

No. 245/2006

REGULATION on the official listing of securities in a stock exchange

CHAPTER I

General provisions

Article 1

A stock exchange holding an operating licence in accordance with Article 3 of Act No. 34/1998 shall be regarded as a competent authority with respect to the official listing of securities on a stock exchange in the understanding of European Community law, cf. Article 23 of this Regulation.

A stock exchange is responsible for enforcing the law and other rules applicable to securities listed on the exchange. Non-compliance is subject to revocation of the operating licence as provided in of Article 37 of Act No. 34/1998.

Article 2

Shares, co-operative shares, bonds, units in collective

investment undertakings, warrants, and other securities, as currently approved by the board of the stock exchange, may be listed on the stock exchange.

Official listing of classes of securities on a stock exchange must be applied for as provided in this Regulation, Chapter IV of Act No. 33/2003 on securities transactions, as amended, and the Regulation on public offerings of securities in the amount of ISK 210 million or more and the listing of securities on a regulated securities market, in addition to rules adopted by the stock exchange on official listing of securities and trading in them.

On receiving an application the stock exchange shall assess whether the issuer and the securities meet the conditions set for listing.

Article 3

Securities for which listing is sought must, together with their issuer, fulfil the requirements of law and conditions of Regulations, rules and articles of association applicable to the issuer, its activities and the securities.

CHAPTER II

Conditions for listing of shares

Article 4

Before listing, the following requirements must be satisfied at the time of application for official listing in a stock exchange:

1. trade in the securities must be unrestricted;
2. the company must have signed an agreement with the stock exchange on the listing of its shares in the exchange;
3. a prospectus must be provided in accordance with the provisions of Chapter IV of Act No. 33/2003 on securities transactions, as amended, and the Regulation on public offerings of securities in the amount of ISK 210 million or more and the listing of securities on a regulated securities market;
4. the annual accounts, and consolidated accounts, where applicable, must be accessible to the public and must be available from the company without charge;
5. the articles of association must be accessible to the public and must be available from the company without charge;

6. a list of insiders must be submitted as provided in Act No. 33/2003 on securities transactions, as amended, and Regulation No. 433/1999 on the disclosure requirements of issuers, stock exchange members and owners of securities listed on a stock exchange;
7. shareholders' meetings must be open to the media;
8. share capital must be fully paid up.

A stock exchange may grant exemption from this condition if circumstances warrant, provided that such limitations do not interfere with trading in the securities in any respect.

Article 5

All the shareholders of the same share class must enjoy the same rights.

Application must be made for listing of all shares issued in the share class concerned after satisfying the following conditions:

A. Size:

The estimated market value of a share class for which listing is sought on a stock exchange must be no less than ISK 80 million, and never less than an amount equivalent to EUR 1

million, based on the officially posted exchange rate at any given time.

B. Distribution:

The distribution of ownership of a share class for which listing is applied must be such that at least 25% of the shares and voting rights are held by retail investors or, in view of the large number of shareholders and the diffusion of the shares, a lower percentage, if this does not prevent normal trade in the shares. Retail investors shall mean all shareholders other than insiders, parent companies or subsidiaries or parties holding more than 10% of the company's shares.

C. Age:

A company for which listing is sought must be able to submit audited annual accounts for three full years, covering all the main areas of operations pursued by the company at the time of its application for listing.

Derogation may be made from this condition if such derogation is desirable in the interests of the issuer and if the stock exchange is of the opinion that investors have the