

FAQ – the NBK rules concerning public takeover bids for shares in Swedish Limited Liability Companies which are traded on certain Swedish trading facilities

Background

In order to establish uniform rules on mandatory bids and takeover bids for all companies, the Industry and Commerce Stock Exchange Committee (NBK) has decided to issue rules on takeover bids for shares in Swedish Limited Liability Company which, upon application by the company in question, are traded on certain Swedish trading facilities (Multilateral Trading Facility, MTF).

The new rules essentially correspond to the rules applicable to companies whose shares are admitted to trading on a regulated market. The rules will come into force on 1 January 2010.

The rules are available at <http://www.naringslivetsborskommitte.se/>

Questions and answers

These questions and answers are intended to give companies, whose shares are traded on First North, answers to frequently asked questions in response to the new rules.

1. Are the NBK rules binding on the target company?

The rules are not formally a part of the Exchange's regulatory framework. However, the Exchange assumes that companies on First North will comply with NBK's rules since they reflect what is considered good practice on the Swedish stock market.

2. Are the NBK rules binding on the bidder?

When a public takeover bid is launched for a company on a regulated market, there is a statutory obligation for the bidder to make a commitment to the Exchange to comply with exchange rules for such offers and to accept any sanctions which may be imposed by the Exchange in the event of breaches of the rules.

When a public takeover bid is launched for a company on First North, there is no obligation for the bidder to make a corresponding commitment to the Exchange.

However, the Exchange assumes that companies on First North will comply with NBK's rules since they reflect what is considered good practice on the Swedish stock market.

3. Does the Swedish FSA supervise public takeover bids on First North?

No, NBK's regulation is in the form of self-regulation and is not related to the Act (2006:451) concerning public takeover bids in the stock market (the Takeover Act).

4. Can the Swedish Securities Council make preliminary rulings and grant exemptions from the NBK rules?

Yes, the Securities Council has undertaken to, upon request, provide information on interpretation and application of the rules and to grant exemptions from the rules. Please refer to www.aktiemarknadsnamnden.se for more information.

5. Should the offer document be submitted to the Swedish FSA for approval?

No, the FSA only approves and registers offer documents drawn up in accordance with the Takeover Act and the Financial Instruments Act (1991:980).

However, if the consideration offered, in whole or in part, consists of shares or other transferable securities there is a statutory obligation for the bidder to draw up a prospectus in accordance with the Financial Instruments Act. This applies unless there is an exemption to publish a prospectus.

6. What sanctions may the Exchange impose in the event of a breach of the NBK rules?

The Exchanges can not, unlike the FSA, for example impose someone to fulfill the obligation to launch a mandatory offer or to stop any frustrating action taken by the target company. Nor have the Exchange the ability to suspend a public takeover offer.

However the Exchange may request that the Disciplinary Committee announce a ruling regarding disciplinary sanction against a company whose shares, upon the request of the company, are traded on First North. The sanctions available to the Committee are to issue warning or fine or to remove the company's shares from trading on First North.