

## CHAPTER I

### Article 1

#### Scope

This regulation shall apply to public offers of securities of a value of ISK 210 million or more and the admission of securities to a regulated market; cf. Chapter IV of Act No. 33/2003 on Securities Transactions, with subsequent amendments.

The financial limit laid down in Article 1 refers to the total market capitalisation of the offer or offers of securities of the same class over a period of 12 months.

## CHAPTER II

### Article 2

#### Definitions

1. Securities issued in a continuous or repeated manner:  
Series of securities issues or at least two separate issues of securities of a similar type and/or class over a period of 12 months.
2. Home State:

- i) for all issuers of securities within the European Economic Area, which are not mentioned in (ii), the Home State within the European Economic Area where the issuer has its registered office,
- ii) for any issue of non-equity securities,
  - a) whose denomination per unit amounts to at least ISK 83.000, or
  - b) give the right to acquire any transferable securities or to receive a cash amount, as a consequence of their being converted or the rights conferred to them being exercised, provided that the issuer of the non-equity securities is not the issuer of the underlying securities or an entity belonging to the group of the latter issuer, the Home State within the European Economic Area where the issuer has its registered office, or where the securities were or are to be admitted to trading on a regulated market or where the securities are offered to the public, at the choice of the issuer, the offeror or the person asking to be admitted to trading on regulated securities market, as the case may be,
- iii) for all issuers of securities with offices registered outside

the European Economic Area, which are not mentioned in (ii), the Home State is the state within the European Economic Area where the securities are intended to be offered to the public for the first time after 31 December 2003, or where the first application for admission to trading on a regulated securities market is made.

Pursuant to (iii) the Home State is chosen by the issuer, offeror or the person asking to be admitted to trading on a regulated securities market, as the case may be. If a Home State, pursuant to (iii), is not chosen by the issuer, the issuer shall attest the choice.

Issuers with offices registered outside the European Economic Area already admitted for trading on a regulated securities market shall choose the competent authority, pursuant to Article 1 (iii). The Financial Supervisory Authority shall be notified no later than 1 June 2006 if Iceland is chosen as a Home State.

3. Host State: means the State where an offer to the public is made or admission to trading on a regulated securities market is sought, when different from the Home State,

pursuant to sub-paragraph 2.

4. Offeror: Legal entity, which offers securities to the public.

5. Approval: means the positive act at the outcome of the scrutiny of the completeness of the prospectus, including the consistency of the information given and its comprehensibility.

Financial data in this regulation is exchange rate specific as of 4 January 2005, when the exchange rate of the euro (EUR) was ISK 83,54.

## CHAPTER III

### Article 3

Responsibility attaching to the prospectus

Responsibility for the information given in a prospectus attaches at least to the issuer or its administrative, management or supervisory bodies, the offeror, the person asking for admission to trading on a regulated market or the guarantor, as the case may be.

The persons responsible shall be clearly identified in the prospectus by their name and functions or, in the case of legal persons, their names and registered offices, as well as

declarations by them that, to the best of their knowledge, the information contained in the prospectus is in accordance with the facts and that the prospectus makes no omission likely to affect its import.

No civil liability shall attach to any person, according to applicable general rules, solely on the basis of the summary, including any translation, unless the summary is misleading, inaccurate or or inconsistent when read together with the other parts of the prospectus.

## CHAPTER IV

### Article 4

#### The prospectus

The prospectus shall contain information concerning the issuer and the securities to be offered to the public or to be admitted to trading on a regulated market. It shall also include a brief and informative summary, which conveys the essential characteristics and risks associated with the issuer, any guarantor, if applicable, and the securities. The summary shall be written in the language in which the prospectus was originally drawn up.