



Rules of Nasdaq Nordic for warrants and certificates

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Warrants and Certificates

1. Introduction

Covered warrants, certificates and other similar structured products (hereinafter collectively referred to as "warrants") can be admitted to trading on a segment at Nasdaq First North Denmark, Finland and/or Sweden if the instrument and the issuer fulfil the terms and conditions mentioned below and if the instrument, in the reasonable opinion of Nasdaq Copenhagen A/S, Nasdaq Helsinki Ltd or Nasdaq Stockholm AB (hereinafter individually or collectively referred to as the Exchange), is suitable for trading.

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

Trading is conducted in accordance with the relevant provisions of the Nordic Member Rules.

1.1 Applicability

These rules shall apply to the issuer of warrants as of the day the issuer signs an undertaking in which the issuer agrees to abide by all rules and guidelines of the Exchange, as amended from time to time, together with all other commitments made to the Exchange (see Appendix 2) for such time the issuer's warrants are admitted to trading on the Exchange. The rules regarding sanctions (see Chapter 7 and the Appendices) are however applicable after a delisting, in case a violation was committed during the period the issuer had warrants admitted to trading on the Exchange.

1.2 Amendments to the rules

Amendments to these rules or the appendices shall enter into force in appropriate time after the Exchange has notified the issuer in an appropriate manner and after the amendments have been published on the Exchange's website.

2. Issuer requirements

An issuer must meet the following conditions in order to be approved as an issuer of warrants on the Exchange:

2.1 The issuer shall be a credit institution or an investment firm established under applicable legislation of an EEA state and shall be granted a license to act as such by the competent supervisory authority in EEA.

If the issuer is a third country issuer, it shall be satisfactorily supervised and authorised by an authority or other competent body being responsible for the regulation of credit institutions, investment firms and similar firms carrying on its activities relating to warrants within the approved scope of its business. Such an authority or other competent body shall, furthermore, have signed a Memorandum of Understanding. Alternatively, such third country issuer shall otherwise be approved by the competent supervisory authority in Denmark, Finland or Sweden.

2.2 An issuer shall possess a suitable organization for the business, requisite risk management routines, secure technical systems, reporting systems and monitoring systems, so that it is able to fulfil all requirements applicable to the issuers of publicly traded warrants and otherwise be deemed as suitable for issuing and trading publicly traded warrants under applicable legislation and these rules.

2.3 The issuer shall, on a regular basis, publish annual reports and semi-annual financial reports. These reports shall be published and updated on the issuer's webpage in accordance with the applicable legislation for periodic financial information.

2.4 The issuer of the warrants shall be sufficiently solvent.

2.5 The issuer shall submit to the Exchange:

- (i) extract from the issuer's relevant register or a similar legally binding document stating the internal delegation of the decision-making concerning issuance of warrants as well as the list of people being authorized to apply for issuance of warrants;
- (ii) the latest three audited annual financial reports;
- (iii) a signed undertaking in which the issuer agrees to abide by all rules and guidelines regarding warrants established by the Exchange (see Appendix 2), as amended from time to time, together with all other commitments made to the Exchange;
- (iv) the decision to become an issuer on the Exchange, signed by the members of the board or person(s) authorized to sign for the issuing firm;
- (v) a certification from the relevant supervisory authority regarding the required authorisation to act as a credit institution or investment firm (see Section 2.1); and
- (vi) a certificate of incorporation.

2.6 Any material change(s) in documents stated in 2.5 (i–vi) shall be submitted to the Exchange as soon as possible.

In addition to what is stated above, an issuer shall, upon the request by the Exchange submit any of the documentation stated in Section 2.5 (i–vi).

3. Requirements for warrants

The Exchange may, upon application by the issuer (see Section 3.3), decide to admit warrants to trading. Rules regarding the underlying instruments of warrants (3.1), the admission of new warrants to trading on the Exchange (3.2) and recalculation of warrants (3.4) shall also be fulfilled in order for an application to be approved by the Exchange. Trading in warrants commences on a date determined by the Exchange. Trading in warrant terminates on a date determined by the Exchange.

3.1 Requirements concerning the underlying instrument of the warrant

3.1.1 If the underlying instrument of a warrant is a security, the underlying instrument shall be publicly traded and have sufficient liquidity (i.e. the price of the underlying must be reliable and publicly available) on the Exchange or on another regulated market or a multilateral trading facility (MTF), unless the underlying instrument will be admitted to public trading at the same time as the warrant.

3.1.2 If the underlying instrument of a warrant is a raw material, another commodity or some type of interest, the price or other value measure of the underlying must be reliable and publicly available.

3.1.3 If the underlying instrument of a warrant is an index or other indicator, the price or value measure of the index or indicator shall be reliable and publicly available.

3.1.4 If the underlying instrument of a warrant is a derivative instrument based on any of the underlying assets noted above the design of the derivative instrument must be clear and allow for its orderly pricing. Such a derivative instrument shall be publicly traded on a regulated market or an MTF or the scope of trading in the instrument shall otherwise facilitate reliable and public price information with respect to the warrant.

3.1.5 The issue size of any warrant or certificate must not exceed 2.5 million units where the underlying of the instrument is a commodity.

3.2 Requirements concerning the admission of new warrants to trading on the Exchange

3.2.1 Warrants may be admitted to trading if it is likely that sufficient demand and supply will exist and price formation thus can be deemed reliable.

3.2.2 All warrants that are part of the same issue shall be included in the application.

3.2.3 The warrants shall be freely transferable.

3.2.4 Warrants may be admitted to trading on the warrant segment of Nasdaq First North, only if a prospectus is required under local legislation and such prospectus has been approved by the competent authority of an EEA state in accordance with the local legislation and duly notified as may be necessary. The issuer shall, in addition, publish the prospectus and have it available to the public in accordance with the local legislation. Also the final terms and conditions should have been issued, if applicable.

3.2.5 The issuer is responsible for the pricing of all its traded warrants on the Exchange. The issuer is, on a continuous basis, responsible for quoting and disclosing binding bid and asks for its warrants admitted to trading, by providing market making as these rules or supplementary guidelines issued by the Exchange require.

3.2.6 The issuer undertakes to maintain satisfactory routines for a market maker service vis-à-vis the market during the continuous trading session. The issuer undertakes to quote bid and ask prices for the warrants in the trading system, under normal conditions, related to the market or the issuer's technical system.

If the issuer ceases to quote prices it shall immediately notify the Exchange and, as soon as possible, provide information regarding the stated circumstances on its website. An announcement shall be disclosed as soon as possible, regarding the cease of quoting prices.

3.2.7 The issuer of covered warrants is responsible at all times for settlement of the trades. The warrants shall be cleared and settled via arrangements for post-trading services through the Exchange's clearing and settlement arrangements or via a by the issuer chosen Central Securities Depository, or settlement location, if the provided links are in place between the Exchange and the entity in question.

3.3 Documentation for each new issue

3.3.1 Prior to each new issue of warrants the issuer shall provide the Exchange with the following documentation:

- (i) A copy of the final terms for the warrants. The final terms shall be signed by a person(s) authorized to sign for the issuing firm and filed with the relevant competent supervisory authority;
- (ii) A formal application (see Appendix 1) for admission of the relevant warrants to trading. The application shall be signed by a person authorized to sign for the issuing firm; and
- (iii) A listing form with basic data for the warrants containing all relevant information concerning the warrants to be admitted to trading

3.4 Recalculation and adjustment of terms of warrants

3.4.1 If a company, whose shares or depository receipts are the underlying instruments of a warrant, makes a decision which may have a concentrating or diluting effect on the underlying instrument, the terms of the warrant shall be adjusted. The issuer is responsible for making the necessary adjustments and recalculations for the warrants in accordance with terms and conditions (stated in the issuer's prospectus, if applicable). If the underlying instrument consists of other assets than a share, a basket of shares or an index, the same shall be applied for events which will affect the valuation of such assets.

3.4.2 The issuer shall inform the Exchange of all planned adjustments and recalculations concerning the issuer's warrants that are admitted to trading. For every adjustment or recalculation an announcement shall be published as soon as possible.

3.4.3 All adjustments and recalculations regarding an issuer's warrants admitted to trading at the Exchange shall be published on the issuer's website.

3.5 Waivers

The Exchange may approve an application for admission to trading on the Exchange, even if not all the requirements are fulfilled, if it is satisfied based on the proper documentation

- (a) that the objectives behind the relevant requirements for warrants set out above and any relevant statutory requirements are not compromised, or
- (b) that the objectives behind the requirements for warrants can be achieved by other means.

4. Disclosure Rules

4.1 Disclosure of inside information (General provision)

The issuer shall disclose inside information in accordance with Article 17 of the Market Abuse Regulation ("MAR").

Guidance by the Exchange regarding the interpretation of MAR (marked in italics)

Article 17 of MAR sets out the disclosure obligations in respect of inside information. The term inside information is defined in Article 7 of MAR. According to Article 17 the issuer may, on its own

responsibility, delay disclosure to the public of inside information provided that all of the conditions set out in MAR are met.¹

Set out in Section 3.1 in the Rule book for Issuers of Shares and set out in Section 2.3.1 of the Rules of the Helsinki Exchange is guidance on certain circumstances and events that in the Exchange's view may involve inside information under MAR. The intention of the guidance is to facilitate the issuer's compliance with MAR and to provide guidance on the Exchange's view on the issuer's disclosure requirements under MAR.

4.2 Other disclosure requirements

4.2.1 Introduction

This Section 4.2 contains disclosure requirements that go beyond the requirements in Article 17 of MAR. Consequently, the information set out in this Section 4.2 should always be disclosed irrespective of whether it constitutes inside information which require disclosure pursuant to MAR. Information to be disclosed in accordance with this Section shall, regardless if considered inside information, be disclosed in the same manner as inside information in Section 4.1, unless otherwise stated.

4.2.2 Financial reports

The issuer shall prepare and disclose all financial reporting in accordance with accounting legislation and regulations applicable to issuers with warrants admitted to trading on a regulated market.

4.2.3 Information of significant importance

Any facts and circumstances as well as decisions related to the issuer that are deemed to have a significant impact on the issuer's ability to meet its obligations defined by these rules and applicable legislation shall be disclosed as soon as possible.

The aforementioned includes, but is not limited to, facts, circumstances or decisions that are likely to have a significant impact on the issuer's solvency, liquidity etc., as well as any direct or indirect decisions or actions having substantial affect to the price of the warrant of the issuer and issued by the relevant competent authority.

4.2.4 Disclosure considered necessary to provide fair and orderly trading

If the Exchange considers that special circumstances exists that results in substantial uncertainty regarding the warrant issuer or the pricing of the traded financial instruments and that additional information is required in order for the Exchange to be able to provide fair and orderly trading in the issuer's financial instruments, the Exchange can require the issuer to disclose necessary information.

This requirement applies whether or not certain information is considered inside information. By requiring a warrant issuer to disclose additional information the Exchange may be able to avoid giving the issuer's financial instruments observation status or halt the trade in the financial instruments when special circumstances exists that results in substantial uncertainty regarding the issuer or the pricing of the listed financial instruments.

4.2.5 Advance information

If an issuer intends to disclose information that is assumed to be of extraordinary importance for the issuer and its financial instruments, the issuer shall notify the Exchange of the matter prior to disclosure.

¹ Please see Article 17.4 of MAR and the Commission's Delegated Act on disclosure and for delaying disclosure of inside information.

If the issuer intends to disclose information that is assumed to be of extraordinary importance for the issuer and its financial instruments, it is important that the Exchange receives the information in advance in order to consider if any measures need be taken by the Exchange, in particular when the disclosure is planned to take place during the Exchange's trading hours. The Exchange uses the information for the surveillance of trading in the relevant financial instruments in order to detect unusual changes in the price of instruments and prevent insider trading. 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. The information shall be given to the surveillance department of the Exchange.

It is not necessary to give information to the Exchange in advance, if it is given in connection with a report that is disclosed at a time that has been notified in advance, as it can in such a case be expected that the company discloses significant information.

~~The issuer is also obliged to disclose its periodical financial reports in accordance with the applicable legislation.~~

4.3 Other information requirements

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 issuer's name, website address, contact person and phone number.

5. Suitability and delisting

The Exchange may, in cases where all requirements are fulfilled, refuse an application for becoming an issuer or an application for admission of warrants to trading, or otherwise postpone an approval of such an application, if the Exchange considers that the approval of such an application would be detrimental for the market for warrants or for the investor's interests.

The Exchange may also refuse an application for becoming an issuer or an application for admission of warrants to trading, or otherwise postpone an approval of such an application, if the Exchange considers that there is any other reason eligible for such a decision.

The Exchange may, based on the application of an issuer, decide that trading in the warrant admitted to the trading will be terminated, if the decision will not result in any significant harm to investors or to orderly operation of the markets. The Exchange may set conditions for the termination of trading.

The Exchange may, at its own initiative, decide that trading in the warrant will be terminated. This decision may be made if the security or its issuer no longer fulfils listing requirements or other Exchange rules and if the decision will not result in any significant harm to investors or to orderly operation of the markets. The Exchange may set conditions for the termination of trading. The issuer of the warrant must be provided with the opportunity to be heard before a delisting decision is made.

6. Listing Fees

An issuer will be required to pay fees to the Exchange as defined in the price list of the Exchange.

7. Sanctions

If the issuer fails to comply with these rules, or if the issuer violates any legislation, statute or, if the issuer otherwise violates the Exchange's rules, imposing of sanctions will be decided by the relevant instance of the Exchange as described in Appendix 3 Sanctions – Copenhagen, Appendix 4 Sanctions – Helsinki and Appendix 5 Sanctions – Stockholm.

Appendix 1

Application for admission to trading at [_____]

Click here to write City and Date

Nasdaq Copenhagen /Helsinki/Stockholm

Application for admission to trading of warrants at [Nasdaq Copenhagen/Helsinki/Stockholm]

The issuer [Issuer name] hereby applies for [no. of warrants] warrants to be admitted to trading at [Nasdaq Helsinki/Stockholm/Copenhagen] (the "Exchange") in accordance with Nasdaq Exchanges' rules for warrants and certificates. The admission of warrants to trading on the Exchange is applied for to the following dates: [ddmmyyyy].

Best regards,

(Signature and a clarification of signature)

(The issuer)

Appendix 2

Undertaking in connection with admission of warrants and certificates on Nasdaq NSDX.

The Issuer, _____, has applied that its financial instruments to be traded on Nasdaq NSDX, a segment of Nasdaq First North in:

- Finland.²
- Sweden.³
- Denmark.⁴

A financial instrument may be admitted to trading upon a decision by the Exchange. Such a decision is made upon an application by an issuer and on condition that the issuer meets the admission requirements established by the Exchange. One requirement is that in connection to an application the issuer shall sign an undertaking stating that it will comply with the Rules of Nasdaq Nordic for warrants and certificates.

.....
Company

.....
Registration number

has applied for admission to trading of warrants and/or certificates on Nasdaq NSDX (the Exchange) and hereby declares that the issuer accepts the Exchange's rules for warrants and certificates at all times as they are presented in the Exchange's Regulations for issuers. In addition to this, the issuer pledges to comply with the regulations during the time the issuers's warrants and/or certificates are admitted to trading on Nasdaq NSDX and to subject itself to any penalties that may be imposed upon violation of the regulations, in accordance with the rules for warrants and certificates, section 7 and appendices for applicable market.

By accepting the Exchange's rules the issuer undertakes to safeguard that outstanding issue size in volume of any warrant or certificate with a commodity must not exceed 2.5 million units as regulated in paragraph 3.1.5 in the Rules of Nasdaq Nordic for Warrants and certificates.

.....
Place

.....
Date

.....
Authorized corporate signature

.....
Clarification of signature

² Operated by Nasdaq Helsinki Ltd.

³ Operated by Nasdaq Stockholm AB.

⁴ Operated by Nasdaq Copenhagen A/S.

Appendix 3

Sanctions – Nasdaq Copenhagen

In the event that an issuer fails to meet requirements, according to this set of rules, the Exchange may give the issuer a reprimand. Moreover, the Exchange may give an issuer a fine of up to three times the annual trading fee, however, not less than DKK 25,000 and not more than DKK 1 million. Where special cause exists, the Exchange may decide to remove the Issuer's securities from admittance to trading. Decisions made by the Exchange concerning a reprimand or a fine are published with the identity of the issuer. In cases with less serious reprimands or where special circumstances apply, the Exchange can choose not to publish the identity of the issuer.

If an issuer fails to meet requirements, according to this set of rules, the Exchange will generally give the Issuer a direct reprimand, and this reprimand will be published with the identity of the issuer.

The identity of the Issuer will in principle only be published if the issuer has received a reprimand. Thereby the Exchange can provide an opinion and find a situation regrettable without this leading to a publication of the issuer's identity, but where the case will be described in anonymous form.

Elements such as no continuity between announcements published or misleading of the market might be included in the choice of sanctions. If it can be established that the issuer has intended to conceal essential information from the market or place facts in a more favorable light, etc., this may be an aggravating factor, not only when the form of sanction is to be chosen, but also when the amount of a fine is to be fixed. Where special cause exists, the Exchange may decide to remove the issuers' securities from admittance to trading. Persistent violations may result in publication of a reprimand or imposition of a fine, even though the gravity of the individual violation, in isolated terms, is of no such nature that publication of a reprimand or imposition of a fine would be required.

Appendix 4 **Sanctions – Nasdaq Helsinki**

In the event of a breach(es) against the rules for warrants and certificates, the disciplinary and surveillance procedures in accordance with Chapter 9 in the Rules of the Stock Exchange shall apply for the issuer.

Appendix 5 **Sanctions – Nasdaq Stockholm**

1.1 If an issuer fails to comply with these rules, the Exchange may impose the following sanctions:

- (i) reprimand, where the breach is of a less serious nature or is excusable;
- (ii) fines in an amount not less than one hundred thousand SEK and not more than five million SEK; or
- (iii) cancellation of the right of having warrants admitted for trading, where the issuer has committed a serious breach of the rules, or if the issuer through its failure to comply may damage or has damaged public confidence in the Exchange or the market for warrants.
- (iv) If the issuer in material respects does not fulfil the applicable requirements for admission to trading, the Exchange may resolve to delist the issuer's warrants.

1.2 The Disciplinary Committee of the Exchange is responsible for decisions to impose a fine on an issuer of warrants; or to remove financial instruments from admission to trading on the Exchange; and to cancellation of the right of issuing warrants in accordance with Section 1.1. The decision to bring matters before the Disciplinary Committee and to issue warnings will be the responsibility of the Head of Surveillance at the Exchange.

1.3 When determining the amount of a fine pursuant to Section 1.1 (ii), the Disciplinary Committee shall take into consideration the seriousness of the breach and any other relevant circumstances.

1.4 The Head of Surveillance at the Exchange may make decisions pursuant to Section 1.1 (i) and (iv).

1.5 These regulations regarding sanctions do also apply after a delisting of the issuer's warrants having become effective and thereafter for a period of one year if the violation was committed during the period of time when the warrants were admitted to trading.

1.6 The Exchange may publish a decision made pursuant to Section 1.1.