose bonds have been admitted to trading on the Exchange must at all times comply with the Rules set out in this Chapter.

4.1.2. *Objectives of disclosure requirements*

The objective of these Rules is to ensure that investors have, at all times, access to the latest information necessary to form an opinion of the investment choices currently offered. The management of the issuer concerned must thus always make every effort to make public any information they feel could have a significant impact on the price of the financial instruments.

4.1.3. *Equal treatment*

An issuer must ensure equal treatment of investors concerning access to information covered by these Rules, and treat and store information so as to ensure that unauthorised persons do not have access to such information before it is made public.

This could involve information provided in statements, interviews, meetings with investors, documentation distributed within the company, or newsletters.

4.1.4. *Timing of information disclosure*

All information covered by these Rules shall be published immediately or as quickly as possible.

Should substantial changes occur to information which has previously been made public, information thereupon shall be published as soon as the changes have occurred and in the same manner as the previous announcement. The same applies to corrections to errors in announcements published by a company; they must be published as soon as they are discovered, unless they are insignificant.

At times it may be 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, e.g. by the Board of Directors.

4.1.5. *Form and content of announcements*

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 announcements in such a way that investors will realise at once what is being discussed in the announcement, and what effect this will have on the issuer, for instance on its performance and financial situation.

The heading shall indicate the main substance of the announcement.

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

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

4.1.6. ***Publication of information***

Concurrent to publication as provided for by law, the issuer shall send the information to the Exchange for surveillance purposes.

Announcements from an issuer must include information on the time and date the information was transmitted, the name of the issuer and its website URL and the telephone number of the issuer's contact person.

Publication of information is subject to provisions of the Act on Securities Transactions and a regulation adopted by virtue of it.

Information sent to the Exchange by an issuer for surveillance purposes shall be sent electronically in such manner as the Exchange prescribes. The information sent to the Exchange for surveillance purposes shall also include information from an issuer when it is subject to notification obligations as provided for by the rules of another regulated securities market.

4.1.7. ***Website***

An issuer must have its own website that provides access for at least three years to the information required to be disclosed under the rules on disclosure requirements incumbent on the issuer.

Financial information must be accessible for a minimum of five years after disclosure. The information must be posted on the website as soon as it has been made public.<0}

An issuer must have its own website to ensure the market's access to information about the company.

This provision shall apply as of the date of application by the issuer for admission of its bonds to trading. The provision also applies to annual reports and prospectuses.

4.2. On-going Disclosure Requirements

4.2.1. ***Decisions and events of importance***

An issuer must make every effort to make public without delay previously unpublished information on decisions or events which it knew or should have known would have a significant impact on the price of its bonds.

4.2.2. ***Information concerning the rights of bond owners***

Notification must be given of all decisions or events concerning the rights of bond owners.

This may involve aspects such as:

1. *recall;*
2. *redemption of bonds prior to due date;*
3. *drawn bonds;*
4. *delay of instalment payments of the principal and/or interest.*

4.2.3. ***Admission to trading on other regulated securities markets***

An issuer must publish an announcement without delay once a decision has been taken to apply for admission of its bonds to trading on a regulated securities market other than the Exchange. Also, the Exchange shall be informed when an application for the admission of bonds to trading has been approved or rejected.

Should an issuer learn of transactions with its bonds taking place in another regulated securities market, it must notify the Exchange of this without delay.

An issuer whose bonds have been admitted to trading on a regulated securities market abroad must send the competent authority in the country in question any information which has been sent to the Exchange. Likewise, any information sent to the competent authority must be forwarded to the Exchange.

4.3. **Results**

4.3.1. ***Publication of results and deadline***

An issuer must publish its annual financial statements, or consolidated statements as appropriate, as promptly as possible following the conclusion of its financial year and no later than four months after its conclusion.

An issuer, excluding state and municipal governments, must publish interim financial statements for the first six months of its operating year, or consolidated statements for the first six months of its operating year as appropriate, as promptly as possible following the conclusion of this period and no later than two months after its conclusion.

If the interim financial statements are audited or examined by an auditor, the latter shall endorse the statements.

If the auditor's report is not in the standard format or the report has been changed, it must be published in its entirety. The auditor's report is not considered to be in the standard format if the auditor has added an emphasis-of-matter paragraph or not expressed an unqualified opinion with no modification.

The issuer must always make public its annual and interim financial statements, even if it could exercise the right to exemption from making periodic information public, as provided for in Chapter VII of the Securities Transactions Act.

4.3.2. ***Week of publication***

No later than fifteen days prior to the publication of the announcement concerning the annual financial statements and seven days prior to the publication of a press release on the quarterly interim financial statements, the issuer shall make public information on the expected week of publishing. Should a change occur in the plans for the week of publishing, an announcement of such must be made as soon as possible.

UNITS IN COLLECTIVE INVESTMENT SCHEMES**5. ADMISSION OF UNITS TO TRADING****5.1. Requirements for Admission of Units to Trading****5.1.1. *General***

Units in collective investment schemes may be admitted to trading on the Exchange in accordance with these Rules, provided they and their issuers satisfy the provisions of acts and regulations on the admission of units to trading.

An application must be made to have units admitted to trading on the Exchange, as provided for in these Rules, Acts and Regulations applicable to admission of financial instruments to trading.

5.1.2. *Trading without restrictions*

Trading in units must be without restrictions.

5.1.3. *Market value of funds*

The estimated market value of the fund at the time an application is submitted must be an amount no lower than the equivalent of EUR 1,250,000 according to the current published official exchange rate.

5.2. Procedure for admitting units to trading**5.2.1. *Preparatory meeting***

Before applying for admission of units to trading in the first instance, the issuer and co-ordinator shall request a meeting with the Exchange concerning the proposed application for admission of units to trading.

5.2.2. *Application for admission of units to trading*

An application shall provide information on:

1. the management company, UCITS or investment company and objectives of applying for admission of units to trading;
2. the co-ordinator for admission of units to trading.

The application must be signed by the Board of Directors of the management company or its duly empowered representative and the co-ordinator serving as intermediary with the Exchange.

Forms for admission of units in collective investment schemes to trading are available on the Exchange's website, <http://www.nasdaqomx.com>.

5.2.3. *Documentation accompanying the application*

An application for admission of units in collective investment schemes to trading must be accompanied by the following documentation:

1. the prospectus;
2. FME's confirmation of the fund;
3. the fund's rules;
4. the fund's initial balance sheet or last two audited annual financial statements, if applicable;
5. the fund's interim financial statements for the current year, if applicable;
6. a draft time plan for the units' admission to trading.

If no other units of the management company in question have already been admitted to trading on the Exchange when application is made for listing, the following shall also be submitted:

1. a copy of the management company's operating licence;
2. the management company's initial balance sheet or last two audited annual financial statements, if applicable;
3. the management company's interim financial statements for the current year, if applicable;
4. the current Articles of Association of the management company;
5. a list of insiders.

The Exchange is also authorised to request submission of additional documents it feels may have bearing on the admission of the units to trading.

A list of cross-references and forms for admission of units to trading are available on the the Exchange's website, <http://www.nasdaqomx.com>

5.2.4. **General conditions**

The following requirements must be fulfilled in advance of any admission of units in collective investment schemes to trading:

1. The issuer must have signed an agreement with the Exchange on behalf of the issuer.
2. An approved prospectus must be submitted.
3. The annual financial statements must be made accessible to the public and available from the issuer without charge.
4. The Articles of Association must be made accessible to the public and shall be available from the issuer without charge.
5. The issuer must appoint a contact person to liaise with the Exchange. The Exchange must be notified without delay if a contact person ceases employment and of his/her replacement.
6. In the case of Exchange Traded Funds, ETFs, the issuer must have concluded an agreement with a market maker which shall accompany the application.

It is important that the contact person be well acquainted with the main aspects of the issuer's activities, as well as current laws and regulations which apply to the market. The Exchange must be ensured access to the contact person and an alternate contact person should be appointed.

5.3. Prospectus

5.3.1. *Information in the prospectus*

A prospectus must contain such information as is necessary for investors to be able to assess the advantages and disadvantages of investing in the UCITS or investment fund in question. A simplified prospectus shall contain the main information of the prospectus. The information must be presented clearly and comprehensively.

A summary of the information which must be included is provided in Act No. 128/2011 on Undertaking for Collective Investment in Transferable Securities, Investment Funds and Professional Investor Funds and regulations issued pursuant to the Act.

5.3.2. *Other prospectuses*

The Exchange will accept prospectuses approved by other competent authorities in the European Economic Area.

The Exchange may accept prospectuses approved by competent authorities outside the European Economic Area.

6. DISCLOSURE REQUIREMENTS FOR ISSUERS OF UNITS

6.1. General Provisions on Disclosure Requirements

6.1.1. *Requirement to provide information*

Issuers of units in collective investment schemes which have been admitted to trading on the Exchange, must at all times comply with the Rules set out in this Chapter.

6.1.2. *Objectives of disclosure requirements*

The objective of these Rules is to ensure that investors have, at all times, access to the latest information necessary to form an opinion of the investment choices currently offered. The management of the issuer concerned must thus always make every effort to make public any information they feel could have a significant impact on the market price of units.

6.1.3. *Equal treatment*

An issuer must ensure equal treatment of investors concerning access to information covered by these Rules, and treat and store information so as to ensure that unauthorised persons do not have access to such information before it is made public.

This could involve information provided in statements, interviews, meetings with investors, documentation distributed within the company, or newsletters.

6.1.4. *Timing of information disclosure*

All information covered by these Rules shall be made public immediately or as quickly as possible.

Should substantial changes occur to information which has previously been made public, information thereupon shall be published as soon as the changes have occurred and in the same manner as the previous announcement. The same applies to corrections to errors in announcements published by a company; they must be published as soon as they are discovered, unless they are insignificant.

At times it may be 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.

6.1.5. *Form and content of announcements*

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 announcements in such a way that investors will realise at once what is being discussed in the announcement, and what effect this will have on the units of individual funds.

The title shall indicate the substance of the announcement.

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

All announcements to the Exchange shall include the date, name of the management company, telephone number and information on the issuer's contact person.

6.1.6. *Publication of information*

Concurrent to publication as provided for by law, the issuer shall send the information to the Exchange for surveillance purposes.

Announcements from an issuer must include information on the time and date the information was transmitted, the name of the issuer and its website URL and the telephone number of the issuer's contact person.

Publication of information is subject to provisions of the Act on Securities Transactions and a regulation adopted by virtue of it.

Information sent to the Exchange by an issuer for surveillance purposes shall be sent electronically in such manner as the Exchange prescribes. The information sent to the Exchange for surveillance purposes shall also include information from an issuer when it is subject to notification obligations as provided for by the rules of another regulated securities market.

6.1.7. *Website*

An issuer must have its own website that provides access for at least three years to the information required to be disclosed under the rules on disclosure requirements incumbent on the issuer.

Financial information shall be accessible for a minimum of five years after disclosure.

The information shall be posted on the website as soon as it has been made public.

An issuer must have its own website to ensure the market's access to information about the company.

This provision shall apply as of the date of application by the issuer for admission of its units to trading. The provision also applies to annual reports and prospectuses, if possible.

6.2. *On-going Disclosure Requirements*

6.2.1. *Decisions and events of importance*

An issuer must make every effort to make public without delay previously unpublished information on decisions or events which it knew or should have known would have significant impact on the market price of its units.

6.2.2. *Deviation from previously published investment policy*

In the event of any deviation, either temporarily or permanently, from the investment policy of a UCITS or individual fund, the issuer must give notification of such, together with the reasons for so doing, as promptly as possible. In addition, notification shall be made of all substantial investments and/or changes from what has previously been published.

6.2.3. ***Admission of units to trading on other stock exchanges***

An issuer must announce without delay once a decision has been taken to apply for admission of its units in collective investment schemes to trading on a stock exchange or regulated market other than the Exchange. A public announcement must also be made when an application for admission of units to trading has been approved or rejected.

Should an issuer learn of transactions with its units taking place in another regulated securities market, it must notify the Exchange of this without delay.

An issuer of units admitted to trading on another exchange must send the competent authority in the country in question any information which has been sent to the the Exchange. Likewise, any information sent to the competent authority must be forwarded to the Exchange.

6.3. Regular disclosure requirements

6.3.1. ***Other information***

Before the opening of trading on the Exchange each day, an issuer must publish on its website information on the redemption value and sales price of the UCITS or investment fund, calculated in accordance with the Act on UCITS, Investment Funds and Professional Investor Funds No. 128/2011 and the Regulation on UCITS and Investment Funds No. 792/2003.

In addition, the issuer must on the first trading day of each month publish on its website information on the asset distribution, redemption value and number of outstanding units at the end of the preceding month.

6.3.2. ***Size of the fund***

On the first trading day of each month, information on the size of each fund at the end of the preceding month must be sent to the Exchange.

6.3.3. ***Publication of results and deadlines***

An issuer must publish its annual financial statements as promptly as possible following the conclusion of its financial year and no later than four months after its conclusion.

An issuer must publish interim financial statements for the first six months of its operating year as promptly as possible following the conclusion of this period and no later than two months after its conclusion.

The results must contain at least all the information of significance for UCITS or investment funds which have been admitted to trading.

If the interim financial statements are audited or examined by an auditor, the latter shall endorse the statements.

If the auditors have attested to the financial statements with reservations, all such reservations must be included. If the auditor's report is not in the standard format or the report has been changed, it must be published in its entirety. The auditor's report is not considered to be in the standard format if the auditor has added an emphasis-of-matter paragraph or not expressed an unqualified opinion with no modification.

The issuer must always make public its annual and interim financial statements, even if it could exercise the right to exemption from making periodic information public, as provided for in Chapter VII of the Securities Transactions Act.

6.3.4. ***Week of publication***

No later than fifteen days prior to the publication of its annual financial statements and seven days prior to the publication of its interim financial statements, the issuer shall make public information on the expected week of publishing. Should a change occur in the plans for the week of publishing, an announcement must be made as soon as possible.

7. OTHER FINANCIAL INSTRUMENTS

7.1. General

The Board of the Exchange may decide to admit to trading other types of financial instruments than those specifically mentioned in these Rules. Conditions for their admission to trading shall be as provided for in Act No. 108/2007, on Securities Transactions, Regulations adopted by virtue of the Act and specific decisions of the Exchange in each instance, having regard to the nature and type of the financial instruments.

The financial instruments will not be admitted to trading unless the shares of the company in question have been admitted to trading on a regulated market in the European Economic Area or an equivalent market in another country.

The Exchange may, however, grant an exemption from this requirement if it deems that sufficient information is available on the issuer for normal price formation of the financial instruments to take place.

COMMON PROVISIONS

8. GENERAL RULES FOR ISSUERS OF FINANCIAL INSTRUMENTS

8.1. Fees

The issuer shall pay an initial fee when financial instruments are admitted to trading and an annual fee while they are admitted to trading, as provided for in the currently valid fee schedule of the Exchange.

8.2. Observation status

Should the situation arise with the issuer that price formation becomes, for some reason, uncertain, such as due to uncertainty concerning the future of the issuer, because specific information is not available and/or a violation of disclosure requirements is involved, the Exchange may decide to give a class or classes of financial instruments of the issuer concerned temporarily an observation status.

In special cases the Exchange may give a class or classes of an issuer's financial instruments an observation status, in accordance with a request from the issuer, provided that the Exchange is in agreement with the grounds for such request.

8.3. Infringement of rules

Should the Exchange be of the opinion that an issuer no longer complies with these Rules or decisions taken by the Exchange on their basis, it shall so inform the issuer thereof. In accordance with provisions of the agreement between the Exchange and the issuer concerned, on the admission of financial instruments to trading on the Exchange, the Exchange may decide to:

1. demand information from the Issuer concerned;
2. give the issuer's financial instruments temporarily an observation status;
3. issue a reprimand to the issuer for violating the Rules;
4. make a public announcement concerning the case in question;
5. set conditions for or suspend trading in the issuer's financial instruments. Such suspension may be temporary or apply indefinitely;
6. levy fines on the issuer which may amount to up to ten times the annual fee paid by the issuer for the listing of its financial instruments on the Exchange, if the Exchange deems the violations to be major;
7. remove the financial instruments of the issuer from trading on the Exchange, either temporarily or permanently.

8.4. Decision to impose sanctions

If the Exchange finds that an issuer has violated provisions regarding disclosure requirements under Sections 2, 4 or 6 and that the violation may be sanctionable under points 4–7 of Section 8.3, the matter shall be referred to the Exchange's Disciplinary Committee for consideration.

The handling of cases by the Exchange's Disciplinary Committee is governed by the rules on the Disciplinary Committee of NASDAQ OMX Iceland hf.

8.5. An issuer does not fulfil requirements for admission of financial instruments to trading

If an issuer of financial instruments admitted to trading no longer fulfils the requirements for admission to trading, this shall be notified to the Exchange as soon as the issuer becomes aware of the fact. The issuer must take suitable measures in consultation with the Exchange.

8.6. Removal of financial Instruments from trading

8.6.1. *Bankruptcy*

If the estate of an issuer is sent into bankruptcy proceedings, its financial instruments shall be removed from trading.

The Exchange may decide unilaterally to suspend an issuer's financial instruments from trading in cases where a petition for winding-up or a comparable request has been submitted.

8.6.2. *Entry into force*

These Rules shall take effect for the issuer as of the time that its financial instruments are admitted to trading on the Exchange or an application has been made for their admission to trading, and shall remain in effect for the issuer as long as the financial instruments are traded on the Exchange. However, the Exchange may make decisions and apply penalties in accordance with Section 8.3, "Infringement of the Rules", for

one year after the issuer's financial instruments are suspended from trading if the Exchange finds that the issuer failed to comply with the Rules during the time that its financial instruments were traded on the Exchange.