

Exchange rules

**RULES FOR ISSUERS WHOSE INTEREST-BEARING INSTRUMENTS
ARE ADMITTED TO TRADING ON DEBT SECURITIES, APPLICABLE
COMMENCING JULY 3, 2016**



RULES FOR ISSUERS WHOSE INTEREST-BEARING INSTRUMENTS ARE ADMITTED TO TRADING ON DEBT SECURITIES

N.B. IN THE EVENT OF ANY DISCREPANCY BETWEEN THIS ENGLISH VERSION OF RULES FOR ISSUERS WHOSE INTEREST-BEARING INSTRUMENTS ARE ADMITTED TO TRADING ON DEBT SECURITIES, AND THE SWEDISH VERSION THEREOF, THE SWEDISH VERSION SHALL PREVAIL.

INTRODUCTION

Since 2003, Nordic Growth Market NGM AB (“**NGM**”) is an exchange authorized by the Swedish Financial Supervisory Authority. NGM operates two regulated markets (NGM Equity and Nordic Derivatives Exchange, NDX) and a Multilateral Trading Facility (Nordic MTF). Listing of, and trading in, bonds and other interest-bearing instruments is offered on the Debt Securities list, which is a market segment under the regulated market NDX.

All trading takes place in NGM’s proprietary trading system, Elasticia, to which Swedish and international banks and investment firms are connected directly or through an approved supplier of market access. Trading information (market data) is distributed by, among others, established information distributors such as Bloomberg, Thomson Reuters, SIX and Millstream.

This rulebook applies to all issuers whose interest-bearing instruments are admitted to trading on Debt Securities.¹

Certain provisions in this rulebook are supplemented with guidance notes. The guidance notes are marked with an ⓘ. The guidance notes are not binding on the issuer; rather, they merely constitute interpretations of the applicable rules and accepted practice.

The rulebook is mainly divided into listing rules and information rules. Essentially all listing requirements are applicable on the date of listing as well as continuously during the listing. Chapter 5 contains the disclosure rules governing which information an issuer must disclose to the market.

This version of the Rules for issuers whose interest-bearing instruments are admitted to trading on Debt Securities enters into force on July 3, 2016. The modifications carried out are mainly necessitated by the Market Abuse Regulation, which enters into force on the same day as this version of the rulebook. The concept of “inside information” is derived from the Market Abuse Regulation and replaces the concept of “price-sensitive information”, for example in the general provision of the rulebook. Although the concepts differ, NGM does not anticipate any significant difference on the issue of when disclosure takes place in accordance with the general provision.

By signing an undertaking, the issuer provides a commitment to the Exchange to comply with the rules applicable from time to time and to submit to those sanctions which may follow from any breach of the rules. The applicable rulebook is always available on www.ngm.se.

¹The rulebook applies also in certain other cases; see section 1.2 below.

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1 GENERAL PROVISIONS

1.1 DEFINITIONS

In these rules, capitalized terms and expressions shall have the meaning set out below.

<i>Debt Securities</i>	means the market segment under the regulated market NDX, for bonds and other interest-bearing instruments operated by the Exchange;
<i>EEA</i>	means the European Economic Area;
<i>Exchange</i>	means Nordic Growth Market NGM AB;
<i>Inside Information</i>	means inside information as defined in Article 7 of the Market Abuse Regulation;
<i>Instruments</i>	means the bonds or other interest-bearing instruments issued by the Issuer and which are, or will be, admitted to trading on Debt Securities;
<i>Issuer</i>	means the legal entity which has issued bonds or other interest-bearing securities which are, or will be, admitted to trading on Debt Securities;
<i>Market Abuse Regulation</i>	means Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse;
<i>Prospectus Directive</i>	means Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading and amending Directive 2001/34/EC;
<i>Regulations</i>	means the SFSA's Regulations governing operations on trading venues (FFFS 2007:17);
<i>SFSA</i>	means the Swedish Financial Supervisory Authority (Sw. <i>Finansinspektionen</i>);
<i>SMA</i>	means the Swedish Securities Market Act (Sw. <i>lagen (2007:528) om värdepappersmarknaden</i>);
<i>Undertaking</i>	means the undertaking to comply with the Exchange's "Rules for issuers whose interest-bearing instruments are admitted to trading on Debt Securities", which the Issuer has signed or will sign.

The word *listing* or *listed* means the admission to trading on a regulated market or that a financial instrument is admitted to trading on a regulated market.

1.2 APPLICABILITY AND TERM

These rules shall apply to the Issuer commencing the day on which an application for admission to trading of Instruments on Debt Securities is submitted to the Exchange and thereafter for such time as the Instruments are admitted to trading on Debt Securities. The rules' provisions on sanctions in chapter 6 shall, however, also apply for a period of one year after delisting of the Instruments, if the violation was committed prior to the delisting. This section shall apply notwithstanding any revocation of the Undertaking.

- ① The Instruments may, in exceptional cases and following agreement, be admitted to trading on a market segment other than Debt Securities. In such cases, these rules shall nevertheless apply to the Issuer.

1.3 AMENDMENTS AND SUPPLEMENTS

Unless otherwise stated, amendments and supplements to these rules shall apply to the Issuer not earlier than thirty (30) days after the Exchange has dispatched notice to the Issuer containing notice of the amendment or supplement and has published information thereon on its website.

The Exchange may decide that amendments and supplements shall apply to the Issuer earlier than set out in the preceding section if generally justifiable due to market conditions, legislation, court orders, public authority orders or similar circumstances.

1.4 UNDERTAKING TO COMPLY WITH THE RULES

Prior to the first day of trading, the Issuer shall sign the Undertaking. The Undertaking may not be revoked for such time as the Instruments are listed on Debt Securities.

1.5 FEES

The Issuer shall pay regular fees to the Exchange in accordance with the price list and payment terms applicable from time to time.

Changes to fees shall apply to the Issuer not earlier than thirty (30) days after the Exchange has dispatched notice to the Issuer containing notice of the changes.

1.6 CONFIDENTIALITY

Pursuant to Chapter 1, section 11 of the SMA, a person who is or has been employed or engaged by the Exchange may not, without authorisation, disclose or utilize what he or she has learned during the employment or engagement about any other party's business circumstances or personal circumstances. However, pursuant to Chapter 23, section 2 of the SMA, information must always be made available to the SFSA in its capacity as supervisory authority of the Exchange.

2 LISTING REQUIREMENTS

2.1 THE ISSUER

- 2.1.1 The Issuer shall be incorporated in accordance with the legislation and regulations in force in the country of its incorporation and, for such time as the Instruments are listed, shall hold all licences, permits, or authorisations which, under governing law, are required for the conduct of the Issuer's operations. The Issuer shall also comply with all of the laws and regulations governing issuers whose transferable securities have been admitted to trading on a regulated market, e.g. the Market Abuse Regulation, the SMA and the Regulations.
- 2.1.2 Where the Issuer is a limited liability company, it must be a public company with a share capital of no less than SEK 500,000 or the equivalent in another currency.
- 2.1.3 The Issuer, its board of directors and its management must comply with the Exchange's soundness requirements. The composition of the board of directors must be such that it is sufficiently competent to manage and control the Issuer. The management must be sufficiently competent to manage the Issuer.
- 2.1.4 The Issuer shall not be entitled to apply for the listing of bonds or other interest-bearing instruments where the Issuer has suspended its payments, been declared bankrupt or entered into liquidation.
- 2.1.5 The Issuer shall report historical financial information regarding its operations in accordance with applicable laws, regulations and other rules relating to prospectuses.
- 2.1.6 The Issuer shall provide the Exchange with annual reports and auditor's report or corresponding information for the past three financial years, any prospectus published during such period, as well as quarterly and half-yearly reports for the period since the most recent annual report.
- 2.1.7 The Issuer must have implemented and regularly maintain requisite procedures and systems for disseminating information, including systems and procedures for financial control and reporting. The essential purpose of this requirement is to ensure that the Issuer performs its obligation to provide the market with correct, relevant and clear information.
- 2.1.8 The Exchange recommends that the Issuer produce and adopt an information policy to ensure that the Issuer is able to provide the market with correct, relevant and clear information.
- 2.1.9 The Issuer shall notify the Exchange immediately in the event the Issuer becomes aware that any listing requirement in this chapter 2 is not satisfied.

2.2 INSTRUMENTS

- 2.2.1 Listing can only be granted if, in light of the market conditions for the Instruments and the circumstances in general, conditions exist for fair, orderly and efficient exchange trading in the Instruments.
- 2.2.2 The Issuer may only apply for listing of Instruments:
- a) that are freely transferable; and
 - b) whose total nominal amount is no less than SEK two million (or equivalent in another currency).
- 2.2.3 An application for listing must cover all Instruments in the issue.
- 2.2.4 All Exchange members shall have the possibility to trade in the Instruments on their own account or on behalf of a third party in accordance with the Exchange's Rules for members applicable from time to time.
- 2.2.5 The Issuer must demonstrate that the Instruments are registered at Euroclear Sweden AB or that conditions otherwise exist for satisfactory clearing and settlement of transactions executed in the Instruments.

2.3 EXCEPTIONS

- 2.3.1 Even if the Issuer satisfies all listing requirements, the Exchange is entitled to reject the Issuer's application for listing if it is believed that a listing of the Instruments might damage the confidence in the securities market, the Exchange, or detrimentally affect the interests of investors.
- 2.3.2 The Exchange may approve the Issuer's application for listing notwithstanding that the Issuer fails to satisfy all listing requirements, provided that the purpose of the relevant listing requirement or any other rule is not jeopardized, or that the purpose of the listing requirement can be satisfied in some other way.

3 PROSPECTUS

- 3.1 Where appropriate, the Issuer shall prepare and publish a prospectus before listing can take place. The prospectus must be approved by a competent authority, normally the SFSA.
- 3.2 Where the Issuer has its legal domicile in a country other than Sweden, but within the EEA, the Issuer must submit the prospectus to the Exchange together with certification that the prospectus has been approved by the competent authority in the Issuer's home member state. Where appropriate, such certificate shall state any exemptions granted from the requirements of the Prospectus Directive. In addition, the Issuer shall submit to the Exchange certification evincing that the approved prospectus has been duly submitted to the SFSA.
- 3.3 In the event a prospectus need not be prepared in accordance with section 3.1 above, the Issuer shall prepare a listing document which describes the Issuer and the Instruments (including the terms and conditions therefor) and contains such other information as the Exchange may require in order to facilitate fair, orderly and efficient trading in the Instruments.
- 3.4 The Exchange may require the Issuer to publish supplementary information on its website, in the event the Exchange believes that such information is important and of interest for investors.

4 OBSERVATION LIST AND DELISTING

4.1 OBSERVATION LIST

The Exchange may decide to place the Instruments on the observation list if:

- a) the Issuer fails to comply with the listing requirements in chapter 2 above and the breach is deemed material;
- b) the Issuer has committed a serious violation of this rulebook or of laws, ordinances or regulations on the securities market;
- c) the Issuer has seriously breached its obligations under the Instrument's terms and conditions;
- d) the Issuer has applied for delisting of the Instruments;
- e) material uncertainty prevails regarding the Issuer's financial situation; or
- f) other circumstances prevail which lead to material uncertainty regarding the Issuer or the Instruments.

In such cases as referred to in c) above, where appropriate, the Exchange shall take a decision following consultation with the Trustee.

4.2 DELISTING

Listing of Instruments shall cease at the request of the Issuer, provided that it is not inappropriate from a public interest perspective. The date of delisting shall be determined by the Exchange following consultation with the Issuer.

The Exchange may decide to delist the Instruments if:

- a) an application for bankruptcy, liquidation of the business or a decision regarding an equivalent measure has been taken by the Issuer or filed by a third party with a court or public authority;
- b) the Issuer or Instruments no longer satisfy the listing requirements in chapter 2 in any significant respect;
- c) following a reminder, the Issuer fails to pay applicable fees pursuant to section 1.5 above; or
- d) the Issuer revokes its Undertaking to comply with the Exchange's rules.

The Issuer shall be notified immediately in the event the Exchange decides to delist the Instruments.

5 DISCLOSURE RULES

5.1 GENERAL DISCLOSURE RULES

5.1.1 GENERALLY

The Issuer shall:

- a) regularly notify the Exchange regarding its operations;
- b) make such disclosures to the Exchange as the Exchange requires for the performance of its obligations pursuant to law, ordinances and regulations; and
- c) provide the Exchange with information that the Exchange requires in order to assess whether the Issuer is performing its obligations in accordance with this rulebook.

5.1.2 GENERAL PROVISION

The Issuer shall, as soon as possible, disclose Inside Information in accordance with Article 17 of the Market Abuse Regulation.

- ① The concept of Inside Information is defined in the Market Abuse Regulation. It can be inferred from the definition that Inside Information primarily comprises information of a precise nature which has not been made public, relating, directly or indirectly, to the Issuer or the Instruments and which, if it were made public, would be likely to have a significant effect on the price of the Instruments. Somewhat simplified, 'precise nature' means information which enables a conclusion to be drawn regarding the potential effect on the price of the Instruments of a set of circumstances or an event.

The intention is that the assessment of the Issuer's obligation to disclose Inside Information in accordance with the general provision or the guidance notes shall not deviate from a corresponding interpretation of the wording of the Market Abuse Regulation as well as supplementary legal acts and relevant guidance from the European Securities and Markets Authority (ESMA).

The Market Abuse Regulation also imposes on the Issuer an obligation to draw up a list of all persons working for the Issuer who have access to Inside Information (referred to as a logbook). The requirement applies irrespective of whether the person works for the Issuer under a contract of employment or otherwise performs duties through which he or she has access to Inside Information, e.g. as adviser, accountant or credit rating agency. The Issuer must also ensure that all individuals included on the insider list (the logbook) confirm in writing that they are aware of the legal obligations this entails and the sanctions applicable in the event of insider dealing and unlawful disclosure of Inside Information. For more detailed information regarding the requirements imposed on the Issuer, including which information must be included in an insider list (logbook), reference is made to Article 18 of the Market Abuse Regulation.

5.1.3 CONTENT, STRUCTURE AND SCOPE OF THE INFORMATION

Information disclosed by the Issuer must be complete, correct, relevant and clear, and must not be misleading.

Information regarding decisions, facts and circumstances must be sufficiently comprehensive to enable assessment of the significance of the information as regards the Issuer, its financial result and financial position, or the price of the Instruments.

5.1.4 TIMING OF DISCLOSURE

In the absence of special circumstances, disclosure of information shall take place as soon as possible.

If the Issuer reveals Inside Information to a third party, the information must be publically disclosed; this shall take place simultaneously if deliberate disclosure is involved and as soon as possible if an unintentional disclosure is involved. This provision shall not apply if the person who receives the information is obliged not to reveal it.

The disclosure of information may be delayed in accordance with the provisions in Article 17 of the Market Abuse Regulation.

The Issuer must, as soon as possible, publicly disclose significant changes to previously disclosed information. The aforesaid applies also to corrections to errors in disclosed information, unless the error is insignificant.

5.1.5 INFORMATION LEAKS

In the event the Issuer learns that Inside Information has leaked prior to a planned disclosure, the Issuer shall make an announcement regarding what has happened as soon as possible.

5.1.6 METHODOLOGY

Disclosure of information under these rules must take place so that the information is disclosed in such a manner as to afford the public fast access and the possibility of a complete, correct and timely assessment of the information. Disclosure pursuant to these rules shall be deemed to have taken place when the information provided by the Company for dissemination has been distributed by the Company's information distributor in the form of a press release to the general public.

Each press release must have a heading summarizing the content. The most important information must be clearly presented at the beginning of the press release. The information shall contain details of the time and date of disclosure, the Issuer's name, website address, contact person and phone number.

- ④ The Issuer shall also ensure that information which is disclosed in accordance with these rules is provided to the Exchange simultaneously with disclosure in accordance with the Exchange's procedures in force from time to time.

5.1.7 WEBSITE

The Issuer shall have its own website on which all information disclosed is available for at least five years. The disclosed information shall be made available on the website as soon as possible following disclosure.

5.2 OTHER INFORMATION OCCASIONS

5.2.1 INTRODUCTION

This section 5.2 contains rules which require the Issuer to disclose information, in addition to the provisions of the Market Abuse Regulation. Thus, information which must be disclosed pursuant to this section must be disclosed irrespective of whether or not it constitutes Inside Information. Unless otherwise stated, disclosure of information under this section must take place in the same manner as with Inside Information.

5.2.2 FINANCIAL REPORTS

The Issuer shall prepare and publish financial reports pursuant to applicable legislation, relevant accounting standards, and generally accepted accounting principles.

After the end of each financial year, the Issuer shall publish an annual report and, where appropriate, consolidated financial statements.

The Issuer shall publish unaudited annual earnings figures each year and interim reports each half-year.

5.2.3 DATE FOR SUBMISSION OF FINANCIAL REPORTS

Annual reports and, where appropriate, consolidated financial statements, must be published no later than four months following the expiry of the financial year.

Statements of unaudited annual earnings figures and interim reports must be published within no later than two months from the expiry of the reporting period. Interim reports shall state whether or not the Issuer's auditor has conducted a general review. In the event a general review has been conducted, the review report must be appended to the interim report.

5.2.4 CONTENT OF THE FINANCIAL REPORTS

Statements of unaudited annual earnings figures and interim reports shall contain at least the information set forth in IAS 34, Interim Financial Reporting.

A statement of unaudited annual earnings figures and interim reports shall open with a summary of the most important information, including as a minimum information regarding revenues and earnings per share, as well as any forecast, if such is provided in the report.

The statement of unaudited annual earnings figures shall also contain information as to where, and in which week, the annual report will be available to the public.

5.2.5 AUDITOR'S REPORT

A qualified auditor's report or a non-standard auditor's report must be made public.

5.2.6 FORECASTS AND FORWARD-LOOKING STATEMENTS

In the event the Issuer publishes a forecast, it must contain information regarding the assumptions and conditions on which the forecast is based. As far as possible, the forecast must be presented in a clear and uniform manner. Other forward-looking statements must also be presented in a corresponding manner.

In the event the Issuer has reason to anticipate that its financial results or position will deviate significantly from a previously published forecast, and such deviation constitutes Inside Information, the Issuer must disclose information regarding the deviation. Such information must also restate the previous forecast.

5.2.7 GENERAL MEETINGS

No later than two weeks prior to a general meeting, the Issuer must publish notice to attend in the event the notice contains proposed resolutions or information which is likely to have a significant effect on the price of the Instruments. The Issuer must publish resolutions adopted at the general meeting in the event any resolution is likely to have a significant effect on the price of the Instruments.

5.2.8 CHANGES TO RIGHTS

The Issuer shall immediately publicly disclose all changes to rights associated with the Instruments.

6 SANCTIONS

- 6.1 In the event the Issuer violates any statute, delegated legislation, this rulebook or the Exchange's rules or otherwise generally accepted practice on the securities market, the Exchange may decide to delist the Instruments in the event such violation is serious; in other cases, the Exchange may impose a fine on the Issuer not to exceed SEK 2 million. When determining the amount of the fine, consideration shall be given to the scope of the violation and the circumstances in general. Where the violation is less serious in nature or is excusable, the Exchange may issue the Issuer a warning in lieu of imposing a fine, or abstain entirely from imposing any sanctions. Sanctions under this section shall be determined by the Exchange's Disciplinary Committee. Where the violation also constitutes a breach of the Exchange's members' rules, the Exchange may, in its discretion, determine which of the sanction provisions in the rulebook are suitable for application. However, a single violation shall never result in "double punishment".
- 6.2 Delisting may not take place where such is inappropriate from a public interest perspective.



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Nordic Growth Market

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