

Unofficial translation

## RESOLUTION

Due to extraordinary market circumstances, and to restore and maintain financial stability, the Financial Supervisory Authority has concluded to define the *short selling* of shares of certain Issuers as behaviour opposed to accepted market practices. As such, a person who behaves in such a manner may be found guilty of market abuse in accordance with Article 117 of the Act on Securities Transactions No. 108/2007.

Definitions:

The term *short selling* here means: When a person sells shares which that person does not have the right to sell, according to the company's register of shareholders.

The term *market maker* is defined in Article 116 of the Act on Securities Transactions No. 108/2007.

IT IS THEREFORE ORDERED that, as of 7 October 2008, all persons are prohibited from short selling the shares of the following issuers, which have been admitted to trading on a regulated market in Iceland, unless that person has the shares in his custody at the time of the offer, and notifies the Financial Supervisory Authority of the transaction immediately. The notification shall be sent to [skortsalaf@fme.is](mailto:skortsalaf@fme.is). A form for such a notification may be found at the Financial Supervisory Authority's website (<http://www.fme.is/?PageID=196>).

Issuer	ISIN number of shares
Kaupþing banki hf.	IS0000001469
Landsbanki Íslands hf.	IS0000000156
Glitnir banki hf.	IS0000000131
Straumur Burðarás fjárfestingarbanki hf.	IS0000000644
Exista hf.	IS0000013175
Spron hf.	IS0000010932

The prohibition also includes any instrument with the same purpose and the same economic exposure as the short selling of the shares of the Issuers, such as options, futures, swaps, contract for difference, and any other derivative contracts relating to the shares. The prohibition also includes the short selling of financial instruments whose value depends on the value of the shares of the Issuers.

The prohibition does *not* include short selling conducted in the discharge of an obligation where that obligation results from an agreement concluded before 7 October.

Market makers are exempted from the prohibition.

This order, published pursuant to paragraph 4 of Article 10 of regulation No. 630/2005 on inside information and market manipulation as it was changed with regulation No. 887/2005, shall be effective immediately and shall terminate on 16 January 2009, subject to regular review by the Financial Supervisory Authority.