

ACQUISITION AND TRANSFER OF OWN SHARES

1 Purpose and Scope of the Guidelines

1.1 The provisions of this Guideline shall complement the provisions on the acquisition of own shares set in Chapter 2.4.1 and Sections 2.3.5.8 – 2.3.5.12 of the Rules of the Exchange.

1.2 These Guidelines shall be applied to issuers whose shares are listed on Nasdaq Helsinki Ltd (the "Exchange") and, when applicable, to issuers whose shares are admitted to trading on First North Finland –marketplace. This Guideline is based on Market Abuse Regulation EU 2014/596 and to the Commission Delegated Regulation (EU) 2016/1052 (of 8 March 2016 supplementing Regulation (EU) No 596/2014 of the European Parliament and of the Council with regard to regulatory technical standards for the conditions applicable to buy-back programmes) (Market Abuse Regulation).

1.3 This Guideline shall not be applied to derivative transactions. The principles of these Guidelines shall be deemed as the proper securities markets practise also in trading outside the Exchange. The provisions on the obligation to notify on acquisitions and transfers of own shares shall be applied to all acquisitions and transfers of own shares.

In order to apply exemption defined in the Market Abuse Regulation, issuer must fulfil all requirements and obligations set on the Market Abuse Regulation (safe harbour).

Requirements regarding reporting and disclosing of acquisitions set forth in Chapter 4 of this Guideline are stricter than the ones included in the Regulation due to national Securities Market Act. In addition, Clause 3.1.2 regarding implementation of share acquisitions in exchange trading is described in more detail than provisions of the Regulation.

Clause 3.2.2 on the limits for share acquisitions is more lenient than the limits provided in the Regulation for a safe harbour.

2 Reporting and disclosure obligations

2.1 *In order to benefit from the exemption laid down in Market Abuse Regulation, the issuer shall ensure adequate public disclosure of the following information:*

- a) the purpose of the programme
 - to reduce the capital of an issuer;
 - to meet obligations arising from debt financial instruments that are exchangeable into equity instruments; or
 - to meet obligations arising from share option programmes, or other allocations of shares, to employees or to members of the administrative, management or supervisory bodies of the issuer or of an associate company.
- b) the maximum pecuniary amount allocated to the programme;
- c) the period for which authorisation for the programme has been given

Issuer may acquire its own shares also for other purposes, such as to be used for business acquisitions. In these situations it should be noted that acquisition does not fall under Market Abuse Regulation on safe harbour. However, the issuer has to follow all other requirements in this Guideline.

2.2 The issuer has to take care that all later modifications and changes to already disclosed information of the programme are disclosed accordingly.

3 Operations in Connection with the Acquisition of Own Shares

3.1 General Principles

3.1.1 When acquiring its own shares, issuer operates in the markets in the same way as other investors. Issuer may acquire at the most a 10-percent share of its own shares and thus the issuer may momentarily be a significant operator in the markets. The acquisition of own shares shall be executed so that no exceptional market movements result from the trading of the issuer and the equal treatment of the shareholders is taken into consideration in the acquisition as a whole.

3.1.2 When acquiring own shares, attention shall be paid to the distinctive characteristics of the secondary market of each issuer and its shares. The following principles usually apply to the execution of share acquisitions:

3.1.2.1 The acquisition of own shares shall be executed so that the issuer does not give exceptionally large commissions with regard to the activeness of trading in its share and the volume of transactions.

3.1.2.2 The acquisitions of own shares shall be executed during a sufficiently long period (the investors shall have the possibility of trading for a minimum of one trading day).

3.2 Further Provisions

The following procedures shall be observed in the acquisition of own shares:

3.2.1 The volume of the acquisition of own shares at each trading day shall not be more than 25 percent of the average daily trading volume in the market place, where the acquisition is executed, in order to fall under Market Abuse Regulation on safe harbour. Average daily volume should be based on one of the following:

3.2.1.1 Average daily volume for the month preceding disclosure of the buy-back program

3.2.1.2 Average daily volume of 20 trading days preceding the acquisition

3.2.2 In certain cases the volume of the acquisition of own shares can be more than 25 percent. However, the volume of the acquisition of own shares cannot exceed 50 percent of the average daily trading volume in the market place, where the acquisition is executed. It should be noted that the amount exceeds the exemption defined in Market Abuse Regulation on safe harbour. However, the issuer has to follow all other requirements in this Guideline.

The exemption applies for example to those shares that are illiquid. Despite higher acquisition volumes the acquisition procedure has to be based on section 3.2.1.1 or 3.2.1.2.

3.2.3 The orders on own shares cannot be placed during the auction period. Offers placed before the auction cannot be altered or removed during the auction period.

3.2.4 Issuer shall not, when executing transactions, purchase shares at a price higher than the higher of the price of the last independent trade and the highest current independent purchase bid on the trading venue where the purchase is carried out, including when the shares are traded on different trading venues.

4 Reporting and disclosing of the acquisitions and transfers

4.1 Reporting

4.1.1 The issuer shall report to the competent authority each transaction according to the section 4.2 of this Guideline.

Investment firms shall keep at the disposal of the competent authority, for five years, the relevant data relating to all orders and all transactions in financial instruments which they have carried out, whether on own account or on behalf of a client. In the case of transactions carried out on behalf of clients, the records shall contain all the information and details of the identity of the client.

4.1.2 The issuer shall report to the competent authority of each trading venue on which the shares are admitted to trading or are traded no later than by the beginning of the next trading day following the date of the execution of the transaction, all the transactions relating to the buy-back programme, in a detailed form and in an aggregated form. The aggregated form shall indicate the aggregated volume and the weighted average price per day and per trading venue.

4.1.3 The issuer may authorise a broker to submit the notification on the acquisition and transfer of own shares on behalf of the issuer. Even in that case the issuer is responsible for the notification.

4.2 Disclosure

4.2.1 The issuer shall disclose all information regarding the acquisition or transfer of own shares. As an alternative, the issuer may provide the information to the exchange on the day the transaction is made and the exchange shall disclose the information before the market opens on the following day. The following information has to be included in the disclosure regarding the acquisition and transfer of own shares:

- the name of the issuer in question
- acquisition or transfer
- transaction date
- exchange transaction or other acquisition or transfer
- share class
- quantity of shares
- weighted average price per share
- total transaction price
- date of the notification
- signature

4.2.2 All the information included in the aggregated form shall also be indicated trade by trade. Information on each trade can be attached to the disclosure. Information on each trade shall include the following details: share class, date, time, amount of shares, price per share, market place, broker (not including the other side of the trade).

5 Acquisition of Own Shares and Insider Regulations

An issuer shall act in trading in its own shares so that such trading does not undermine confidence in the securities markets. In accordance with Chapter 51, Section 1 of the Penal Code, anyone who in order to gain economic benefit for himself or for another person uses inside information may be sentenced for abuse of inside information to a punishment. In addition, the use of inside information is forbidden pursuant to the Securities Markets Act and Market Abuse Regulation. When acquisition or transfer of securities is based on an agreement entered into before acquiring inside information regarding such security, it is not considered use of inside information. One trading practice for avoiding doubt on misuse of insider information is that the listed company follows the sections 5.1 and 5.2 of this Guideline.

5.1 The listed company shall give a binding commission at the time it is not in possession of insider information as defined in the Market Abuse Regulation. It is prohibited to give the commission during the 30 days' period immediately preceding disclosure of a financial report.

5.2 The issuer shall not, for the duration of the buy-back programme, engage in the following activities:

(a) selling of own shares;

(b) trading during the closed period referred to in Article 19(11) of Market Abuse Regulation;

(c) trading where the issuer has decided to delay the public disclosure of inside information in accordance with Article 17(4) or (5) of Market Abuse Regulation.

Subsection c shall not apply where the issuer has in place a time-scheduled buy-back programme or the buy-back programme is lead-managed by an investment firm or a credit institution which makes its trading decisions concerning the timing of the purchases of the issuer's shares independently of the issuer. Article 4 subsections 2-4 of the delegated regulation apply, if the issuer is an investment firm or credit institution.

Changing, removing or giving other related guidance to the trade order is considered as a new trade order, where the sections 5.1-5.2 apply.

6 Manual trades

6.1 A manual trade is allowed in the event the manual trade is related to an acquisition program which as a whole meets the principles set forth herein and in the legislation.

7 Entry into force

This Guideline issued by the Managing Director upon Section 1.1.3 and referred to in Sections 2.3.5.12 and 2.4.1.5 of the Rules of the Exchange shall enter into force on 3 July, 2016. This Guideline shall replace the Guidelines on the acquisition and transfer of own shares dated on 1 July, 2013.

APPENDIX 1 – TEMPLATE FOR THE NOTIFICATION OF THE ACQUISITION OF OWN SHARES

Company Plc

Exchange notice

3.7.20[●] klo 18.30

COMPANY PLC: ACQUISITION OF OWN SHARES (LUOVUTUS) 3.7.20[●]

Date 3.7.20[●]
Exchange transaction Buy (Sell)
(Other acquisition/transfer)

Share class ABCAV
Amount 1000
Weighted average price per share 20,00 EUR
Total price 20 000 EUR

The shares held by Company Plc on 3.7.20[●]:

A shares 1000
B shares 2000

COMPANY PLC
(Signature)

(On behalf of Company Plc
BROKER LTD
Signature of the authorized representative)

Information on each trade can be attached to the disclosure as an separate file:

Date	Time	Share class	Amount	Price per share	Market place	Broker
3.7.20[●]	14:09:05	ABCAV	150	20,22	Nasdaq Helsinki	XXX