

**Rule Book for Issuers
NASDAQ OMX Stockholm**

1 January 2009

Introduction

According to the Securities Market Act (2007:528) a securities exchange shall have clear and transparent rules for the admission to trading of financial instruments on a regulated market. Financial instruments may be admitted to trading only where conditions exist for fair, orderly and efficient trading.

The issuer of transferable securities must, in accordance with statutory provisions, continuously inform the Exchange about its operations and otherwise provide the Exchange with information required in order to fulfill its obligations. Furthermore, the issuer must also publish such information regarding its operations and securities which is of significance for assessment of the price of the securities.

The Swedish Financial Supervisory Authority has also issued some regulations which supplement the legislation, FFFS 2007:17, Regulations governing operations on market places.

Through this rule book the Exchange carries out the conditions which are set forth by the legislator. The rules thus include the specific requirements for a financial instrument to be admitted to trading at the Exchange including the rules which defines the company's disclosure requirements in respect of the market and the Exchange.

The rules are adapted to existing EU-directives, such as the Market Abuse Directive, the Transparency Directive, the Directive regarding Markets for Financial Instruments (MiFID) and the Takeover Directive.

The rules regarding **Shares** are in substance harmonised between NASDAQ OMX exchanges in Stockholm, Helsinki, Copenhagen and Iceland, especially the listing requirements and the disclosure rules. The harmonisation itself facilitates for the investors and contributes to creating a Nordic equity market with greater opportunities for issuers to attract capital. Moreover, the rules for shares also include some specific provisions regarding for example repurchase and sales of a company's own shares and takeovers.

Specific sections include rules regarding **Bonds** and **Exchange Traded Funds**.

The rule text is written in **bold** text. In order to simplify the application of the rules the rule text is in general followed by guidance. The guidance is not binding for the issuer and represents the Exchange's interpretation of current applicable practice.

The issuer undertakes to follow applicable parts of the rule book by signing an undertaking. By signing the undertaking, the company commits to follow the rules applicable from time to time and to be subject to sanctions which could follow from a potential breach of the rules.

The latest updated version of the rules is always found on the Exchange's website www.nasdaqomx.com.

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SHARES

1 GENERAL RULES

1.1 Term of the rules

The rules in this chapter shall apply as from the first day of trading or as from the day when the company applies to be traded at the Exchange and for such time the company's securities are admitted to trade at the Exchange. The rules regarding sanctions (chapter 5) are however applicable during a year after a de-listing, in case a violation was committed during the listing period.

1.2 Change of the rules

The Exchange can make changes or amendments to the rules. Such changes or amendments shall apply to the company at the earliest 30 days after the Exchange has informed the company and published the information via the Exchange's website.

Changes and amendments to the disclosure requirements (chapter 3), the special rules for Swedish companies (chapter 4), and the rules regarding sanctions (chapter 5) can however only be done after settlement with the Association of Exchange-listed companies. Changes in the listing requirements (chapter 2) must be done after consultation with the Association.

1.3 Confidentiality

Information received by the Exchange from the company pursuant to a confidentiality undertaking may not be disclosed by the Exchange to any third party without the company's consent prior to such information being made public. However, pursuant to Chapter 23 section 2 of the Securities Market Act (2007:528), the information shall always be available to the Swedish Financial Supervisory Authority in its capacity as the supervisory authority for the Exchange.

According to Chapter 1, Section 11 of the Securities Market Act (2007:528), a person who is or has been associated with the Exchange as an employee, member of the board of directors or other appointee may not, without authorisation, disclose or utilise information gained in the course of his or her employment or duties regarding the business circumstances or personal circumstance of any other party.

2 LISTING REQUIREMENTS

2.1 Introduction

2.1.1 The listing process, the listing requirements and some other issues pertaining to listing are set out below. For the purposes of this Chapter, the term Listing Requirements shall mean the requirements set out under Section 2.3 (General Listing Requirements), Section 2.4 (Administration of the company) and Section 2.9 (Specific Listing Requirements for SPAC).

2.1.2 The Listing Requirements are harmonized between NASDAQ OMX Helsinki, NASDAQ OMX Stockholm, NASDAQ OMX Copenhagen and NASDAQ OMX Iceland.

Companies whose shares are admitted to trading on NASDAQ OMX Stockholm will be presented on the Nordic List together with companies whose shares are admitted to trading on the main market in Helsinki, Stockholm, Copenhagen and Iceland. The Nordic List is divided into three segments based on the market cap of the company concerned (Large Cap, Mid Cap and Small Cap). In addition, all companies are presented according to the GICS standard. Information about, inter alia, the exchange at which the relevant shares are admitted to trading is also presented.

The vast majority of the Listing Requirements are harmonized. However, because of special requirements regarding, inter alia, national legislation or other differences in the regulatory framework in a specific jurisdiction, some minor differences may still exist in the Listing Requirements between Exchanges in Helsinki, Stockholm, Copenhagen and Iceland.

2.1.3 The Listing Requirements shall apply at the time when the shares of the company are admitted to listing and trading, as well as continuously after listing has been granted. Notwithstanding this general presumption, the following parts of the Listing Requirements shall only apply at the time of the listing:

- Profitability and working capital (2.3.7 – 2.3.8)
- Market Value of Shares (2.3.13)

2.2 The Listing Process

Initiation of the Listing Process

2.2.1 A company that considers applying for listing on NASDAQ OMX Stockholm may request that the Exchange initiates a listing process. The Exchange will normally arrange a meeting with the Company to discuss the request.

2.2.2 The listing process and all the particulars provided by the company to the Exchange will be treated confidentially.

The Exchange Auditor

- 2.2.3** If the company and the Exchange agree to initiate a listing process, the Exchange appoints an Exchange Auditor. The Exchange Auditor makes an assessment as to whether it would be appropriate to list and admit the shares of the company to trading on the Exchange. The assessment will cover, but not be limited to, the following aspects:
- whether there will be sufficient conditions for appropriate trading in the shares,
 - the company's ability to comply with the Listing Requirements, in particular requirements pertaining to disclosure of financial and other price-sensitive information,
 - whether the directors of the board and the management are fit and proper to direct the business of the company and its responsibilities towards the Exchange and the stock market, and
 - the information provided in the prospectus.
- 2.2.4** The Exchange Auditor presents a report in respect of his or her findings and submits the report to the Exchange together with a recommendation in respect of the listing decision to be made by the Exchange.

Prospectus

- 2.2.5** The company must have prepared and published a prospectus prior to the listing and the relevant authorities must have approved such prospectus.
- 2.2.6** If the company is domiciled in Sweden or a country outside the European Economic Area (EEA), the Exchange Auditor will submit the prospectus to the Exchange. The Exchange will also give its opinion on the prospectus to Finansinspektionen before the prospectus is formally approved.
- 2.2.7** If the company is domiciled in a country other than Sweden but within the EEA, the company shall submit the prospectus to the Exchange together with a certificate of approval issued by a competent authority in the issuer's home country. The certificate of approval shall, where appropriate, set out any exemption that has been granted from the requirements in the Prospectus Directive.¹ In addition, the company shall provide a certification that the approved prospectus has been submitted to Finansinspektionen.
- 2.2.8** The Exchange may require that the company posts supplementary information on its website, if the Exchange considers such information to be important and in the interest of investors.

¹ Directive 2003/71/EC of the European Parliament and of the Council of November 4, 2003 on the prospectus to be published when securities are offered to the public or admitted to trading and amending Directive 2001/34/EC.

Legal Examination

- 2.2.9** Prior to the listing, the company shall obtain a legal opinion from an independent attorney. The legal opinion shall at least include the following:
- 1)** a statement that there is an adequate description of the legal risks in the prospectus;
 - 2)** a review of all material agreements entered into by the company;
 - 3)** an assessment of the company's tax situation, and
 - 4)** a confirmation that all formalities in respect of corporate matters have been handled properly.
- 2.2.10** The Exchange Auditor shall be issued with a written summary of material observations from the legal examination. The Exchange Auditor shall also be authorized to obtain all information pertaining to the legal opinion that is required in order for him or her to carry out the listing assessment.
- 2.2.11** Notwithstanding Clause 2.2.10, the Exchange Auditor may require a separate or supplementary legal opinion, if there is a need to investigate any legal or regulatory issue that is deemed to be of material importance to the decision to list and admit the shares of the company to trading on the Exchange.

Application for Listing

- 2.2.12** The following documents must be submitted to the Exchange not later than seven days prior to the meeting of the Listing Committee;
- 1)** an application signed by the board of directors or the president supported by an excerpt from the minutes of a board meeting at which a resolution regarding the matter was adopted,
 - 2)** a certificate of incorporation from the Swedish Companies Registration Office or, if the company is not domiciled in Sweden, from an equivalent authority in the company's home country,
 - 3)** the Exchange notice form (to be sent by e-mail to the Exchange), and
 - 4)** the GICS classification form (to be sent by e-mail to the Exchange).
- 2.2.13** The following documents must be submitted to the Exchange prior to the first day of trading;
- 1)** a certificate from an authorized authority approving the prospectus,
 - 2)** five printed prospectuses, and
 - 3)** a certificate of distribution of shares.
- 2.2.14** The company is considered as having filed a final application for listing to the Exchange once the Exchange has received the information stipulated under Clauses 2.2.12 and 2.2.13.

The Listing Committee

- 2.2.15 The Listing Committee makes listing decisions on behalf of the Exchange. The Listing Committee is a committee under the Board of Directors of the Exchange.
- 2.2.16 The members of the Listing Committee are experienced and of high repute in respect of conditions pertaining to listed companies in the Swedish securities market. At least half of the members, including the chairman, are independent from the Exchange, and other companies within the NASDAQ OMX group.
- 2.2.17 The Listing Committee normally convenes once a month. The Exchange may decide to convene additional meetings upon request from an applicant.

Information rules

- 2.2.18 The company shall sign an undertaking with the Exchange prior to the first day of trading.

Listing Fees

- 2.2.19 The Company shall, in accordance with the Exchanges' Price List in force from time to time, pay the following fees to the Exchange;
 - 1) a Listing Fee; payable prior to the Listing Process being initiated;
 - 2) a Follow-up Fee; payable in arrears one year after the first day of trading, and
 - 3) a Quarterly Fee.

2.3 General Listing Requirements

Incorporation

- 2.3.1 The company must be duly incorporated or otherwise validly established according to the relevant laws of its place of incorporation or establishment.

Validity

- 2.3.2 The shares of the issuer must:
 - (i) conform with the laws of the company's place of incorporation, and
 - (ii) have the necessary statutory or other consents.

Negotiability

2.3.3 The shares must be freely negotiable.

Free negotiability of the shares is a general prerequisite for becoming publicly traded and listed on the Exchange. When the company's Articles of Association include limitations on the transferability of the shares, such limitations may be typically considered to restrict free transferability in the meaning of this clause, and other arrangements with a similar effect may lead to a similar interpretation.

Entire class must be listed

2.3.4 The application for listing must cover all issued shares of the same class.

The application for listing must cover all shares of the same class that have been issued and that are issued in an IPO preceding the first day of listing.

Subsequent issues of new shares and listings of such new shares shall be listed in accordance with the practices applied by the Exchange and requirements in the legislation.

Accounts and Operating History

2.3.5 The company shall have published annual accounts for at least three years in accordance with the accounting laws applicable to the company in its home country. Where applicable, the accounts shall also include consolidated accounts for the company and all its subsidiaries.

2.3.6 In addition, the line(s) of business and the field of operation of the company and its group shall have a sufficient operating history.

The general rule is that the company shall have complete annual accounts for at least three years. When the operating history of the company is evaluated, a company that has conducted its current business, in essential respects, for three years and is able to present financial accounts for these years is normally deemed to fulfill the requirement. Evaluation of accounts and operating history shall cover the company including its subsidiaries. The basis for the assessment shall be the situation for the company as it develops over time. Since a company may acquire or divest one or more subsidiaries, this, of course, must be reflected in the annual accounts. The company must have a business idea and ongoing operations and also be able to demonstrate its operations in order for the Exchange and the investors to assess the development of the business.

Pro forma accounts (or other financial information that is presented for comparative purposes to explain changes to official accounts or a lack thereof) are presented as required in the prospectus, and typically such accounts are presented for one fiscal year. However, the Exchange may require additional comparable information for evaluating fulfillment of clause 2.3.6. Material changes in the company's line(s) of business or field of operation prior to listing, or for example a reverse takeover, may lead to the requirement stipulated in Clause 2.3.6 not being fulfilled, or require extensive additional information about the business of the company before making an informed judgment of the company.

In order for an exemption to be granted from the requirement to have annual accounts for three years, there should be sufficient information for the Exchange and the investors to evaluate the development of the business and to form an informed judgment of the company and its shares as an investment. This information may be evidence of an otherwise stable and high-quality environment, as may be the case, for example, in the event of spin-offs from listed companies or where a company has been formed through an acquisition or merger between two or more companies that would be suitable for listing, or other corresponding cases. For evaluating companies with less than three years of operational history, even more attention will be paid to the information presented about the business and operation of the company.

Profitability and Working Capital

2.3.7 The company shall demonstrate that it possesses documented earnings capacity on a business group level.

2.3.8 Alternatively, a company that does not possess documented earnings capacity shall demonstrate that it has sufficient working capital available for its planned business for at least twelve months after the first day of listing.

As a principle, this clause means that the company shall be able to document that its business is profitable. Accordingly, the company's financial statements shall show that the company has generated profits or has the capacity to generate profits of a reasonable size in comparison with the industry in general. The general rule is that a profit must have been reported during the most recent fiscal year. For companies that lack financial history, stringent requirements are imposed regarding the quality and scope of the non-financial information set forth in the prospectus and the listing application in order for investors and the Exchange to be able to make a well-founded assessment of the company and its business. At the very least, it should be made clear when the company expects to be profitable and how the company intends to finance its operations until such time.

When demonstrating to the Exchange and investors the existence of sufficient working capital, various means may be used. Means to present sufficient working capital for the next twelve months may include estimates on cash-flow statements, planned and available measures for financing, descriptions of the planned business and investments, and well-founded assessments of the future prospects of the company. It is important that the basis for the company's well-founded assessment be made clear. Despite such financing, the requirement is not considered to be fulfilled in a case where, for some other reason, the company's financial status is extraordinary or threatened, as may be the case, for example, if a company restructuring or a similar voluntary process has taken place.

Liquidity

2.3.9 Conditions for sufficient demand and supply shall exist in order to facilitate a reliable price formation process.

2.3.10 A sufficient number of shares shall be distributed to the public. In addition, the company shall have a sufficient number of shareholders.

2.3.11 For the purposes of Clause 2.3.10, a sufficient number of shares shall be considered as being distributed to the public when 25 percent of the shares within the same class are in public hands.

2.3.12 The Exchange may accept a percentage lower than 25 percent of the shares if it is satisfied that the market will operate properly with a lower percentage in view of the large number of shares that are distributed to the public.

A prerequisite for stock exchange trading is that there is sufficient demand and supply for the listed securities. Such sufficient demand and supply must support reliable price formation in trading. There are various components in the evaluation of these requirements before listing on the Main Market. Factors that may be considered in the evaluation may include previous trading history.

As a general requirement, there shall be a sufficient number of shares in public hands, and there shall be a sufficient number of shareholders. The number of shareholders may be considered as one way to estimate sufficient demand and supply. In this context, a small number of shares or shareholders may lead to deterioration in reliable price formation. Under normal circumstances, companies having at least 500 shareholders holding shares with a value of around EUR 1000 will be considered to fulfill the requirement regarding the number of shareholders.

In this context, the term “Public hands” means a person who directly or indirectly owns less than 10 percent of the company’s shares or voting rights. In addition, all holdings by natural or legal persons that are closely affiliated or are otherwise expected to employ concerted practices in respect of the company shall be aggregated for the purposes of the calculation.

Also the holdings of members of the board and the executive management of the company, as well as any closely affiliated legal entities such as pension funds operated by the company itself, are not considered to be publicly owned.

When calculating shares that are not publicly owned, shareholders who have pledged not to divest their shares during a protracted period of time (so-called lock-up) are included.

There may be situations in which more than 25 percent of the shares are in public hands at the time of the admission to trading and listing, but where the distribution falls under such percentage thereafter. It should be noted that the 25-percent rule is to be seen as a proxy, supporting the main principle that there should be a sufficient share distribution. Consequently, once a company is admitted to trading and listing, the Exchange will continuously assess whether share distribution and liquidity are sufficient from an overall viewpoint, and the 25-percent rule will thus become only one of many components in such an assessment. This also means that a company that is not complying with the 25-percent rule will not automatically be considered to violate the rule.

In the event that the conditions regarding liquidity materially deviate from the listing requirements while the company is listed, such companies will be encouraged to remedy the situation. It may be suggested that a company commission the services of a liquidity provider. If trading in the company’s shares remains sporadic, a listing in the observation segment may be considered. Such a decision by the Exchange is preceded by a discussion with the company.

If the company considers listing a second class of shares, the Exchange's assessment will be based on whether there will be sufficient liquidity in the shares in such a class. In practice, this means that the Exchange will make an overall assessment of expected trading interest.

There may be situations in which the shares are not fully distributed at the time of the introduction, but where it is ascertained that such distribution will be achieved shortly thereafter. In such circumstances, the Exchange may find it appropriate to approve the application with reference to Section 2.5.

Market Value of Shares

2.3.13 The expected aggregate market value of the shares shall be at least EUR 1 million.

The expected aggregate market value of the shares is typically evaluated based on the offering price in the Initial Public Offering, but other means of evaluation can be used as well. This requirement applies only prior to an initial listing on the Exchange.

Suitability

2.3.14 The Exchange may also, in cases where all Listing Requirements are fulfilled, refuse an application for listing if it considers that the listing would be detrimental for the securities market or investor interests.

In exceptional cases, a company applying for listing may be deemed to be unsuitable for listing, despite the fact that the company fulfils all of the listing requirements. This may be the case where, for example, it is believed that the listing of the company's shares might damage confidence in the securities market in general. If an already listed company, despite fulfilling all continuous listing requirements, is considered to damage confidence in the securities market in general because of its operations or organization, the Exchange may consider evaluating grounds for moving the shares to the observation segment or delisting.

In order to maintain and preserve the public's confidence in the market, it is imperative that persons discharging managerial responsibilities in the company, including members of the board, do not have a history that may jeopardize the reputation of the company and thus confidence in the securities market. It is also important that the history of such persons be sufficiently disclosed by the company prior to the listing, as part of the information presented in the prospectus. For example, the company should carefully consider whether information relating to the criminal record of such persons should be disclosed or not, and the same goes for information pertaining to involvement in bankruptcies and suchlike. In extreme circumstances, if a relevant person has a history of felonies, in particular white-collar crimes, or has been involved in a number of bankruptcies in the past, such circumstances may disqualify the company from being listed, unless such a person is relieved from his/her position in the company.

2.4 Administration of the Company

The management and the board of directors

2.4.1 The board of directors of the company shall be composed so that it sufficiently reflects the competence and experience required to govern a listed company and to comply with the obligations of such a company.

2.4.2 The management of the company shall have sufficient competence and experience to manage a listed company and to comply with the obligations of such a company.

A prerequisite for being a listed company is that the members of the board and persons with managerial responsibilities in the company have a sufficient degree of experience and knowledge in respect of the special requirements for such companies. It is equally important that such persons also understand the demands and expectations placed on listed companies. It is neither mandated nor warranted that all members of the board possess such experience and competence, but the board needs to be sufficiently qualified based on an overall assessment. As regards the management, at least the CEO and CFO must be sufficiently qualified in this respect.

When assessing the merits of relevant persons in the company or its board, the Exchange will take into consideration any previous experience gained from a position in a company listed on the Exchange, another regulated market or a marketplace with equivalent legal status. Other relevant experience shall qualify as well.

It is also important that the members of the board and the company's management know the company and its business, and are familiar with the way the company has structured, for example, its internal reporting lines, the management pertaining to financial reporting, its investor relation management and its procedures for disclosing ad hoc and regular information to the stock market. The Exchange will normally consider the members of the board and the management as being sufficiently familiar with such circumstances if they have been active in their respective current positions in the company for a period of at least three months and if they have participated in the production of at least one annual or interim report issued by the company prior to the listing.

It is also important that all members of the board and persons in the management have a general understanding of stock market rules, in particular such rules that are directly attributable to the company and its listing. Such understanding may be acquired by participating in one of the regular seminars that are offered by the Exchange. Persons that are sufficiently qualified shall demonstrate this to the Exchange, for example by providing a CV, a certification by an acceptable third party or other means that may satisfy the Exchange.

The Exchange requires the CEO to be employed by the company. This requirement may be waived for a shorter period, if duly justified.

2.4.3 Not more than one member or deputy of the board elected by the shareholders may work as a senior executive in the company or its subsidiaries.

This requirement means, for example, that it is not possible for both the president and one or several other senior executives to simultaneously serve on the board of directors. Accordingly, this means that neither is it possible for both the president and a "working

chairman” to be members of the Board, if the latter is also employed as a senior executive of the company.

However, a member of the board may be employed and receive a salary from the company without being regarded as a senior executive. Examples of such board members are an honorary chairman and a board member who works as an ambassador for the company or who holds another similar function. In such a situation, it is up to the company to explain to the Exchange the role the board member plays in the company.

2.4.4 More than half of the members of the board elected by the shareholders shall be independent of the company and the management of the company.

The independence of a member of the board may be questioned in cases where the member, directly or indirectly, has extensive business contacts or other extensive financial dealings with the company. Such a situation may exist where the member of the board is an employee, supplier or customer, or provides services to the company. This also applies in cases where a related company employs a board member. There may also be other situations in which a member of the board cannot be regarded as independent of the company. Accordingly, an overall assessment of a board member’s relationship to the company shall be made in each individual case. In this assessment, consideration must be given, among other factors, to the extent and nature of the board member’s transactions or financial dealings, and those of the related company, with the company.

The term “related company” means a company in which the listed company, directly or indirectly, holds at least 10 percent of the share capital or ownership interests or a financial interest that provides the right to receive 10 percent or more of the profits or where the company has a voting capital which amounts to 10 percent or more of the votes of all shares or participating interests in the company. A company that owns more than 50 percent of the share capital or voting capital of another company is deemed to indirectly control the latter company’s ownership in other companies.

The fact that an owner relationship, customer relationship, or supplier relationship exists need not, however, always mean that there is a relationship of dependence. For example, a member of the board of a bank need not be regarded as dependent on the sole ground that the member, directly or indirectly, has a credit engagement with the bank. The question of dependence must be analyzed from both the bank’s and the board member’s perspective. Another example is that a member of the board of company B, which is owned by company A, may serve as an independent member of company A’s board of directors. However, the president of company B may not serve on company A’s board of directors as an independent member in cases where A owns more than 10 percent of the share capital in B.

2.4.5 There must be at least two members of the board of directors elected by the shareholders who are independent of the company’s principal shareholders. Such members must also be independent of the company and the management of the company according to Clauses 2.4.3 and 2.4.4. At least one of these two must be experienced in requirements for listed companies.

Principal shareholders are shareholders who directly or indirectly control 10 percent or more of the shares or voting capital in the company. A company that owns more than 50 percent of the share capital or voting capital in another company is deemed to indirectly control the latter company’s ownership in other companies. A member of the board is not deemed to be

independent of principal shareholders if he or she represents a principal shareholder or is employed by or a member of the board of a company that is a principal shareholder. When assessing whether a member of the board has an independent position *vis-à-vis* a principal shareholder, consideration is given to the extent of the board member's direct or indirect relationship with the principal shareholder.

Example 1: company A is a principal shareholder in companies B and C. The president of company B, who is a member of the board of companies B and C, is not deemed to be independent *vis-à-vis* a principal shareholder in any of these companies.

Example 2: company A owns 51 percent of company B. Company B owns 10 percent of company C. A member of the board of company C, who is also a member of the board of company A, is thus deemed not to be independent in relation to company A, since company A is regarded as a principal shareholder in company C.

Capacity for providing information to the market

2.4.6 Well in advance of the listing, the company must establish and maintain adequate procedures, controls and systems, including systems and procedures for financial reporting, to enable compliance with its obligation to provide the market with timely, reliable, accurate and up-to-date information as required by the Exchange.

The company shall have an organization that ensures timely dissemination of information to the stock market. The organization and the routines should be in place prior to the listing, meaning that the company should have prepared at least one interim report for publication in accordance with the Exchange rules, although this information need not have been disseminated to the market. The Exchange encourages applicants to go even further, in the sense that it is recommended that the organization for dissemination of information to the stock market will have been in operation for at least two quarters and involved in the production of at least two interim reports or a report of annual earnings figures and one interim report prior to the listing.

The financial system shall be structured in such a manner that management and the board of directors receive the necessary information for decision-making. This should facilitate speedy and frequent reporting to management and the board of directors, commonly in the form of monthly reports. The financial system must allow for the speedy production of reliable interim reports and reports of annual earnings figures. The company shall also have the human resources required to analyze the material so that, for example, profit trends in the external reporting can be commented upon in a manner relevant to the stock market. It may be acceptable that retained external personnel handle parts of the financial function, provided that there is a long-term contractual relationship and reasonable continuity of personnel. However, the responsibility for the fulfillment of the financial functions always rests with the company and having essential aspects of financial expertise based on external personnel is not acceptable.

In order to avoid a situation in which the president becomes overly burdened, there shall be at least one additional person who can communicate externally on behalf of the company. Consultants may function as a support in the distribution of information, especially with

respect to the drafting of stock market information. However, basing material parts of the information expertise on consultants or hired external personnel is not acceptable.

To ensure that the company provides the market with timely, reliable, accurate and up-to-date information, the exchange encourages the company to adopt an information policy. A company's information policy is a document that helps the company to continuously provide high-quality internal and external information. It should be formulated in such a manner that compliance with it is not dependent on a single person, and it should also be designed to fit the circumstances pertaining to the specific company. The information provided to the stock market shall be correct, relevant, and reliable and shall be provided in accordance with the rules of the Exchange.

A company's information policy normally deals with a number of areas, such as who is to act as the company's spokesperson, which type of information is to be made public, how and when publication shall take place and the handling of information in crises. With respect to a listed company, it is also of particular importance that the policy contains a section dealing with the stock market's demands for information. The internal rules to be laid down by the listed companies will contribute to this.

2.5 Waivers

The Exchange may approve an application for listing, even if the company does not fulfill all the requirements for listing, if it is satisfied

- (i) that the objectives behind the relevant Listing Requirements or any statutory requirements are not compromised, or**
- (ii) that the objectives behind certain Listing Requirements can be achieved by other means.**

The objectives behind the Listing Requirements are to facilitate sufficient liquidity and to promote confidence in the company, the Exchange and the stock market at large. These objectives are normally deemed to have been met if all the Listing Requirements are satisfied. However, each particular case has to be assessed on its own merits. Where the circumstances considered together give a sufficient assurance that the situation of the company and its shares is in compliance with the said objectives, the Exchange may approve an application for listing even if all the Listing Requirements have not been fulfilled. For example, it may be that the share distribution is less than 25 percent, but the number of shares distributed to the public and the number of shareholders is sufficient to provide orderly trading and sufficient liquidity. In such circumstances, the requirements need to provide a sufficient degree of flexibility, in order not to hinder admission to trading if such trading would be in the best interest of the company and the investors.

Waivers may only be relevant at the time of admission to trading and listing. Consequently, a company that has been approved for trading and listing does not need to seek a waiver if the situation changes so that one or more of the listing requirements are no longer fulfilled. In such circumstances, the Exchange normally initiates a discussion with the company in order to find a solution, if needed. In situations where there are substantial deviations from the Listing Requirements, the issue of delisting may be brought up as one ultimate alternative.

2.6 Secondary Listings

- 2.6.1** Companies incorporated in Sweden shall be considered as having their primary listing on the Exchange. However, if the company can demonstrate that the majority of the trading interest in its securities relates to a foreign exchange, the Exchange may accept such foreign exchange to be the place of the primary listing.
- 2.6.2** Companies incorporated in a country other than Sweden may be considered as having their primary listing in the country where they are incorporated, if such companies are listed on an exchange in the particular country and the majority of the trading interest in the shares can be referred to such an exchange. In the absence of listing on an exchange in the country of incorporation, a foreign company may be deemed to have a primary listing on such an established and recognized foreign exchange to which it is considered to have the closest connection, taking into account the trading interest in the shares at such an exchange, compared with any other relevant exchange.
- 2.6.3** Subject to approval by the Exchange according to Clause 2.6.1 or 2.6.2, a company with a primary listing on a foreign exchange may apply for secondary listing, and the Exchange may under such circumstances waive one or more of the General Listing Requirements in Section 2.3 and the requirements regarding Administration of the Company in Section 2.4.

Companies with a primary listing on a regulated market, or equivalent, which is run by NASDAQ OMX, Deutsche Börse, London Stock Exchange, NYSE Euronext, Oslo Börs or Toronto Stock Exchange may be granted exceptions from the requirements regarding Exchange Auditor in Clause 2.2.3 and from the requirements regarding Legal Examination in Clause 2.2.9. Decisions on secondary listings of such companies shall be made by the President of the Exchange.

- 2.6.4** When seeking a secondary listing on the Exchange, the company must satisfy the Exchange that there will be sufficient liquidity in order to facilitate orderly trading and an efficient price formation process.

The Exchange will normally recognize the listing requirements of another – in the Exchange’s opinion – well recognized exchange or equivalent regulated market, if the company is subject to primary listing on such an exchange. The Exchange may accept a secondary listing of a company having its primary listing on such a market in accordance with the requirements set out in the above Clauses.

However, also in case of secondary listings, it is imperative that the liquidity is sufficient to provide for orderly trading and an efficient price formation process. The Exchange will consider the forecast of sufficient liquidity based on an overall assessment of the share distribution of the company, not only on the domestic market but also in a Nordic, European or even global perspective. In its assessment, the Exchange will consider factors such as (i) the share distribution in the national market, and (ii) the efficiency of relevant cross-border clearing and settlement facilities. If deemed appropriate under the circumstances, the Exchange may require that the company use a designated liquidity provider in order to safeguard a sufficient liquidity.

As set out under Clause 2.2.8, the Exchange may require that the company post certain additional information on its website. This may be of particular importance when a foreign company seeks secondary listing on the Exchange. For example, the Exchange may consider that information pertaining to clearing & settlement arrangements, procedures for corporate actions (e.g. participation in annual meetings or proxy voting), major differences in accounting principles and special tax issues should be made available on the web.

In certain circumstances, the Exchange may require a legal examination to be provided in respect of an individual matter of importance to Swedish shareholders.

The Exchange may at any time decide that the listing on the Exchange shall be considered as a primary listing in case of changed circumstances. For example, the Exchange may initiate such a change if it becomes evident that the prerequisites for secondary listing set out in the Clauses above are no longer fulfilled.

2.7 Observation Segment

The Exchange may decide to place the company's shares or other securities in the observation segment if

- (i) the company fails to satisfy the Listing Requirements and the failure is deemed to be significant,**
- (ii) a serious breach of other exchange rules pertaining to listed companies is at hand,**
- (iii) the company has applied for delisting,**
- (iv) the company is subject to a public offer or a bidder has disclosed its intention to raise such a bid in respect of the company,**
- (v) the company has been subject to a reverse take-over or otherwise plans to make or has been subject to an extensive change in its business or organization so that the company upon an overall assessment appears to be an entirely new company,**
- (vi) there is a material adverse uncertainty in respect of the company's financial position, or**
- (vii) any other circumstance exists that results in substantial uncertainty regarding the company or the pricing of the listed securities.**

As a signal to the stock market, a company's shares or other securities may temporarily be placed in the observation segment. The objective behind the observation segment is to give a signal to the market that there are special circumstances connected to the company or its shares to which the investors should pay attention. Reasons for placing the security in the observation segment may vary significantly in various situations, as can be seen from the various different reasons for observation. An observation listing should take place during a limited period of time, normally not more than six months. As regards SPACS, the provision in (v) above shall be construed in light of the fact that the objective of a SPAC is to complete one or more acquisitions.

2.8 Delisting

- 2.8.1 A company may request that its shares be delisted. The Exchange will approve such request and make a decision, which becomes effective at such time as is agreed between the Exchange and the company.**

Generally, the Exchange requires four weeks' notice for a company to be delisted, but if there is extensive trading and a large number of shareholders, the Exchange may decide to postpone the delisting up to six months. In case of a public offer, the Exchange can accept two weeks notice for delisting, if the bidder holds 90 percent or more of the shares in the company, the trading is sporadic and the bidder has initiated proceedings in respect of compulsory redemption. The Exchange will make an assessment of an appropriate delisting date in each individual case.

- 2.8.2 The Exchange may decide to compulsorily delist the shares of the company in circumstances where**

- 1) an application for bankruptcy, winding-up or equivalent motion has been filed by the company or a third party to a court or other public authority,**
- 2) the company does not fulfill all Listing Requirements, assuming that**
 - the company has not remedied the situation within a time decided by the Exchange, although under normal circumstances not longer than six months,**
 - there are no other available means to remedy the situation and restore the situation, and**
 - the non-fulfillment is deemed to be significant.**
- 3) the company has failed to pay any Listing Fee as set out under Section 2.2.19 when due.**

- 2.8.3 Decisions to delist a company with reference to Clause 2.8.2, 2) are made by the Disciplinary Committee.**

2.9 Specific Listing Requirements for SPAC (Special Purpose Acquisition Company)

- 2.9.1 A Special Purpose Acquisition Company (SPAC) is a company whose business plan is to complete one or more acquisitions within a certain time period. The rules regarding Exchange Auditor in Clauses 2.2.3 – 2.2.4 and the rules regarding Accounts, Operating History and Profitability in Clauses 2.3.5 – 2.3.7 shall not be applicable to SPAC.**

- 2.9.2** At least 90 per cent of the gross proceeds from the initial public offering and any concurrent sale by the company of equity securities must be deposited in a blocked bank account (a “deposit account”).
- 2.9.3** Within 36 months of the effectiveness of its prospectus, or such shorter period that the company specifies in its prospectus, the company must complete one or more business combinations having an aggregate fair market value of at least 80 per cent of the value of the deposit account (excluding any deferred underwriters fees and taxes payable on the income earned on the deposit account) at the time of the agreement to enter into the initial combination.
- 2.9.4** Until the company has satisfied the condition in Clause 2.9.3 above, each business combination must be approved by a majority of the directors who are independent of the company and the management of the company (cf. Clause 2.4.4).
- 2.9.5** Until the company has satisfied the condition in Clause 2.9.3 above, each business combination must be approved by a majority of the shares voting at the shareholders’ meeting at which the combination is being considered.
- 2.9.6** Until the company completes a business combination where all conditions in Clause 2.9.3 above are met, the company must notify NASDAQ OMX Stockholm as soon as possible about each proposed business combination.
- 2.9.7** Until the company has satisfied the condition in paragraph 2.9.3 above, shareholders voting against a business combination must have the right to convert their shares into a pro rata share of the aggregate amount then in the deposit account (net of taxes payable and amounts distributed to management for working capital purposes) if the business combination is approved and consummated. A company may establish a limit (set no lower than 10 % as to the maximum number of shares with respect to which any shareholder, may exercise such conversion rights. This right of conversion excludes officers and directors of the company, the founding shareholders of the company, and any related party of the foregoing persons (cf. 3.3.7).
- 2.9.8** When the company has satisfied the condition in Clause 2.9.3 and no longer is to be regarded as a SPAC, the company shall as soon as possible initiate a new listing process in all relevant parts. In connection therewith, the company shall fulfill all listing requirements for listed companies.

3 DISCLOSURE RULES

3.1 General disclosure rules

3.1.1 General provision

The company shall, as soon as possible, disclose information about decisions or other facts and circumstances that are “price sensitive”. For the purpose of these rules, “price sensitive” information means information which is reasonably expected to affect the price of the company’s securities, in accordance with applicable national legislation.

This General provision addresses situations which require disclosure of information and which are not covered by other sections of this rulebook. The Securities Market Act (2007:528) defines “price sensitive” information and states that an issuer shall disclose “such information regarding its operations and securities which is of significance for assessment of the price of the securities”. The Financial Supervisory Authority (“Finansinspektionen”) has also supplemented the law with rules in FFFS 2007:17 Regulations governing operations on market places. The intention is not that the requirements on disclosure of information in the general clause shall deviate from the wording in the law and the Financial Supervisory Authority’s regulation.

A listed company shall ensure that all market participants have simultaneous access to any price sensitive information about the company. The company is also required to ensure that the information is treated confidentially and that no unauthorised party is given such information prior disclosure. As a consequence of the foregoing, price sensitive information may not be disclosed to analysts, journalists, or any other parties, either individually or in groups, unless such information is simultaneously made public to the market.

The General provision also stipulates that all price-sensitive information concerning the company must be disclosed as soon as possible (see also “Timing of information”, section 3.1.3). Disclosure shall be made according to the rules in the Securities Market Act (2007:528) which states that “information shall be made public so that it is promptly and in a non-discriminatory manner available to the public within the EEA”, (see also “Methodology”, section 3.1.5).

The determination of what constitutes price sensitive information must be based on the facts and circumstances in each case and, where doubts persist, the company may contact the Exchange for advice. The Exchange’s employees are subject to a duty of confidentiality. However, the company is always ultimately responsible for fulfilling its duty of disclosure.

In evaluating whether a price sensitive effect is reasonably expected to occur, the factors to be considered may include:

- the expected extent or importance of the decision, fact or circumstance compared to the company’s activities as whole;
- the relevance of the information as regards the main determinants of the price of the company’s securities; and
- all other market variables that may affect the price of the securities.

When the company has received the information from an external party, also the reliability of the source can be taken into consideration.

An additional basis for evaluation is whether similar information in the past had a price sensitive effect or if the company itself has previously treated similar circumstances as price sensitive. Of course this does not prevent companies from making changes to their disclosure policies, but inconsistent treatment of similar information should be avoided.

As previously mentioned, a company must disclose information when it is “*reasonably expected*” that the price of the securities will be affected. It is not required that actual changes in the price of the securities occur. The effect on the price of the securities may vary and should be determined on a company by company basis, taking into account, among other things, the share price trend, the relevant industry in question, and the actual market circumstances. Accordingly, an obligation to provide information pursuant to this provision may, for example, exist in the following situations:

- orders or investment decisions;
- co-operation agreements or other agreements of major importance;
- price or exchange rate changes;
- credit or customer losses;
- new joint ventures;
- research results;
- commencement or settlement of, or decisions rendered in, legal disputes;
- financial difficulties;
- decisions taken by authorities;
- shareholder agreements known to the company which pertain to the use of voting rights or transferability of the shares;
- market rumours;
- market making agreements; and
- information regarding subsidiaries and affiliated companies.

Some of the examples are described in greater detail below.

Orders or investment decisions; co-operation agreements

If a company discloses a major order, it could be essential to provide information about the value of the order, including the product or other content of the order and time period to which the order relates. Orders relating to new products, new areas of use, new customers or customer types, and new markets may be considered as price sensitive under certain circumstances. In the context of co-operation agreements, it may be difficult to determine the financial effects and, therefore, it is very important to provide the securities market with a clear description of the reasons, purpose, and plans.

Financial difficulties

If a company encounters financial difficulties, such as a liquidity crisis or suspension of payments, and simultaneously loses control of its situation as significant decisions are taken by other parties, e.g. lenders or major shareholders, such a factor is reasonably expected to be price sensitive.

The foregoing does not absolve the company of its responsibilities relating to information disclosure and, therefore, the company remains liable for the disclosure of the information. This is achieved by the company staying continuously informed of developments through contacts with representatives from lenders, major shareholders, etc. On the basis of information then received, appropriate information measures may be taken.

Not infrequently, loan agreements contain different types of limits in relation to equity ratio, turnover, credit ratings or suchlike (“covenants”) and if these limits are exceeded, the lender may demand renegotiation of the loan. Exceeding such limits may be a factor of a price sensitive nature and thus must be disclosed.

Decisions taken by authorities

Even though it may be difficult for the company to control processes where decisions are made by authorities or courts of law, it is still the company’s responsibility to provide information regarding such decision(s) to the securities market as soon as possible. The information must be sufficiently comprehensive and relevant from the market’s viewpoint to enable an assessment of the effect on the company and its operations, result or financial position and thus the extent of the information needed may vary.

If it is impossible for the company to provide an opinion on the consequences of the decisions made by authorities or courts of law, the company may initially make an announcement regarding the decision. As soon as the company has made an assessment of the consequence of the decision, if any, the company should make a new announcement regarding these consequences.

Information regarding subsidiaries and affiliated companies

Decisions, facts and circumstances pertaining to the group or to individual subsidiaries, and in some cases affiliated companies as well, may likewise be price sensitive. Evaluation is naturally affected by the legal and operational structure of the group and by other circumstances.

A situation may occur in which an affiliated company discloses information independently with regard to its own operations regardless of whether the affiliated company itself has a similar duty of disclosure. In such cases the listed (parent) company is required to evaluate whether that information is also price sensitive with regard to the listed company’s securities and, accordingly, disclose such information in accordance with the General provision.

When the subsidiary is a listed company, circumstances in the subsidiary may be price sensitive for the parent company’s listed securities and must be disclosed by the parent company. When the information is not significant from the parent company’s perspective and when the investors have sufficient information to assess the announcement from the subsidiary, it is generally unnecessary for the parent company to make a separate disclosure of information already disclosed to the markets by the subsidiary. However, the parent company must disclose the information when special assessment is required from the parent company’s perspective, for example when the consequences to the parent company cannot be easily understood from the announcement made by the subsidiary. In such cases, the information should also follow the requirements of the “Correct and Relevant Information” rule, section 3.1.2. It is preferable that listed group companies cooperate in making their announcements.

Selective Information

In special cases it is however possible to provide information before the disclosure to persons who take an active part in the decision process or as a part of their professional role is involved in the information process. This applies to situations in which it is highly important for the company to be permitted to release certain information selectively. It could, for example, concern information to major shareholders or contemplated shareholders in conjunction with an analysis prior to a planned new share issue, to advisors retained by the company for, e.g. work on prospectuses prior to a planned share issue or other major transaction, to contemplated bidders or target companies in conjunction with negotiations regarding takeover bids or to rating institutions prior to credit ratings or to lenders prior to significant credit decisions.

The possibility to make exceptions shall be used very restrictively and subject to the continuous consideration of whether the information requested is actually required for the intended purpose. Normally, where the information is selectively disclosed, it should be subsequently published in order to neutralise the “insider position” held by those persons receiving the information.

The company shall make clear to the recipient of the information that he or she must treat the information confidentially and that the recipient has become an “insider” by virtue of the receipt of the information and, consequently is prohibited by law from exploiting the information for his or her own or another’s profit. The company must also carefully maintain records in respect of those persons who have received access to the selective information, the date, and what the information concerned according to the rules in the Act concerning reporting Obligations for certain Holdings of Financial Instruments (2000:1087).

Where a listed company is a subsidiary of another listed company, the subsidiary may, before the subsidiary publishes its own report of unaudited annual earnings figures and interim reports, disclose any information necessary for the parent company to prepare its report of unaudited annual earnings figures or interim reports. This also applies to associated companies reported by a listed owner company in accordance with the equity method. This information must, however, be treated by the parent or owner company as confidential information. On the other hand, a subsidiary may not, as a rule, disclose to the parent company other price-sensitive information, e.g. monthly accounts, budgets, forecasts, or investment plans to be used, for example, in the parent company’s internal reporting system. Naturally, the parent company’s representatives on the subsidiary’s board of directors are not precluded, in such capacity, from receiving such information.

As a result of regular contact with a customer, larger suppliers may also obtain non-published information about the customer. Since this information is obtained as a result of the business relationship, the listed company (the customer) may ensure, for example, through a confidentiality agreement, that the supplier does not make public or otherwise disclose the customer’s instructions or orders.

3.1.2 Correct and relevant information

Information disclosed by the company shall be correct, relevant and clear, and must not be misleading.

Information regarding decisions, facts and circumstances must be sufficiently comprehensive to enable assessment of the effect of the information disclosed on the company, its financial result and financial position, or the price of its listed securities.

The information the company discloses must reflect the company's actual situation and may not be misleading or inaccurate in any manner. The requirement regarding relevance dictates that the information must contain facts which provide sufficient guidance to enable evaluation of such information and its effect on the price of the company's securities.

The second part of the provision states that information must be "sufficiently comprehensive to enable assessment of the effect of the information disclosed on the company itself, its financial result and financial position, or the price of its securities" and therefore also information omitted from an announcement may cause the announcement to be inaccurate or misleading. The information in an announcement must however be ready to be disclosed.

In some cases, like mergers and acquisitions, disclosure at various stages of the transactions may be necessary. When the transaction or specific elements of it are not yet finalized, and more information is expected to be disclosed later, the company should refer to such pending matters and in due course give further information about them. However, companies should, in general, avoid disclosing information in stages.

3.1.3 Timing of information

Disclosure of information covered by these Rules shall be made as soon as possible, unless otherwise specifically stated. If price sensitive information is given intentionally to a third party, who does not owe a duty of confidentiality, disclosure shall be made simultaneously.

The disclosure of information may be delayed in accordance with applicable national legislation.

Significant changes to previously disclosed information shall be disclosed as soon as possible. Corrections to errors in information disclosed by the company itself need to be disclosed as soon as possible after the error has been noticed, unless the error is insignificant.

The purpose of the requirement is to ensure that all market participants shall have access to the same information at the same time. The requirement to inform the market as soon as possible means that very little time may elapse between the time when a decision is taken or an event occurs, and the disclosure thereof. Normally, the disclosure should not take more time than necessary to compile and disseminate the information, but at the same time it is necessary that the information must be ready to be disclosed, to allow a sufficiently comprehensive disclosure. Even if draft announcements normally are prepared prior to planned decision-making, the rule does not require an announcement e.g. during an ongoing meeting of the board of directors or other decision-making. The disclosure can then be made after the meeting is finished.

Where an election is held or a decision is taken during evening hours, night-time hours or during a weekend, and the company's shares are not being traded on any other marketplace with information requirements, publication may take place the following Exchange day in due time prior to the opening of the Exchange. This presupposes, however, that those persons in possession of the information continue to apply strict secrecy during the interim period.

According to these rules it is not possible to provide price sensitive information e.g. at general meetings or analyst presentations without disclosure of the information. If the company intends to provide such information during such a meeting or presentation, the company must simultaneously – at the latest - disclose the new price sensitive information as an announcement in accordance with Rule 3.1.5 (Methodology).

According to Chapter 15, Section 7, Market Securities Act (2007:528) it is under certain circumstances sometimes possible to delay disclosure of price sensitive information. In these cases the company must make sure that they comply with all applicable rules in local legislation regarding delayed information.

Whenever the company discloses significant changes to previously disclosed information, the changes should also be disclosed using the same distribution channels as previously. When there are changes to information in a financial report, it is not usually necessary to repeat the complete financial report, but the changes can be disclosed in an announcement with a similar distribution as for the report.

3.1.4 Information leaks

If a company learns that price sensitive information has leaked prior to such disclosure, the company shall make an announcement regarding the matter. If price sensitive information is given non-intentionally to a third party, who does not owe a duty of confidentiality, disclosure shall be made promptly.

It may occur that information about the company becomes available publicly without the company itself having disclosed it by an announcement. In such cases the company assesses whether such information may be price sensitive and whether a disclosure obligation in accordance with the General provision has arisen. The assessment takes into consideration, among other things, accuracy of the information and possible underlying insider information within the company. When such information is largely accurate and in fact price sensitive information within the company, the company will need to assess whether it has been able to ensure the confidentiality of such information or if price sensitive information has leaked to the market (see also provision regarding Timing of information).

Market rumours or media speculation regarding the company may occur even if information has not leaked from the company. The company is not obliged to monitor market rumours or respond to rumours which are without substance or other inaccurate or misleading information from a third party. In such cases the company may alternatively respond with “no comment”. However, when an untrue rumour has a significant effect on the price of the company's securities, the company may consider making an announcement in order to provide the market with correct information and to promote orderly price formation. If orderly trading is substantially affected by such rumours, the Exchange will need to consider whether it needs to take action such as suspending trading.

3.1.5 Methodology

Information to be disclosed under these Rules shall be disclosed in a manner that ensures fast access to such information on a non-discriminatory basis.

Information to be disclosed shall also be submitted to the Exchange for surveillance purposes not later than simultaneously with the disclosure of information, in the manner prescribed by the Exchange.

Announcements shall contain information stating the time and date of disclosure, the company's name, website address, contact person and phone number.

The most important information in an announcement shall be clearly presented at the beginning of the announcement. Each announcement by the company shall have a heading indicating the substance of the announcement.

The purpose of the requirement is to ensure that all market participants shall have access to the same information at the same time. Information for surveillance purposes must be sent electronically in the manner prescribed by the Exchange. For practical assistance regarding the prevailing practice, the company can contact the Exchange.

3.1.6 Web site

The company shall have its own website on which information disclosed by the company on the basis of the disclosure requirements imposed on listed companies shall, at a minimum, be available for at least three years.

However, financial reports shall be available for a minimum of five years from the date of disclosure.

The information shall be made available on the website as soon as possible after the information has been disclosed.

The company is required to have its own website in order to ensure the availability of corporate information to the market. The requirement applies as of the date of listing. The requirement also pertains to annual reports and prospectuses, when possible.

3.2 Regular disclosure requirements

3.2.1 Financial reports

The company shall prepare and disclose all financial reporting pursuant to accounting legislation and regulations applicable to the company.

Companies primarily admitted to trading on NASDAQ OMX Stockholm shall disclose one annual financial statement release and interim reports quarterly.

Since the annual financial report must be prepared according to IFRS adopted by EU for groups of undertakings, the financial statement release must also be prepared on the basis of the accounting principles for the annual financial report. Normally the financial statement release should be so comprehensive that the annual report does not provide the market with any new significant information that may be price sensitive.

3.2.2 Timing of financial statement release and interim reports

The financial statement release and the interim reports shall be disclosed within two months from the expiry of the reporting period. Interim reports shall state whether or not the company’s auditors have conducted a review.

A full report may be disclosed prior to the pre-announced day where, for example, it appears that the preparation of the financial statement release or interim report is proceeding faster than estimated. Where the company becomes aware that the report will not be disclosed by the pre-announced time, the company should announce a new day for disclosure. See also the provision regarding “Company calendar”, section 3.3.12.

Where information arises during preparation of a financial report, indicating that the information in the report will deviate significantly from an explicit forecast or reasonable assessment which can be made based on information previously provided by the company, the company shall apply the disclosure requirements in section 3.1.2. Therefore it is required that the disclosed information gives unambiguous and clear information without confusing or misleading the market. Also when the timeframe until the scheduled disclosure of the upcoming financial report is very short, it may be justified for the company to wait until the disclosure of the full report if it can be considered that the new information is given to the markets without undue delay. The company may also decide to disclose a complete financial report ahead of the scheduled time, when it is possible.

3.2.3 Content of financial reports

The announcement containing the financial statement release and the interim reports shall at least include the information required by IAS 34 “Interim financial reporting”.

The financial statement release shall include the proposed dividend per share, if available, and information regarding the planned date of the annual general meeting. It shall also state where and which week the annual financial report will be made available to the public.

An announcement containing a financial statement release or an interim report shall commence with a summary stating the company’s key figures, including, but not limited to, net turnover and earnings per share as well as information regarding forecasts, if a forecast is provided in the report.

The requirement to include information about the proposed per share dividend naturally only applies provided that such a proposal exists at the time of the disclosure. Where no dividend is proposed to be paid out, this must be clearly stated in the report. Where the proposed dividend is not determined by the time of the disclosure of the financial statement release, it should be disclosed when the decision is taken. With regard to “information regarding forecasts, if a forecast is provided in the report” in the summary, the company may either include the full forecast, an abbreviated forecast, or only state that a forecast is included in the report.

3.2.4 Audit report

The audit report is a part of the annual financial report. However, the company shall disclose any audit report if the audit report includes a statement which is not in standard format or if the audit report has been modified.

For the purpose of this rule, an audit report is considered to be modified or not in standard format when the auditor adds an emphasis of matter paragraph or is not able to express an unqualified opinion with no modification.

An adverse opinion is given when a qualified opinion would not draw enough attention to any deficiency or inaccuracy in the financial statement or the report. A disclaimer of opinion is given when the auditor has been unable to carry out the auditing of the accounts to a sufficient extent and, consequently, no opinion can be given at all. 'Emphasis of matter' given by the auditor means any information given by the auditor which deviates from an unqualified opinion with no modification, e.g. a note regarding, or reference to, a specific figure in the company's annual accounts.

3.3 Other disclosure requirements

3.3.1 Forecasts and forward-looking statements

When the company discloses a forecast, it shall provide information regarding the assumptions or conditions underlying the forecast provided. To the extent possible, forecasts shall be presented in an unambiguous and consistent manner. If the company issues other forward-looking statements, they shall also be provided in an unambiguous and consistent manner.

Where the company reasonably expects that its financial result or financial position will deviate significantly from a forecast disclosed by the company and such deviation is price sensitive, the company shall disclose information about the deviation. Such disclosure shall also reiterate the forecast previously provided.

The rule itself does not require the presentation of a forecast. Within the framework of the legislation, it is up to the company to decide the extent to which it will make a forecast or other forward-looking statements.

"Forecast" is interpreted as an explicit figure for the current financial period and/or following financial periods. It could also for instance include a comparison to previous period (for instance "slightly better than last year") or indicate a figure or a minimum or maximum figure for the likely level of profits or losses for the current financial period and/or following financial periods. A "forward-looking statement" is a more general description of the company's expected future developments.

Forecasts and other forward-looking statements shall to the extent possible be presented in an unambiguous and consistent manner. Information regarding, for example, underlying conditions should be described clearly so that investors can evaluate such information properly. For example, the information should be unambiguous about the income measure to which reference is made, e.g. whether the financial results are expressed before or after tax, whether capital gains/losses are included, whether the effects of planned corporate acquisitions are included, etc. The timeframe for the forecast should also be provided. Forecasts and other information relating to the future in interim reports and annual financial statement releases should be provided under a separate heading and in a prominent position. In conjunction with forecast adjustments, the information in the announcement shall reiterate the preceding forecast in order to evaluate the significance of the change.

The “General provision” (3.1.1) regarding disclosure of price sensitive information shall also serve as a guide with respect to interpretation of changes in forecasts. This rule requires the company to disclose information about deviations from a previous forecast, when it is reasonably expected that such changes will be price sensitive. When deciding whether a change in forecast is significant enough to require a public announcement, the company must evaluate the deviation based on the last known actual financial performance. In deciding whether to make an announcement, the company should consider performance prospects and publicly known changes in financial conditions during the remainder of the review period. Matters affecting such prospects may include changes in the company’s operating environment and seasonal patterns in the company’s line(s) of business. Attention may also be given to any information the company has disclosed about the effect of external factors on the company, e.g. sensitivity analysis regarding commodity prices or in relation to specific market developments. Market expectations, such as analyst estimates, are not decisive for such evaluation; instead, the information disclosed by the company itself and what can justifiably be concluded from such information is decisive.

When the company has come to the conclusion that a change in forecast in the period between two reports is likely to be price sensitive, the company must disclose the change in an announcement. Also when such change is disclosed, it shall be based on sufficient knowledge in order to give unambiguous and consistent information about the change without confusing or misleading the market (see also section 3.1.2).

3.3.2 Unexpected and significant deviation in financial result or financial position

When the company has not disclosed a forecast or other forward-looking statement, and the company’s financial result or financial position unexpectedly and significantly deviates from a reasonable assessment which can be made on the basis of information previously disclosed by the company, the company shall disclose information thereon, if the deviation is considered price sensitive.

In the event that the financial position of the company changes materially between financial reports, the company assesses the need to disclose information about the changes. Section 3.3.1 above regulates the profit warnings if the company has disclosed a forecast. If the company has not disclosed forecasts, it evaluates in accordance with this section 3.3.2 whether it is necessary to disclose information regarding a significant and unexpected change in the actual results or financial position. The need for disclosing this information shall be based on comparison of the reasonable assessment which an investor can make about the company based on its relevant earlier financial and interim reports and other regulatory information with the information on the material change in the financial position in question.

The provision emphasises that companies which do not disclose forecasts could be obligated to make an announcement regarding a significant change in the financial position of the company; for example, the company’s financial results may have changed due to continuous changes in turnover and costs rather than due to individual decisions or events. Where a company detects significant upward or downward variations in the company’s profit trends between reports which deviate from the impression of the company’s position created by previously disclosed information, the company shall disclose such information. In assessing whether the deviation is price sensitive and unexpected enough, consideration shall be given to, for example, normal seasonal effects, historic performance and industry specific factors.

The principles of the “General provision” also apply when evaluating whether a change in financial position requires disclosure. A company shall always evaluate the kind of impact various decisions and circumstances could have on the price of the company’s securities, and whether the information would be relevant for reasonable investors when making investment decisions. Still, the assessment of whether or not to make an announcement in these cases may be difficult and must be based on an evaluation of relevant available information which indirectly may affect the price of the company’s securities.

3.3.3 General meetings of shareholders

Notices to attend general meetings of shareholders shall be disclosed.

The company shall disclose resolutions adopted by the general meeting of shareholders unless such resolutions are insignificant. Where the general meeting has authorised the board of directors to decide later on a specific issue, such resolution by the board of directors shall be disclosed, unless such resolutions are insignificant.

The requirement of disclosing notices to attend general meetings applies notwithstanding that the notice will be sent to the shareholders by post or published in an advertisement.

Proposals from the board of directors to the general meeting which are price sensitive must be disclosed according to the general provision.

With insignificant resolutions, the rule refers for example to matters which are of technical nature.

If a company plans to disclose price sensitive information at a general meeting, the company shall disclose the information in an announcement available to all investors, at the latest at the same time it is presented to the general meeting.

Following the meeting, an announcement must always be made setting forth the resolutions passed by the meeting. This requirement applies notwithstanding that such resolutions are in accordance with previously disclosed proposals.

Resolutions whereby the general meeting authorises the board of directors to decide on a matter, such as the issuance of securities or buy-back of own shares, must also be disclosed. In such cases, the company must also disclose board of directors’ resolution to exercise the authority.

3.3.4 Issues of securities

The company shall disclose all proposals and decisions to make changes in the share capital or the number of shares or other securities related to shares of the company, unless the issue is insignificant.

Information shall be disclosed regarding terms and conditions for an issue of securities.

The company shall also disclose the outcome of the issue.

The announcement regarding an issue of securities shall include all significant information concerning the issue of new securities. Information in the announcement should, at a minimum, include the reasons for the issue, expected total amount to be raised, subscription price and, where relevant, to whom the issue is directed.

Disclosure concerning issues of securities shall include terms and conditions of the issue, any agreements or commitments to subscribe for shares, and time schedule information. When the company discloses the outcome of the issue, the announcement should include information such as whether or not the issue has been fully subscribed or if, for example, secondary subscription rights have been exercised. Normally, it is also relevant to repeat the subscription price, especially in cases where a fixed price has not been used (e.g. book-building process).

In accordance with Chapter 4, Section 9, Financial Instruments Trading Act (1991:980), listed companies shall publish the total number of shares and voting rights at the end of each such calendar month during which the said number has changed, unless the number has already been published during the calendar month.

3.3.5 Changes in board of directors, management and auditors

Proposals and actual changes with respect to the board of directors of the company shall be disclosed. In addition, any other significant changes to the company's top management, including but not limited to managing director, shall be disclosed.

The disclosure regarding a new board member or a new managing director shall include relevant information about the experience and former positions held by the board member or managing director.

A change of the auditor shall also be disclosed.

A proposal for new board member is normally included in the notice to attend the general meeting of shareholders. Any announcement regarding a new board member or managing director shall include relevant information about the experience and former positions held by that person. Such relevant information comprises, for example, information about former and present board positions as well as relevant education.

Depending on the organisation of the company, different people and positions may be considered important. In a company, all changes pertaining to the managing director and the members of the board of directors are important. Other changes can also be important and, in such case, must be disclosed. This may, for example, include changes to the management, managing directors in significant subsidiaries or other employees with special competence. The relevance must be assumed case by case and depends on the specific company organisation and line of business.

3.3.6 Share-based incentive programmes

The company shall disclose any decision to introduce a share-based incentive programme. The disclosure shall contain information about the most important terms and conditions of the programme.

The information is required to provide investors with information about the factors motivating management and other employees and also the dilution effects of the incentive programmes, in order to help investors understand the potential total liabilities under such programmes.

An announcement concerning share-based incentive programmes shall normally contain:

- the types of share-based incentive covered by the programmes;
- the group of persons covered by the programmes;
- timetable for the incentive programme;
- the total number of shares involved in the programmes;
- the objectives of the share-based incentive and the principles for granting;
- the exercise period;
- the exercise price;
- the main terms and conditions that must be met; and
- the theoretical market value of the share-based incentive programmes, including a description of how the market value has been calculated and the most important assumptions for the calculation.

The rule is only related to share-based incentive programmes. ‘Share-based incentives’ here means any incentive programme where the participants receive shares, securities carrying an entitlement to shares, other securities where the value is based on the share price, synthetic programmes where a cash settlement is based on the share price, or other programmes with similar features.

Information about “Group of persons covered by the programmes” may consist of a general reference to groups such as board of directors, management, general staff, etc.

3.3.7 Closely-related party transactions

A transaction between the company and closely-related parties which is not entered into in the normal course of business shall be disclosed when the decision regarding such a transaction is taken, unless the transaction is insignificant to the parties involved.

‘Closely-related parties’ include managing directors, members of the board of directors, and other managers in the parent company or significant subsidiaries who control or exercise significant influence in making financial and operational decisions in the parent company or in the relevant significant subsidiary. Legal entities controlled by these persons and shareholders controlling more than ten percent of the shares or voting rights of the company are also considered as closely-related parties.

In order to ensure credibility and confidence, any transaction with a closely-related party should be disclosed unless it is insignificant to the parties involved.

An example of a matter to be disclosed is when a closely related party, according to the definition in the rule, buys out a subsidiary from the listed company. Even if the subsidiary is small compared to the group and the price of securities may be unaffected, disclosure must be made according to the rule. There is however no need to disclose information if the transaction is insignificant to the involved parties. In the case of a buy out of a subsidiary, the evaluation from the listed company’s point of view should be done in relation to the whole group and not merely to the size of the subsidiary itself. A buy out is often significant in relation to the closely related party - and therefore a disclosure must be made if the transaction is not made in the normal course of business.

A disclosure according to this provision should only be done for transactions which are not entered into in the normal course of business. This means that a disclosure is not required for

example on matters which are not exceptional but are generally available to many employees on similar terms.

3.3.8 Business acquisitions and divestitures

An acquisition or a sale of a company or business which is price sensitive shall be disclosed.

The disclosure shall include:

- **purchase price, unless special circumstances exist;**
- **method of payment;**
- **relevant information about the acquired or sold entity;**
- **the reasons for the transaction;**
- **estimated effects on the operation of the company;**
- **the time schedule for the transaction; and**
- **any key terms or conditions that apply to the transaction, especially when such may affect the value of the transaction.**

The company or business acquired shall be described in a manner that addresses its key line(s) of business, historical financial performance and financial position.

In conjunction with larger corporate transactions, specific requirements are imposed regarding the completeness of information. Based on the information disclosed about a transaction, the market participants should be able to assess the financial effects of the acquisition or sale as well as the effects on the operation of the company and the effect on the price or value of the company's securities. Typically, such assessment requires knowledge of the financial effects of the acquisition or sale as well as the effects on the operation of the company.

Companies must disclose the price in a purchase or a sale of a company because it normally is a key element in an assessment of the effects of the transaction. In rare cases there is, however, a possibility to withhold information regarding the price for an acquired or sold entity. This might be the case where the purchase price is not of importance for the valuation of the company admitted to trading. Another example could be when disclosure must be made in an early stage - according to other disclosure rules - before the final price negotiations have been finalized. It is then impossible to inform about the price, but once the price has been agreed upon, relevant information thereon must be disclosed. It is not unusual that the purchase price is related to the future outcome of the acquired business. In such a case the listed company should disclose the total estimated purchase price at once, and then if necessary, adjust the figure in future reporting. A company cannot evade the disclosure obligation by making an agreement with the opposite party stating that the purchase price or other required information will not be disclosed.

Different kinds of transactions can be considered price sensitive and there can be different ways to evaluate the transactions. Under normal circumstances, the Exchange considers a transaction to be price sensitive where any of the following pertain:

- the target entity represents more than ten percent of the listed company's consolidated revenue or assets;
- the target entity represents more than ten percent of the listed company's consolidated equity capital; or

- the consideration paid for the target entity represents more than ten percent of the listed company's consolidated equity or more than ten percent of the total market value of the listed company's shares if its total equity capital is lower than the market value of its securities.

Transactions which do not fulfil the abovementioned limits can also be considered price sensitive, e.g. due to their strategic importance.

Relevant information could include:

- the effects on the income statement or balance sheet resulting from the integration of operations or, alternatively, the effects of the sale;
- in conjunction with very large acquisitions, supplementary information should be provided in the form of pro forma accounts.

In conjunction with the acquisition of business activities, it may be particularly important to report information regarding the purchase price, the type of business that has been acquired, the assets and liabilities included in the acquisition, the number of employees transferred, etc.

In some cases, a transaction might be treated as significant but might still not significantly affect the listed company's future result or financial position. In such case, it is advisable to mention this fact in the announcement.

3.3.9 Change in identity

If substantial changes are made to a company during a short period of time, or in its business activities in other respects, to such a degree that the company may be regarded as a new undertaking, the company shall disclose information about the changes and consequences of the changes.

When a listed company undergoes significant changes and, following those changes, may be regarded to be an entirely new company, additional information regarding the company is needed. A change in identity of the company may need to be evaluated where, for example, an acquired operation is extremely large and, in particular, where the character of the business is different from the company's business to date. "During a short period of time" means that a gradual development process within a company does not normally fall under this provision.

Evaluation of the change in identity is made on an overall basis. Criteria for evaluating whether there has been a change in identity typically include, but are not limited to, the following.

- Changes in ownership structure, management or assets;
- The existing business of a company is sold and, in connection therewith, a new business is acquired;
- The acquired turnover or assets significantly exceed the turnover or assets of the listed company;
- The market value of the acquired assets significantly exceeds the market value of the listed company,
- The control of the listed company is transferred from the old management and the majority of the board of directors changes as a result of a transaction

Upon an overall evaluation, the occurrence of most or all of the abovementioned factors means that a change of identity is deemed to have taken place. On the other hand, the occurrence of only one or two of these factors might not be sufficient to treat the company as a completely new undertaking.

When a change in identity occurs, it is of the utmost importance that the securities market receives enhanced information. The information must be equivalent to what is required pursuant to the rules applicable to prospectuses. This rule applies notwithstanding that the company is not obligated to prepare such a prospectus pursuant to legislation or any other regulation. Information must be provided within a reasonable time, which means as soon as it has been compiled.[]

If, in the Exchange's opinion, the information presented by the company in conjunction with the disclosure of a change in identity is insufficient, the company's securities may be placed on the observation segment pending additional information. An observation listing should take place during a limited period of time, normally not more than six months.

Transfer to the observation segment may also occur where the Exchange is of the opinion that the change in operation is such that it can be equated with the listing of a new company. The fulfilment of the listing requirements can, in such cases, be questioned and the Exchange may initiate an examination comparable to that conducted for an entirely new company applying for listing on the Exchange. In conjunction with a planned change in identity, the Exchange should be contacted in advance so that issues' regarding the company's continued listing may be administered as smoothly as possible. The process for a new listing is described in chapter 2 (the listing process).

3.3.10 Decisions regarding listing

The company shall disclose information when it applies to have its securities admitted to trading at the Exchange for the first time, as well as if it applies for a secondary listing to trading at another trading venue. The company shall also disclose any decision to apply to remove its securities from trading at the Exchange or another trading venue. The company shall also disclose the outcome of any such application.

The duty to comply with the disclosure rules enters into force when a company applies to have its securities admitted to trading on an exchange. The company has no obligation to disclose unsolicited listings because such listings do not entail any disclosure or other obligations on the company.

3.3.11 Information required by another trading venue

When the company discloses any significant information due to rules or other disclosure requirements of another regulated market or trading venue, such information shall be simultaneously disclosed.

The purpose of the rule is to ensure that all market participants have the same information on which to base their investment decisions. The simultaneous disclosure obligation exists even if the information to be disclosed is not subject to disclosure under these rules.

3.3.12 Company calendar

The company shall publish a company calendar listing the dates on which the company expects to disclose financial statement releases, interim reports, and the date of the

annual general meeting. In respect of the annual financial report, the company shall publish the week of disclosure.

The company calendar shall be published prior to the start of each financial year.

If a disclosure cannot be made on a pre-announced date, the company must publish a new date on which disclosure will be made; If possible, the new date should be published at least one week prior to the original date.

If applicable, the date for payment of dividends should also be included in the publication. The company should also try, if possible, to specify the time of the day at which disclosure will be made.

3.4 Information to the Exchange only

3.4.1 Public tender offers

Where the company has made internal preparations to make a public tender offer for securities in another listed company, the company shall notify the Exchange when there are reasonable grounds to assume that the preparations will result in a public tender offer.

If the company has been informed that a third party intends to make a public tender offer to the shareholders of the company, and such public tender offer has not been disclosed, the company shall notify the Exchange when there are reasonable grounds to assume that the intention to make a public tender offer will be realised.

When discussions have proceeded to an advanced stage in respect of the acquisition of another listed company, the Exchange must be informed in advance in order to be able to monitor trading. However, there must be reasonable grounds to assume that the measure will lead to an offer.

The Exchange must also be notified when the company has been contacted by a third party which intends to make a public offer to the shareholders in the listed company, where there are reasonable grounds to assume that the contact will lead to a formal public offer.

There is no formal requirement regarding how to notify the Exchange and notice is normally made by telephoning the surveillance department.

3.4.2 Advance information

If the company intends to disclose information that is assumed to have a highly significant effect on the price of the securities, the company shall notify the Exchange prior to disclosure.

If the company intends to disclose information that is assumed to have a highly significant effect of the price of the securities, it is important that the Exchange receives the information in advance in order to consider if any measures need be taken by the Exchange. One result

might be that the Exchange briefly suspends trading and cancels pending orders in order to provide the market with the possibility to evaluate the new information.

Information in advance is not required where the information is included in a scheduled report, since the market already knows that the company will disclose significant information on such occasion.

4 SPECIAL RULES

4.1 Transactions with closely related parties

The following shall apply in the event that the company or its subsidiary decides to transfer shares in a subsidiary or to transfer the business to an officer of the company, provided the transfer is not insignificant to the company:

- **A resolution concerning the transfer shall be adopted or approved by a shareholder meeting of the parent company.**
- **Before the proposed resolution is presented to the shareholder meeting, the board of directors shall obtain an appraisal opinion from an independent expert.**
- **The board of directors shall prepare a report regarding the proposed transfer.**
- **The appraisal opinion and report shall be made available by the company and posted on the company's website not less than two weeks prior to the shareholder meeting that will address the issue. The appraisal opinion and report shall also be presented at the shareholder meeting.**
- **Notice to attend the shareholder meeting at which the issue will be addressed shall set forth the main provisions of the proposal.**
- **“Officer” means the same group of persons as referred to in Chapter 16 in the Swedish Companies Act (2005:551).**
- **Officer also means a major shareholder in the company or in another company within the same group, as well as the major shareholder's spouse or cohabitee, children who are minors and wards of the major shareholder, and legal entities over which the major shareholder has a controlling influence. Officer also means such persons who recently acquired an aforementioned position or relationship to the company.**

The aforementioned concerning transfers shall also apply where the company or its subsidiary adopts a resolution to acquire assets from an officer of the company.

As a rule, an officer's position in the company provides special insight into his or her "own" company or "own" business and thereby an information advantage. There is a risk that this advantage may be used so that the price of the object of the transfer may be set too low in conjunction with a purchase, and too high upon acquisition from an officer. The purpose of this provision is to reduce this risk through decision-making procedures and appropriate information. This risk is considered significant for the shareholders where the transfer is so large that the company's financial results and position are affected to a significant degree.

The information requirements cover an area that, in some cases, is governed by Chapter 16 in the Swedish Companies Act (2005:551). In many respects this rule goes beyond the Act. In certain respects, however, the Act imposes more stringent requirements than those prescribed herein. In such cases, it is obvious that the more stringent requirements of the Act apply. An example of this is the purchase of a subsidiary through the acquisition of the company's shares. In such a case, the Act prescribes that, in order to be valid, a resolution adopted by the shareholder meeting shall have been supported by shareholders holding at least nine-tenths of the votes cast and the votes represented at the meeting. Transfers beyond the scope of the Act but which are covered by this provision – e.g. the sale or acquisition of a business – are governed by the standard majority voting rules imposed by the Swedish Companies Act in respect of decisions of shareholder meetings, or the specific rules that might be deemed to apply in accordance with the articles of association.

Pursuant to the rules of the Swedish Companies Act, it is the responsibility of the board of directors to manage the company's affairs in the interest of all shareholders. In this respect, the board shall consider other solutions as an alternative to the transfer. Where such do not appear to be suitable or available, the requirement in sub-section 2 of an independent appraisal opinion is intended to provide the shareholders with a satisfactory basis for making their decision.

No requirements are imposed for more than one appraisal opinion. Of course, there may be situations where it may be appropriate to obtain further appraisal opinions. Irrespective of whether one or more opinions are obtained it is important, however, that the expertise engaged for the purpose adopts an independent and unbiased position.

A fairness opinion may also be deemed as an appraisal opinion, i.e. an opinion concerning the reasonableness, from a financial point of view, for the shareholders of a purchase or acquisition. This also applies where a fairness opinion does not contain direct information concerning the value in cash of the subject for the transfer.

The report referred to in the third sub-section shall contain the financial and any other information that is of major significance for the shareholders' possibility to form an independent opinion on the value of the subject of the transfer and of the significance of the transfer for the company.

The appraisal opinion and the board of directors' report concerning the transfer shall, pursuant to sub-section four, be made available to the shareholders for the period that may reasonably be required in order for them to become acquainted with the terms and conditions of the transfer and other information or, in any event, during a period of at least two weeks prior to the shareholder meeting that shall adopt the resolution concerning the transfer. The specified time period is longer than that prescribed pursuant to the Swedish Companies Act with respect to proposals for resolutions at shareholder meeting concerning new issues of shares.

According to the last sub-section of the provision, an officer also means a major shareholder in the company or another company within the same group. “Major shareholder” means, in this context, shareholders who own more than 10 percent of the share capital or voting rights in the company.

The last sub-section does not contain any indication of time for the term, “recently,” nor has it been specified at what time the issue shall be assessed. Different time periods may be contemplated in this context, such as when discussions concerning the transfer first came to the fore, when the agreement was entered into, when the shareholder meeting was held, or when the transfer took place. The interpretation of the term “recently” should, however, take place in each case in light of the purpose of the provision, namely to negate the information advantage the management may be deemed to possess. However, in order for the provision to be applicable, it is clear that the officer in question must have left the company a relatively short period of time prior to the transfer. No exact time may be specified but, rather, it shall be assessed taking into account the circumstances in the individual case.

Of course, the provision does not apply to shares that are subscribed for in a new issue of shares directed to all shareholders of the company.

4.2 Rules regarding purchase and sale of a company’s own shares

4.2.1 Disclosure

The company’s resolution at a general shareholder meeting to purchase or sell the company’s own shares and decisions by the board of directors to utilise possible authorisations to purchase or sell the company’s own shares must be disclosed as soon as possible.

The disclosure must contain information on

- **the period during which the decision to purchase or sell the company’s own shares is to be effected or during which the authorisation may be utilised**
- **existing holdings of the company’s own shares and the maximum number of shares intended to be purchased or sold**
- **highest and lowest price per share**
- **purpose of the purchase or sale**
- **other conditions for the purchase or sale.**

It is of the utmost importance that the information is disseminated to the stock market as soon as possible after the company has made a decision to purchase or sell the company’s own shares. What is meant by “decision to purchase or sell the company’s own shares” is defined as a resolution from a general shareholder meeting pursuant to a proposal from the board of directors to purchase or sell the company’s own shares, or – where applicable – the board of directors’ decision supported by authorisation from a general shareholder meeting to purchase or sell the company’s own shares.

It is apparent from the second paragraph that information must be provided about the highest and lowest price that may be paid for the shares. The price may be specified as a highest and lowest price but may also be stated as a certain range around the current share price. What is

important is that the decision is formulated in such a way that no interpretation problems can arise.

4.2.2 Restriction regarding Volume

With the exception of block transactions, the company's purchase or sale of the company's own shares may during a single trading day not exceed 25 percent of average daily turnover during the four calendar weeks immediately preceding the week during which the purchase or sale was effected.

A block transaction is defined as a single transaction of at least 5 million SEK for companies traded in the Large Cap segment and 2,5 million SEK for companies traded at the Mid and Small Cap segments. The purchase and sale of shares that a stockbroker has accumulated from different customers in order to transfer to the company is not defined as a block transaction, unless each individual seller has fulfilled the aforementioned requirement regarding the minimum size of the round lot.

From this regulation, it is apparent that during a single trading day, the company may not purchase or sell more than a combined total of 25 percent of the average number of shares per day, including its own trading that was conducted during the four preceding calendar weeks on the exchange or marketplace where the share is traded. Accordingly, if the share is traded on several exchanges or marketplaces, the company's trading in the share may amount to 25 percent of the average daily turnover of the particular share on each of these exchanges or marketplaces.

The term "trading day" is defined as the time during which the exchange is open for trading. The basis for the calculation of the number of shares traded consists of both the shares traded in real time in an automatic trading system and the shares that, according to special rules, are reported to the exchange during the trading day. The basis for calculation also includes shares traded after the exchange closes and that, accordingly, are reported to the exchange retroactively.

Block transactions are exempted from the 25 percent limit. Such transactions can be executed both during trading hours and after the exchange closes.

4.2.3 Restriction regarding Price

The company may only place orders or close transactions in the company's own shares within the band of prices applying on the exchange. The range of prices pertains to the range between the highest purchase price and the lowest selling price.

The range of prices – also known as the spread – for the company's shares is shown on a continuous basis from the information that is available in the exchanges' trading systems and, usually, is disseminated to the market via various information companies. This regulation means that all orders must be placed within the prevailing range of prices. This also applies to the type of block transactions mentioned in rule 4.2.2. One consequence of this rule is that trading in the company's own shares cannot commence before a spread is established.

4.2.4 Reporting Obligations

The company must report to the exchange all acquisitions and transfers involving the company's own shares that have occurred as soon as this is possible and not later than 30 minutes before the exchange opens on the trading day immediately following the purchase or sale.

A notification in accordance with the first paragraph must include details of the number of shares, distributed by class of share, covered by the purchase or sale, the price – or where applicable the highest or lowest price – paid or received per share and the company's current holding of its own shares and the total number of shares in the company.

It is apparent from the regulations contained in Chapter 4, Section 19 of the Financial Instruments Trading Act (1991:980) that a company that acquires and transfers its own shares must report such an acquisition to the exchange. This particular regulation governs, inter alia, the content of such a notification. The information is disclosed by the Exchange publishing it on the Exchange's website.

To ensure that information about repurchased shares is as complete as possible the FSA has given the Exchange mandate to receive notifications regarding the special repurchases that, in accordance with the aforementioned act, must be reported to the Swedish Financial Supervisory Authority, see ordinance FFFS 2007:17, chapter 13, section 2.

4.2.5 Exceptions

The rules regarding the purchase and sale of a company's own shares do not apply to trading in a company's own shares that occurs with the support of Chapter 7, Section 6 of the Securities Market Act (2007:528).

This exception means that banks and stockbrokers may trade in their own shares on behalf of customers in the same manner as for trading in other shares.

5 SANCTIONS

In the event of a failure by the company to comply with law, other regulations, this Agreement, or generally acceptable behaviour in the securities market, the Exchange may, where such violation is serious, resolve to delist the company's traded securities or, in other cases, impose on the company a fine corresponding to not more than 15 times the annual fee paid by the company to the Exchange. Delisting may not take place if such is generally unsuitable. Where the non-compliance is of a less serious nature or is excusable, the Exchange may issue a warning to the company in lieu of imposing a fine.

The issue of the determination of sanctions in accordance with this section shall be the responsibility of a Disciplinary Committee appointed by the Board of Directors of the Exchange.

Detailed provisions about the Disciplinary Committee are set forth in the Securities Market Act (2007:528) and in regulations issued by the Swedish Financial Supervisory Authority.

Via the Head of Surveillance, the Exchange decides whether violation of the Listing Agreement or of other rules and regulations is so serious that the matter has to be forwarded to the Disciplinary Committee. The process is such that the Exchange initially issues a written request for an explanation from the company concerning the matter at hand. If the company has not been able to provide an acceptable explanation for its actions and the violation is considered serious, what is commonly referred to as a statement of reprimand is issued to the company for its response. If the company's response does not give cause for an alternative action, all of the documents concerning the matter are subsequently sent to the Disciplinary Committee. The Committee then sends the company a written request asking it to submit any further views on the matter. There is also an opportunity for the company to orally submit its views to the Disciplinary Committee.

In addition to laws, other statutes and the Listing Agreement, the company must also comply with generally acceptable behaviour in the Swedish securities market. Generally acceptable behaviour is defined as the actual standard practice in the stock market for the behaviour of listed companies. Such standard practice could, for example, gain expression in the comments issued by the Swedish Security Council, recommendations from the Swedish Financial Reporting Board or the Swedish Code of Corporate Governance.

The term annual fee is defined as the fee the company has paid to the Exchange during the 12 months immediately preceding the Disciplinary Committee's ruling or – if the company has not been listed for 12 months – the annual fee that can be calculated on the basis of the fee paid to date.

6 TAKEOVERS

(Unchanged)