

Act

on the Disposition of the State's Holding in Íslandsbanki hf.

Article 1

Objective

The objective of this Act is to have the State dispose of its holding in Íslandsbanki hf.

Article 2

Authorisation to sell holdings

The Minister is authorised to dispose of part or all of the State's holding in Íslandsbanki hf., after obtaining authorisation in the budget, through a public offering on the open market, which is accessible to both general investors and institutional investors, cf. Points 5 and 14 of the first paragraph of Article 4 of the Act on Markets in Financial Instruments, No. [115/2021](#).

Article 3

Principles concerning disposition

In the disposition of a holding, due consideration shall be given to transparency, efficiency, objectivity and equality, as provided for in the Public Finance Act.

Article 4

Execution of a fully marketed offering

A marketed offering shall be advertised, giving notice of at least two days, with the publication of a prospectus. An agreement shall be concluded with a competent party or parties for the preparation of the prospectus and administration of order books. One or more parties may be entrusted with handling the arrangements for and management of the offering.

Placing of shares in the offering shall be provided by legal entities authorised to place offerings of financial instruments without underwriting in Iceland, as provided for in the Act on Markets in Financial Instruments, who have requested to participate within a reasonable time limit set by the Minister, provided they accept the arrangements for the offering. Commissions to bookrunners shall amount to 0.75% of the total value of the shares sold.

The marketed offering shall be divided into order book A and order book B. Sales through order book A shall have priority when shares are allocated. The minimum bid shall be ISK 100,000 in order book A and ISK 2,000,000 in order book B.

a. Bids shall be accepted for order book A at a fixed price, equivalent to the average selling price of shares in Íslandsbanki hf. during the last 15 days prior to the publication of the prospectus, or to the last closing price, with a maximum deviation of 5% below that price. Bids in this order book may amount to up to ISK 20,000,000. Only individuals may submit bids. Should it prove necessary to reduce subscriptions to meet demand, this shall be done

pro rata, so that all the share capital is sold. However, subscriptions shall not be reduced to less than ISK 2,000,000, unless this proves necessary to meet demand, in which case this shall be done *pro rata*.

b. Bids placed through order book B may exceed ISK 20,000,000. The selling price shall be the lowest bid which can encompass the entire amount of the offering, however, the minimum price may not be lower than the fixed price in order book A. Should it prove necessary to reduce subscriptions to meet demand, this shall be done exclusively based on the bid price. Should it prove necessary to reduce the lowest bids accepted this shall be done *pro rata*.

Bids subject to conditions shall be void. The same applies to the bids of parties who have held a reported short position in Íslandsbanki hf. during a period of 30 days prior to the commencement of the offering. The Financial Supervisory Authority of the Central Bank of Iceland shall inform the Ministry of reported short positions in the bank, as referred to in the second sentence, on the date the offering commences. Notwithstanding the provision of the second paragraph, Íslandsbanki hf. may not co-ordinate the offering.

Article 5

Eligibility, disclosure and audit

The provisions of Chapter II of the Administrative Procedures Act, No. [37/1993](#), on eligibility to handle cases, do not apply if the disposition of holdings is carried out in accordance with Article 4 on public offerings.

In preparation for a public offering, the Minister shall ensure effective disclosure of information on the preparation and implementation of the disposal of the holding.

Following the completion of the public offering, the Minister shall, regardless of the obligation of confidentiality under Article 58 of the Act on Financial Undertakings, No. [161/2002](#), make public detailed information on each individual transaction with shares, including the Id. Nos., in cases where investors have an Icelandic Id. No., and the names of the end purchasers. Furthermore, the obligation of confidentiality shall not prevent the necessary communication of information to dealers administering the public offering, as provided for in the second paragraph of Article 4.

Following the completion of the public offering, the Minister shall engage an independent party to examine whether the principles listed in Article 3 have been followed.

Article 6

Entry into force etc.

This Act shall enter into force at once.

Upon the entry into force of this Act, the Act on the Sale Process of the State's Holdings in Financial Undertakings, No. [155/2012](#), shall be repealed. At the same time, subparagraphs i and j of Article 4 of the Act on Icelandic State Financial Investments, No. [88/2009](#), shall be repealed.

This Act shall expire once disposal of the State's holdings in Íslandsbanki is fully completed.

Adopted by the Althingi on 22 June 2024.