



Information disclosure for notification of a qualifying holding

Cf. Article 41 of the Act on Financial Undertakings, no. 161/2002; Article 58 of the Act on Insurance Activities, no. 100/2016; Article 5 of the Act of Payment Services, No. 114/2021; Article 16 of the Act on Alternative Investment Fund Management Companies, no. 45/2020; Article 13 of the Act on UCITS, no. 116/2021; and Article 14 of the Act on Issuance and Treatment of Electronic Money, no. 17/2013.

Notifications of qualifying holdings shall contain the information requested in this checklist. The checklist has been prepared by the Central Bank of Iceland Financial Supervisory Authority (FSA Iceland or the Authority), with reference to the Joint Guidelines on the assessment of acquisitions of and increases in qualifying holdings in the financial sector, JC/GL/2016/01, issued by the Joint Committee of the European Supervisory Authorities. The Joint Guidelines can be found on the website of the European Banking Authority (EBA): eba.europa.eu. FSA Iceland urges notifying parties to acquaint themselves thoroughly with the Joint Guidelines and use them for reference when preparing their notifications.

This checklist is the same for notifications of qualifying holdings in financial undertakings, insurance companies, payment institutions, alternative investment fund management companies, and electronic money institutions. The party intending to acquire a qualifying holding in another is referred to hereinafter as the acquiring undertaking (or acquirer), and the institution in which it intends to acquire or increase a qualifying holding is referred to hereinafter as the target undertaking (or target).

FSA Iceland instructs notifying parties to answer each and every item in the column provided. In several of the items, it is assumed that information will be provided in a separate accompanying document. In such cases, please indicate the title of the accompanying document in the column provided (for instance, the response to Question 1.6 could be "1.6 Curriculum Vitae.pdf"). If the notifying party is of the opinion that a given item does not apply, they shall indicate this clearly; for instance, by writing "not applicable" or "n/a" in the appropriate place.

Please note that acquirers of indirect, qualifying holdings are to provide the same information requested in this checklist. There is no separate checklist for acquirers of indirect, qualifying holdings.

If questions arise, please contact FSA Iceland before submitting the notification. You can do this by sending an e-mail to sedlabanki@sedlabanki.is. If the notification is complex or if there is any doubt about whether given eligibility criteria are met, FSA Iceland asks that the notifying party request a meeting with the Authority before submitting the notification.

After the attached document has been filled out, the acquirer, if an individual, shall sign it personally. If the acquirer is a legal entity, a competent party within the organisation shall sign it. When this is done, please send the document, together with accompanying documents, by e-mail to sedlabanki@sedlabanki.is. Please do not send the document or its accompanying documents to individual members of staff. Further instructions can be found at the end of this document.

FSA Iceland prefers that the checklist be signed electronically; however, it is still permissible to print the document, sign it, and then submit a scanned copy of it by e-mail.

FSA Iceland wishes to note that incorrect or insufficient information disclosure may constitute a violation of the law.

1. Information on the proposed acquirer

If the proposed acquirer is an individual, please answer Items 1.1-1.7 and omit Items 1.8-1.15 and 1.19-1.27. If the proposed acquirer is a legal entity, please omit Items 1.1-1.7 and answer Items 1.8-1.27 instead.

1.1 Name of the proposed acquirer _____

1.2 Date and place of birth _____

1.3 Icelandic ID number (or comparable foreign ID number) _____

1.4 Legal address and place of stay, if different from the legal address

1.5 Telephone number and e-mail address _____

1.6 Detailed curriculum vitae, including the following information:

- Formal education and/or occupational training
- Previous employment.
- Positions currently or previously held, including management positions
- For positions held in the past ten (10) years, the description in the curriculum vitae shall specify the person's sphere of responsibility and decision-making authority within the organisation, as well as the parts of the organisation's activities subject to the person's direction

See enclosure no. _____

1.7 A copy of the proposed acquirer's official identification, such as a passport

See enclosure no. _____

1.8 The registered name of the legal entity _____

1.9 Icelandic ID number (or comparable foreign ID number) _____

1.10 The acquirer's registered address and principal place of business (if different from the registered address)

1.11 Telephone number (main number) and e-mail address

1.12 Website address _____

1.13 Trading name, if applicable _____

1.14 Legal entity identifier (LEI) number, if any _____

1.15 A certificate from the Enterprise Register or a comparable certificate issued by a foreign authority

See enclosure no. _____

1.16 Name, title, direct telephone number, and e-mail address of FSA Iceland's contact person with the acquiring undertaking

It is requested that the proposed acquirer designate a contact person from among its employees, even if a lawyer will oversee the preparation of the notification to FSA Iceland

Name _____

Title _____

Direct telephone number _____

E-mail address _____

1.17 A brief description of the proposed acquirer's business activities

See enclosure no. _____

1.18 An exhaustive list of all individuals who effectively direct the proposed acquirer's activities

E. Effectively direct. At a minimum, the names of Board members and managing directors must be given. If management is in the hands of more than one person, all names must be provided.

For each individual on the list, the following information shall be included:

- Name
- Date and place of birth
- Icelandic ID number (or comparable foreign ID number)
- Address
- Telephone number and e-mail address
- Nationality
- A copy of official identification, such as a passport
- Detailed curriculum vitae, including the following information:
 - o Formal education and/or occupational training
 - o Previous positions and length of the employment relationship
 - o Other positions currently or previously held, including board memberships
 - o Information on the person's experience with financial operations

See enclosure no. _____

1.19 Information shall be provided on

- a) the proposed acquirer's direct shareholders/guarantee capital holders who will, following the proposed acquisition, own indirectly, through the notifying party, at least 0.5% of share capital, guarantee capital, or voting rights in the target undertaking

Example: If the proposed acquirer will acquire a 100% stake in the target undertaking, information shall be provided on those who own voting rights or share capital amounting to 0.5% or more in the proposed acquirer. If the proposed acquirer will acquire a 50% stake, information shall be provided on those who own 1% or more; if the proposed acquirer will acquire a 10% stake, information shall be provided on those who own 5% or more; and so forth.

- b) direct shareholders/guarantee capital owners of the proposed acquirer who exercises significant influence over the proposed acquirer's management
- c) indirect shareholders/guarantee capital owners through entities listed in Items (a) and (b), up to the parent company level

The information shall satisfy the following conditions:

- The information shall be current and correct as of the date of the notification
- The information shall be submitted electronically in an Excel document that includes the following:
 - o the number of outstanding shares,
 - o the names of shareholders,
 - o shares owned by each (itemised by share class, if applicable),
 - o the proportional holding owned by each shareholder,
 - (If any shareholder's voting rights are greater or less than is indicated by their share in outstanding share capital, this should be stated explicitly.)

See enclosure no. _____

FSA Iceland emphasises that if an indirect qualifying holding is created in a target undertaking, the indirect owner of the qualifying holding must submit a separate notification of the qualifying holding.

A discussion of when an indirect qualifying holding is created can be found in Annex II of the Joint Guidelines referred to in the introduction. If questions arise, please contact FSA Iceland.

1.20 Is any shareholder/guarantee capital owner considered the beneficial owner of the proposed acquirer?

The term beneficial owner is defined in Article 3, Paragraph 1, Item 13 of the Act on Measures Against Money Laundering and Terrorist Financing, no. 140/2018, and this definition shall be used as a basis for the submittal.

No, there is no beneficial owner

Yes, see enclosure no. _____

1.21 With reference to the information provided in 1.19: To the best of the proposed acquirer's knowledge, have shareholders made a shareholder agreement among themselves, or do they act in concert in the sense of Article 40, Paragraph 3, of the Act on Financial Undertakings?

See enclosure no. _____

If the proposed acquirer is a fund, please answer questions 1.22-1.23.

It should be noted that fund management companies that own a qualifying holding and, as applicable, undertakings in a chain between management companies and funds may be considered indirect owners of qualifying holdings. In case of doubt, please contact FSA Iceland.

1.22 Information shall be provided on the names of all fund members entitled to at least 10% of the fund's assets, as well as their holdings, expressed as a percentage. Information on the beneficial owners of fund members shall also be provided

If fewer than five entities are entitled to 10% of the fund's assets, information shall always be provided on the five largest fund members and their beneficial owners.

Please note that in cases of a large share in the target undertaking, FSA Iceland may request further documentation.

See enclosure no. _____

1.23 Is the fund open-ended or closed?

Open Closed

If the proposed acquirer is a trust that already exists or would result from the proposed acquisition, please answer questions 1.24-1.27.

1.24 Specify all trustees who will manage assets according to the trust document and, if applicable, their respective shares in the distribution of income

See enclosure no. _____

1.25 Specify all individuals who are beneficial owners or settlors of the trust and, if applicable, their respective shares in the distribution of income

See enclosure no. _____

1.26 A copy of the trust document shall be provided, together with any annexes or ancillary agreements pertaining to the trust

See enclosure no. _____

1.27 The reason for using a trust shall be explained

See enclosure no. _____

2. Additional questions if the proposed acquirer is an individual

Questions in this section may be omitted if the proposed acquirer is a legal entity

2.1 As regards

- i) the proposed acquirer, and
- ii) all legal entities that the proposed acquirer has directed or controlled in the past ten (10) years

A person who is a managing director and/or a Board member is considered to direct the undertaking. A person is considered to control an undertaking if control as described in Article 2, Item 48 on the act on annual accounts cf. 4. Item and 29 Item of the same article.

the following information and documentation is requested:

a) Whether the individual has been found guilty in criminal proceedings or has entered into a settlement with a competent legal authority as a result of alleged punishable offences?

No Yes

b) Whether the proposed acquirer has been charged in a criminal case?

No Yes

c) Whether the proposed acquirer has been designated a suspect by the police?

No Yes

- d) Whether the proposed acquirer has been a party to an administrative case (including, but not limited to, cases initiated by tax authorities or financial supervisory authorities) centring on alleged violations of the law or of rules set on the basis of the law?
- No Yes
- e) Whether the proposed acquirer has been dismissed from the Board of a legal entity by a competent legal authority (i.e., a supervisory body) or has been prohibited by such a competent authority from holding a management position with a legal entity?
- No Yes
- f) Whether the proposed acquirer has been a party to civil proceedings before the courts (excluding conventional collections cases in which the proposed acquirer is the plaintiff)?
- No Yes
- g) Whether the proposed acquirer has been declared bankrupt or granted a moratorium on payment, or has entered into a composition agreement, or whether a petition for any such measure has been filed?
- No Yes
- h) Whether a petition for distraint or other comparable enforcement proceedings has been filed against the proposed acquirer?
- No Yes
- i) Whether the proposed acquirer has applied for debt mitigation or undergone comparable financial restructuring?
- No Yes
- j) Whether the proposed acquirer is on the default register maintained by Creditinfo Lánstraust hf. or a comparable foreign agency?
- No Yes
- k) Whether the proposed acquirer has been refused a permit to conduct licensed operations or carry out licensed work, and whether such a permit has been revoked or invalidated?
- No Yes
- l) Whether the proposed acquirer has been expelled from a professional body or association?
- No Yes
- m) Whether the proposed acquirer has been dismissed from employment, a position of trust, a fiduciary relationship, or other comparable position, or whether the proposed acquirer has been asked to resign from such a position?
- No Yes

Please specify the legal entities/individuals that the answers cover (cf. i and ii above)

See enclosure no. _____

This information shall not be limited to incidents in Iceland but shall also include incidents taking place in other countries.

If the response to any item above is yes, detailed information shall be provided.

See enclosure no. _____

As regards the proposed acquirer personally, the information provided in Item (a) shall be supported with a copy of their criminal record, issued by the governmental authorities in the state where the proposed acquirer is domiciled.

See enclosure no. _____

2.2 Has another supervisory authority conducted an assessment of the proposed acquirer's reputation?

No

Yes, see enclosure no. _____

2.3 The current business activities of the proposed acquirer shall be described thoroughly and exhaustively

See enclosure no. _____

2.4 A list of the following shall be submitted:

- a) the proposed acquirer's holdings in other undertakings if they represent at least 10% of share capital or voting rights,
- b) undertakings in which the proposed acquirer sits on the Board or Executive Committee,
- c) undertakings in which the proposed acquirer nominates candidates for the Board or Executive Committee

See enclosure no. _____

2.5 A description of the proposed acquirer's experience and knowledge of financial operations

See enclosure no. _____

2.6 Detailed information on the current financial position of the proposed acquirer, including:

Income for the last three years and the sources of such income,
liabilities and information on key creditors,
assets,
pledges of assets or other collateral rights attached to the proposed acquirer's assets,
collateral rights that the proposed acquirer may own

A confirmation of this information shall be submitted; i.e., a copy of the tax return or an auditor's statement. If questions arise on how detailed the confirmation must be, please contact FSA Iceland.

See enclosure no. _____

2.7 Does the proposed acquirer have a credit rating?

No

Yes, see enclosure no. _____

2.8 Information on the financial position and credit rating, if available, of all undertakings controlled or directed by the proposed acquirer. Financial information refers to the most recent annual or interim financial statements of the undertakings in question

See enclosure no. _____

2.9 A description of the proposed acquirer's interests, financial or non-financial, vis-à-vis the following:

Financial interests include interests relating to lending, guarantees, and pledges. Non-financial interests include blood relationships or close personal relationships.

- a) other current shareholders in the target undertaking,
- b) holders of voting rights in the target undertaking. As regards this item, the notifying party is advised explicitly to refer to Item 1-(f)-(2) on page 35 of the Joint Guidelines mentioned in the introduction,
- c) board members or managers of the target undertaking,
- d) the target undertaking and the consolidation to which it belongs.

See enclosure no. _____

2.10 Information on the proposed acquirer's other interests that could conflict with the interests of the target undertaking, together with possible resolutions of such conflicts of interests

See enclosure no. _____

- 2.11 Information on the proposed business relationship between the proposed acquirer and closely related parties, on the one hand, and the target undertaking, on the other

See enclosure no. _____

3. Additional questions if the proposed acquirer is a legal entity

Questions in this section may be omitted if the proposed acquirer is an individual

3.1 As regards

- i. the proposed acquirer,
- ii. all those who effectively direct the proposed acquirer's activities,
E. Any person who effectively directs the business of the proposed acquirer. At a minimum, the names of Board members and managing directors must be given. If management is in the hands of more than one person, all names must be provided.
- iii. shareholders that own more than 10% of share capital, guarantee capital, or voting rights in the proposed acquirer or that exercise significant influence over the proposed acquirer's management; and
- iv. all undertakings that the proposed acquirer directs or controls

A person who is a managing director and/or a Board member is considered to direct the undertaking. A person is considered to control an undertaking if control as described in Article 2, Item 48 on the act on annual accounts cf. 4. Item and 29 Item of the same article.

the following information and documentation is requested:

- a) Whether the individual has been found guilty in criminal proceedings or has entered into a settlement with a competent legal authority as a result of alleged punishable offences?

No Yes

- b) Whether the proposed acquirer has been charged in a criminal case?

No Yes

- c) Whether the proposed acquirer has been designated a suspect by the police?

No Yes

- d) Whether the proposed acquirer has been a party to an administrative case (including, but not limited to, cases initiated by tax authorities or financial supervisory authorities) centring on alleged violations of the law or of rules set on the basis of the law?

No Yes

- e) Whether the proposed acquirer has been dismissed from the Board of a legal entity by a competent legal authority (i.e., a supervisory body) or has been prohibited by such a competent authority from holding a management position with a legal entity?

No Yes

- f) Whether the proposed acquirer has been a party to civil proceedings before the courts (excluding conventional collections cases in which the proposed acquirer is the plaintiff)?

No Yes

- g) Whether the proposed acquirer has been declared bankrupt or granted a moratorium on payment, or has entered into a composition agreement, or whether a petition for any such measure has been filed?

No Yes

- h) Whether a petition for distraint or other comparable enforcement proceedings has been filed against the proposed acquirer?

No Yes

- i) Whether the proposed acquirer has applied for debt mitigation or undergone comparable financial restructuring?

No Yes

- j) Whether the proposed acquirer is on the default register maintained by Creditinfo Lánstraust hf. or a comparable foreign agency?
 No Yes
- k) Whether the proposed acquirer has been refused a permit to conduct licensed operations or carry out licensed work, and whether such a permit has been revoked or invalidated?
 No Yes
- l) Whether the proposed acquirer has been expelled from a professional body or association?
 No Yes
- m) Whether the proposed acquirer has been dismissed from employment, a position of trust, a fiduciary relationship, or other comparable position, or whether the proposed acquirer has been asked to resign from such a position?
 No Yes

Please specify the legal entities/individuals that the answers cover (cf. i, ii, iii and iv above)

See enclosure no. _____

This information shall not be limited to incidents in Iceland but shall also include incidents taking place in other countries.

If the response to any item above is yes, detailed information shall be provided.

See enclosure no. _____

As regards individuals who fall under Items (ii) and (iii) above, the information disclosed in Item (a) shall be supported with a copy of their criminal record, issued by the governmental authorities in the state where the individual in question is domiciled.

See enclosure no. _____

3.2 Has another supervisory authority conducted an assessment of the proposed acquirer's reputation?

No

Yes, see enclosure no. _____

3.3 Does the proposed acquirer have any type of official operating licence? If so, please provide further explanation

No

Yes, see enclosure no. _____

3.4 Has the proposed acquirer previously applied for any type of official operating licence, either in Iceland or in another country, but then withdrawn the application before a decision had been made?

See enclosure no. _____

3.5 Has the proposed acquirer's eligibility to own a qualifying holding in a supervised entity been assessed by a financial supervisor in the European Economic Area?

No

Yes, see enclosure no. _____

3.6 A description of the proposed acquirer's experience and knowledge of financial operations

See enclosure no. _____

3.7 A description of the financial and non-financial interests of

Financial interests include interests relating to lending, guarantees, and pledges. Non-financial interests include blood relationships or close personal relationships.

- i. the proposed acquirer,
- ii. the consolidation to which the proposed acquirer belongs,
- iii. each person who directs the proposed acquirer's operations, including Board members and managing directors,

vis-à-vis:

- a) other current shareholders in the target undertaking.
- b) holders of voting rights in the target undertaking. As regards this item, the notifying party is advised explicitly to refer to Item 2-(c)-(1) on page 36 of the Joint Guidelines mentioned in the introduction.
- c) Board members or managers of the target undertaking,
- d) the target undertaking and the consolidation to which it belongs.

See enclosure no. _____

3.8 Information on the proposed acquirer's other interests that could conflict with the interests of the target undertaking, together with possible resolutions of such conflicts of interests.

See enclosure no. _____

3.9 A list of the following shall be submitted:

- a) the proposed acquirer's holdings in other undertakings if they represent at least 10% of share capital,
- b) undertakings in which the proposed acquirer nominates candidates for the Board or Executive Committee.

See enclosure no. _____

3.10 If the proposed acquirer is part of a consolidation, either as parent company or as subsidiary, a detailed organisational chart showing the structure of the entire consolidation is requested, together with information on:

- a. proportional shareholdings/guarantee capital holdings and voting rights,
- b. shareholders in legal entities within the consolidation that hold at least 10% of share capital, guarantee capital, or voting rights, or that could exercise significant influence over the management of the undertaking in question,
- c. a description of the activities of all legal entities within the consolidation.

See enclosure no. _____

3.11 If the proposed acquirer is part of a consolidation, either as parent company or as subsidiary, information is requested on the relationship between the financial entities and other non-financial entities within the consolidation.

See enclosure no. _____

3.12 If the consolidation to which the proposed acquirer belongs includes a credit institution; a non-life, life, or reinsurance company; or an investment firm, these shall be listed explicitly, as shall the relevant supervisory authorities

See enclosure no. _____

3.13 The annual financial statements of the proposed acquirer, at both parent and consolidated levels, if applicable. The annual accounts of at least the most recent year shall be audited and ratified. If more than six months have passed since the last annual financial statements, examined interim financial statements shall be submitted.

If the proposed acquirer's financial position has changed materially since the last financial statements – i.e., due to earnings, acquisitions or sales of large assets, and/or changes in liabilities – these changes shall be explained in detail. If the financial position has changed materially since the last annual or interim financial statements, a request may be made for interim financial statements covering the period during which the changes in financial position occurred.

If the proposed acquirer is a supervised entity, calculations shall be submitted showing the impact on the entity's mandatory capital ratio or solvency ratio, both before and after the acquisition. A forecast of developments in the ratio over the coming three years is requested as well.

If the proposed acquirer is a newly established entity, forecast balance sheets and profit and loss accounts for the first three operational years shall be submitted, together with the assumptions underlying the forecasts.

See enclosure no. _____

3.14 The credit rating of the proposed acquirer is requested, together with an overall rating of the consolidation to which it belongs, if available.

No

Yes, see enclosure no. _____

3.15 Information on the auditors of the proposed acquirer and when they took over. If the undertaking has changed auditors in the last three years, an explanation of the reason for the change is requested.?

3.16 Information on the proposed business relationship between the proposed acquirer and closely related parties, on the one hand, and the target undertaking, on the other

See enclosure no. _____

If the proposed acquirer is a legal entity whose headquarters are in a third country (i.e., outside the European Economic Area), Items 3.17-3.19 shall be completed.

3.17 FSA Iceland must be provided with a copy of the certificate of good standing issued to the prospective acquirer by the financial supervisor in the prospective acquirer's home state.

See enclosure no. _____

3.18 FSA Iceland must be provided with a copy of a declaration by the financial supervisor in the prospective acquirer's home state, stating that there are no obstacles to or limitations on disclosure to FSA Iceland of the information necessary for supervision of the target undertaking.

See enclosure no. _____

3.19 FSA Iceland must be provided with a general description of the rules applying to the prospective acquirer's activities in its home state, including whether the activities are subject to licensing or supervision.

See enclosure no. _____

If the prospective acquirer is a sovereign wealth fund, Items 3.20-3.23 shall be completed.

3.20 The name of the governmental ministry or administrative department that defines the fund's investment strategy.

3.21 A detailed description of the investment strategy and any restrictions on investment.

See enclosure no. _____

3.22 The names and positions of those individuals who are responsible for making investment decisions for the fund.

See enclosure no. _____

3.23 Details on the influence that the ministry or administrative department has on the day-to-day operations of the fund and the target undertaking.

See enclosure no. _____

If the proposed acquirer is a private equity fund or a hedge fund, Items 3.24-3.32 shall be completed.

3.24 Detailed information on the performance of previous acquisitions of qualifying holdings in the target undertaking.

See enclosure no. _____

3.25 A detailed description of the proposed acquirer's investment strategy and all restrictions on investment, including details on investment monitoring, factors on which the proposed acquirer bases investment decisions relating to the target undertaking, and factors that would trigger changes to the proposed acquirer's exit strategy.

See enclosure no. _____

3.26 A detailed description of the proposed acquirer's decision-making framework for investment decisions. This shall include the names and positions of the individuals responsible for such decisions.

See enclosure no. _____

3.27 A detailed description of the fund's possibilities to provide financial assistance to the target undertaking if the need arises.

See enclosure no. _____

3.28 Does the proposed acquirer intend to press the target undertaking to sell assets in the next twelve months?

No Yes, see a detailed explanation in enclosure no. _____

3.29 Does the target undertaking intend to press for changes in the target undertaking's policy on dividend payments?

No Yes, see a detailed explanation in enclosure no. _____

3.30 A detailed description of the proposed acquirer's procedures to combat money laundering and terrorist financing and the statutory framework underlying them.

See enclosure no. _____

3.31 A description of the proposed acquirer's entrepreneurial activities.

See enclosure no. _____

3.32 What is the lifetime of the fund, and what are the possibilities for lengthening it?

See enclosure no. _____

4. Information on those who will effectively direct the target undertaking after the acquisition

4.1 Does the proposed acquirer intend to make changes in the financial market undertaking's management in the next twelve months; i.e., by appointing new Board members or managing directors?

No Yes

If the answer to Question 4.1 is yes, please answer Questions 4.2-4.7.

4.2 Please provide FSA Iceland with the following information on each new manager who will join the management of the financial market undertaking after the acquisition:

- Name, date and place of birth, Icelandic ID number (or comparable foreign ID number), address, telephone number, and e-mail address.
- Proposed position within the target undertaking.
- Detailed curriculum vitae, including the following information:
 - o Formal education and occupational training,
 - o names of all undertakings for which the person has worked,
 - o key tasks at each place of employment.
 - o length of the employment relationship,
 - o name, telephone number, and e-mail address of a contact person at the place in question,
FSA Iceland may contact this person in order to verify the information.

For positions held in the past ten (10) years, the description shall specify the person's sphere of responsibility and decision-making authority within the organisation, as well as the parts of the organisation's activities subject to the person's direction.

In particular, the curriculum vitae shall include professional experience in the target undertaking's field of business.

If the person in question has other experience, such as management experience, this shall be included as well.

See enclosure no. _____

4.3 For each individual who will be a new member of the target undertaking's Board after the acquisition, information is requested on

a) Whether the proposed Board member has been found guilty in criminal proceedings or has entered into a settlement with a competent legal authority as a result of alleged punishable offences.?

No Yes

b) Whether the proposed Board member has been charged in a criminal case?

No Yes

c) Whether the proposed Board member has been designated a suspect by the police?

No Yes

d) Whether the proposed Board member has been a party to an administrative case (including, but not limited to, cases initiated by tax authorities or financial supervisory authorities) centring on alleged violations of the law or of rules set on the basis of the law?

No Yes

e) Whether the proposed Board member has been dismissed from the Board of a legal entity by a competent legal authority (i.e., a supervisory body) or has been prohibited by such a competent authority from holding a management position with a legal entity?

No Yes

f) Whether the proposed Board member has been a party to civil proceedings before the courts (excluding conventional collections cases in which the proposed Board member is the plaintiff)?

No Yes

g) Whether the proposed Board member has been declared bankrupt or granted a moratorium on payment, or has entered into a composition agreement, or whether a petition for any such measure has been filed?

No Yes

h) Whether a petition for distraint or other comparable enforcement proceedings has been filed against the proposed Board member?

No Yes

i) Whether the proposed Board member has applied for debt mitigation or undergone comparable financial restructuring?

No Yes

j) Whether the proposed Board member is on the default register maintained by Creditinfo Lánstraust hf. or a comparable foreign agency?

No Yes

k) Whether the proposed Board member has been refused a permit to conduct licensed operations or carry out licensed work, and whether such a permit has been revoked or invalidated?

No Yes

l) Whether the proposed Board member has been expelled from a professional body or association?

No Yes

m) Whether the proposed Board member has been dismissed from employment, a position of trust, a fiduciary relationship, or other comparable position, or whether the proposed Board member has been asked to resign from such a position?

No Yes

Please specify the individuals that the answers cover

See enclosure no. _____

This information shall not be limited to incidents in Iceland but shall also include incidents taking place in other countries.

If the response to any item above is yes, detailed information shall be provided.

See enclosure no. _____

The information in Item (a) shall be supported with a copy of the person's criminal record.

See enclosure no. _____

4.4 If another supervisory authority has assessed the reputation of a person who will be a new manager of the target undertaking after the acquisition, the name of the supervisor and the outcome of the assessment shall be submitted?

No

Yes, see enclosure no. _____

4.5 A description of the interests of the person who will be a new member of the target undertaking's Board after the acquisition, and those of the person's close family members, vis-à-vis the Board members and management (including key management) of the target undertaking. Both financial and non-financial interests shall be described.

See enclosure no. _____

4.6 An estimate of the minimum time, both annually and monthly, the person in question will devote to the performance of their functions within the target undertaking

See enclosure no. _____

4.7 Information on executive and non-executive directorships held by the person in question, as well as other participation in legal entities other than the target undertaking.

See enclosure no. _____

4.8 Is the person in question domiciled in Iceland, and if not, is Icelandic domicile planned??

Yes No, but intends to No, and does not intend to

5. Information on the proposed acquisition

5.1 Name and national ID number of the target undertaking.

Name _____

ID number _____

5.2 A timeline for the proposed acquisition.

See enclosure no. _____

5.3 Information on the seller of the proposed acquirer's holding

FSA Iceland may request a copy of the purchase agreement between the parties.

See enclosure no. _____

5.4 Information on the proposed acquirer's intentions vis-à-vis the investment; i.e., whether it is intended as a portfolio investment or a strategic investment.

See enclosure no. _____

5.5 Total share capital/guarantee capital in the target undertaking and the share capital/guarantee capital held by the proposed acquirer, together with the ownership share, expressed in percentage points, both before and after the acquisition that results in the qualifying holding.

See enclosure no. _____

5.6 The share of voting rights (if different from the ownership share) that the proposed acquirer owns, both before and after the acquisition that results in the qualifying holding.

See enclosure no. _____

5.7 The average price per share in the transactions that result in the qualifying holding, together with the total price the proposed acquirer will pay for the acquisition that results in the qualifying holding.

No Yes, see enclosure no. _____

5.8 The criteria used to determine the price for the transaction and the reason for the difference, if any, between the market price and the price of the acquisition.

See enclosure no. _____

5.9 Is the proposed acquirer acting in concert with any other shareholder(s) in the target undertaking, cf. Article 40, Paragraph 3, of the Act on Financial Undertakings? If the answer is yes, a list of all such shareholders is requested.

No Yes, see enclosure no. _____

5.10 Does the proposed acquirer plan to enter into a verbal or written shareholder agreement with other shareholders in the target undertaking, or has such an agreement already been made? If so, please explain the substance of the agreement.

No Yes, see enclosure no. _____

5.11 Will the proposed acquirer bear all of the expected profit from the transaction or, as applicable, all of the expected loss?

Yes No, see a detailed explanation in enclosure no. _____

5.12 Has the proposed acquirer entered into derivatives contracts (for instance, forward contracts, profit-sharing agreements, or call or put options) using shares issued by the target undertaking as the underlying asset? If so, describe in detail the substance of the agreements and the counterparties.

No Yes, see enclosure no. _____

5.13 Will a third party handle the financing for the acquisition? If so, please provide the name of this party.

No Yes, name: _____

5.14 Has the proposed acquirer engaged in discussions with other shareholders of the target undertaking concerning changes in the target undertaking's governance, the sale of its assets, or any other distribution of its assets (for instance, with the payment of non-cash dividends to shareholders)?

No Yes, see enclosure no. _____

6. Information on the proposed new group structure and its impact on supervision

6.1 If the proposed acquirer is a legal entity, please provide an analysis of the scope of consolidated supervision following the proposed acquisition. The analysis shall specify which entities within the consolidation will be under such supervision after the proposed acquisition, and which levels within the consolidation will be subject to the supervisory requirements on a consolidated or sub-consolidated basis.

See enclosure no. _____

6.2 Will the proposed acquisition and the relationship that the target undertaking will have with the proposed acquirer affect the target undertaking's ability to provide timely and accurate information to FSA Iceland?

See enclosure no. _____

7. Information on the financing of the proposed acquisition

7.1 A detailed report explaining the financing of the proposed acquisition shall be submitted. The report shall include, at a minimum, all of the information listed in Item 7.2.

See enclosure no. _____

7.2 The minimum information to be provided is as follows:

- a) Information on the use of financial resources for the acquisition, the source of the financing, and, as applicable, supporting documentation verifying that no money laundering is being attempted through the proposed acquisition (e.g. a copy of a wire or bank transfer from a bank account in the name of the proposed acquirer to the seller or a signed letter from a public accountant detailing the source of the financing),
- b) Information on the means of payment to be used for the proposed acquisition and the routing of payments to the seller,
- c) Information on whether payments for the proposed acquisition will be acquired in the financial markets – as applicable, through issuance of financial instruments,
- d) Information on borrowed funds to be used for the proposed acquisition, including the name(s) of the lender(s) and details about the loan in question (maturities, key terms and conditions, pledges and guarantees, and other collateral rights), and information on the funds the proposed acquirer intends to use to repay the loan(s). If the lender is not a supervised financial entity, account shall be given of the source of the borrowed funds provided by the lender to the proposed acquirer,
- e) Information on any type of financial arrangement that the proposed acquirer has entered into with other shareholders in the target undertaking.
- f) Information on the assets that the proposed acquirer or the target undertaking intends to sell in order to finance the proposed acquisition. Such information may include terms of sale, price, appraisal, and other details.

8. Information to be provided if the proposed acquisition would result in a qualifying holding of up to 20%

If the proposed qualifying holding equals up to 20% of share capital/guarantee capital in the target undertaking, the proposed acquirer shall submit an ownership strategy containing the information requested in Item 8.1. The strategy shall be set forth in a separate document and signed by the proposed acquirer.

- a) The objective of the acquisition shall be described, including the following:
 - i. whether there are plans to change the target undertaking's activities or management;
 - ii. the impact on the target undertaking's operations;

- iii. whether the acquisition is intended as a long-term investment;
 - iv. whether the proposed acquirer has plans to increase, decrease, or maintain the holding in the foreseeable future;
 - v. the proposed acquirer's plans concerning the target undertaking, particularly to include whether or not the proposed acquirer intends to be an active minority shareholder, and the reasons for this.
- b) Information on the proposed acquirer's financial capacity and willingness to support the target undertaking with additional own funds if
- i. the target undertaking experiences financial difficulties, or
 - ii. additional own funds are needed for the target undertaking's development.

See enclosure no. _____

9. Information to be provided if the proposed acquisition would result in a qualifying holding of 20-50%

If the proposed qualifying holding equals 20-50% of share capital/guarantee capital in the target undertaking, the proposed acquirer shall submit an ownership strategy containing the information requested in Item 9.1. The strategy shall be set forth in a separate document and signed by the proposed acquirer.

- a) The objective of the acquisition shall be described, including the following:
- i. whether there are plans to change the target undertaking's activities or management;
 - ii. the impact on the target undertaking's operations;
 - iii. whether the acquisition is intended as a long-term investment;
 - iv. whether the proposed acquirer has plans to increase, decrease, or maintain the holding in the foreseeable future;
 - v. the proposed acquirer's plans concerning the target undertaking, particularly to include whether or not the proposed acquirer intends to be an active minority shareholder, and the reasons for this.
- b) Information on the proposed acquirer's financial capacity and willingness to support the target undertaking with additional own funds if
- i. the target undertaking experiences financial difficulties, or
 - ii. additional own funds are needed for the target undertaking's development.
- c) Information on the influence the proposed acquirer intends to have on the target undertaking's financial position, including dividend policy, strategic development, and allocation of resources.
- d) Information on the proposed acquirer's intentions and expectations vis-à-vis the target undertaking over the coming three to five years. The following information shall be included:
- i. the overall aim of the proposed acquisition;
 - ii. financial objectives over the coming three to five years (return on equity, cost-benefit ratio, earnings per share, etc.);
 - iii. potential changes to activities/products/target groups, and potential reallocation of financial resources within the target undertaking;
 - iv. processes for integrating the target undertaking into the proposed acquirer's consolidated organisational structure, including a description of the intended interactions with other entities in the group, and a description of the policy on intra-group interactions.

See enclosure no. _____

10. Information to be provided if the proposed acquisition would result in a qualifying holding of 50% or more

If the proposed qualifying holding equals more than 50% of share capital/guarantee capital in the target undertaking, the proposed acquirer shall submit an ownership strategy containing the information requested in Item 10.1. The strategy shall be set forth in a separate document and signed by the proposed acquirer.

- a) A three-year business plan containing the objectives of the proposed acquisition and the principal methods to be employed in their pursuit, including:
- a. the overall aim of the proposed acquisition;

- b. financial objectives over the coming three to five years (return on equity, cost-benefit ratio, earnings per share, etc.);
 - c. potential changes to activities/products/target groups, and potential reallocation of financial resources within the target undertaking;
 - d. processes for integrating the target undertaking into the proposed acquirer's consolidated organisational structure, including a description of the intended interactions with other entities in the group, and a description of the policy on intra-group interactions.
 - i. For undertakings licensed in and subject to supervision within the EEA, information on the specific departments within the consolidated organisational structure that are affected by the acquisition will be sufficient.
- b) Information on the proposed acquirer's financial capacity and willingness to support the target undertaking with additional own funds if
- a. the target undertaking experiences financial difficulties, or
 - b. additional own funds are needed for the target undertaking's development.
- c) The proposed acquirer's estimated financial statements for a period of at least three years, at the consolidated and parent company level, including the following:
- a. An estimated balance sheet and profit and loss account.
 - b. Estimated capital requirements and solvency margins.
 - c. A discussion of risk exposures, including credit risk, market risk, operational risk, and other relevant risks.
 - d. A summary of projected intra-group transactions.
- d) Proposed changes in the target undertaking's governance practices and overall organisational structure, including: the Board of Directors;
- a. The composition and/or duties of the Board and key employees. Information is also requested on the impact on the composition and duties of committees appointed by the aforementioned parties (i.e., credit committee, risk committee, auditing committee, etc.).
 - b. the duties of the managing director(s). If it is planned to hire a new managing director, information on the person concerned is requested. It should be noted that FSA Iceland assesses the person's eligibility according to Article 52 of the Act on Financial Undertakings.
 - c. Procedures and systems pertaining to administration, accounting, auditing, internal controls, compliance (including anti-money laundering measures), and risk management, together with information on whether there are plans to change rules on appointments to key positions such as internal auditor, compliance officer, and risk management officer.
 - d. Activities or tasks undertaken by the financial undertaking.
 - e. The overall IT architecture, including any type of changes to policies on outsourcing, data flows, software used within the organisation, key procedures on security of data and systems, access to data and systems, equipment to be used (such as data backup, business continuity, auditing trails, etc.), changes in risk assessment, and other matters of importance in operating IT systems and assessing the associated risk.
 - f. The policy in place on outsourcing (the departments concerned, the selection of service providers, etc.) and the rights and responsibilities of the principal parties according to contractual provisions (i.e., audit arrangements and expected quality of service, etc.).
 - g. Any other relevant information pertaining to the impact of the acquisition on the governance and overall organisation of the target undertaking, including all changes in shareholders' voting rights.

See enclosure no _____

11. Reduced information requirements

- 11.1 If the proposed acquirer is an entity subject to licensing and oversight by a financial supervisory authority in the European Economic Area, and assuming that the target undertaking in which a qualifying holding will be created satisfies the requirements found in Item 11.4, the proposed acquirer need only provide the information referred to in Item 11.2 or 11.3.
- 11.2 If the proposed acquirer is an individual, responses shall be provided to the following items in this checklist:
- All items that pertain to individuals in Section 1.
 - Items 2.6, 2.7, 2.8, 2.9, and 2.10.
 - All items in Sections 4, 5, and 7.
 - Item 6.1.
 - All items in Sections 8, 9, or 10, depending on how large the proposed holding is.

- 11.3 If the proposed acquirer is a legal entity or a trust, responses shall be provided to the following items in this checklist:
- All items that pertain to legal entities or trusts in Section 1.
 - Items 3.6, 3.7, 3.8, 3.9, 3.10, 3.11, 3.12, and 3.14.
 - All items in Sections 4, 5, and 7.
 - Item 6.1.
 - All items in Sections 8, 9, or 10, depending on how large the proposed holding is.
- 11.4 Reduced information disclosure as is specified in Items 11.2 and 11.3 is only permissible if the target undertaking is an investment firm that satisfies the following requirements:
- a) The undertaking is not authorised to engage in custody and administration in connection with one or more financial instruments for a customer's account, including the custody of financial instruments and related services, such as those due to funds or collateral.
 - b) The undertaking is not authorised to conduct transactions for its own account, nor is it authorised to underwrite issuance and/or offerings of financial instruments.
 - c) If an investment firm is authorised to engage in portfolio management, the assets under its management may not exceed 500 million euros.
- 11.5 If FSA Iceland has assessed the proposed acquirer's eligibility to own a qualifying holding in the target undertaking in the past two years, the answers to the checklist may make reference to the information in the Authority's possession, provided that it has not changed.

If the information in the Authority's possession has not changed, and reference is made to it in the answers to this checklist, the proposed acquirer shall include a declaration stating that no changes have occurred since the previous assessment.

- 11.6 A proposed acquirer that is subject to supervision by FSA Iceland may refer to data in the Authority's possession when completing the checklist.

12. A declaration of correct and accurate information discloser

If the proposed acquirer is an individual, FSA Iceland requires that the following declaration be signed by that individual.

If the proposed acquirer is a legal entity, FSA Iceland requires that the declaration be signed by a competent party within the legal entity (such as the managing director or Board chairperson).

I, the undersigned, confirm that the information above, and the information in accompanying documents to which I refer above, is correct and illustrative of the points to which the questions pertain. Furthermore, I will inform the Financial Supervisory Authority of the Central Bank of Iceland if the information above changes in any way before the assessment of eligibility to own a qualifying holding is complete.

I am aware that providing incorrect or insufficient information could affect the assessment of eligibility to own a qualifying holding and could be punishable pursuant to Article 146 of Act no. 19/1940, the General Penal Code.

Date

Name

Position within the legal entity (if the proposed acquirer is a legal entity)