REGULATORY NOTICE

Notification of implementation of Nordic Main Market Rulebook for Issuers of Shares to apply in Denmark, Finland, Iceland and Sweden

Nasdaq Nordic (the “Exchange”) has decided to implement a harmonized Nordic Main Market Rulebook for Issuers of Shares (“Main Market Rulebook”).

The Main Market Rulebook will replace the following Rulebooks:

- Nasdaq Stockholm Rulebook for Issuers (shares section only),
- Nasdaq Helsinki Rules of the Exchange (Chapter 2, Share),
- Nasdaq Copenhagen rules for issuers of shares; and
- Nasdaq Iceland Rules for Issuers of Financial Instruments (share section only)

(individually the “Rulebook” and collectively the “Rulebooks”)

The Main Market Rulebook consists of two parts as follows:
- Common part for all Exchanges (as defined in the Contents, the “Common part”); and
- Additional provisions for each Exchange (the “Supplements”).

Entry into force

The Main Market Rulebook will enter into force on 1 May 2020.

As concerns Nasdaq Helsinki, the Main Market Rulebook is subject to approval by the Finnish Ministry of Finance prior to the entry into force.

Principles underlying the Main Market Rulebook

While working to harmonize the rules, Nasdaq has also applied the principle of making rules as clear, objective and foreseeable as possible. This means removing requirements from guidance text and moving them to the body of rule text, for example. It also means being explicit about what companies require to provide in order to fulfill the rules.

Finally, while harmonization is the aim, it is not always possible. For that reason, the Main Market Rulebook contains national supplements where local rules are contained. These national supplements are referred to in the harmonized part of the Main Market Rulebook to guide the reader to local deviations.

Rule differences in the Supplements of the Main Market Rulebook fall broadly into three categories:
• Rules concerning process of admission to trading. This is an area where local practices vary today and which has not been subject to harmonization at this time.
• Rules affected by differing underlying national legislation.
• Rules affected by differences in underlying national market practices or regulatory requirements. Each Exchange is regulated by a different national supervisory authority and each national jurisdiction has developed practices over many years.

Main changes in the Main Market Rulebook

Given that the Main Market Rulebook replaces four separate Rulebooks, separate explanatory documents are being published by Nasdaq to compare the Main Market Rulebook to each of the previous national Rulebooks.

Three significant, common, changes are however flagged in this Regulatory Notice:

• MAR guidance

The current MAR guidance in Rulebooks will be replaced in accordance with local practices. Each Nasdaq Nordic Exchange will therefore publish current MAR guidance either in the Supplements or in its own separate guidance, tailored to national practice and jurisprudence.

• Removal of disclosure rule regarding closely-related party transactions

The Shareholders Rights Directive II (2017/828) has now been implemented into national law throughout the EU. Due to the differences in the local implementation of the Directive, the disclosure practices vary between the member states. Current rules on disclosure regarding closely related party transactions are removed from the Rulebooks.

• Removal of experience requirement in relation to new listings

The current requirement for experience within the board of directors and management has been removed. Going forward, members of the board and management will be required to have held their positions for three months prior to listing, to have participated in the production of one financial report, and to have participated in an Exchange seminar on the obligations of a listed company.

Going forward, rather than prescribing what individual experience is required in the Board and management, the Exchange will check that leading individuals have been in their positions – and therefore understand the issuer’s processes and routines – for a minimum time period prior to listing. This is complemented by the Exchange’s seminar on the obligations of a listed company. Further, the Exchange’s existing review of the company’s internal processes and routines, especially around information provision, remain in place (see rules 2.15.1(a) and 2.15.3).

General remarks regarding the implementation of the changes

It follows from each of the Rulebooks that issuers are to be given sufficient notice of changes before these enter into force. Accordingly, this Regulatory Notice is published eight weeks before the Main Market Rulebook entering into force, on 1 May 2020.

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1 MAR has not yet been implemented in Iceland. For Nasdaq Iceland this refers to relevant guidance based on the Icelandic Act on Securities Transactions no. 108/2007.

2 The Shareholders Rights Directive II (2017/828) has not yet been implemented in Iceland. Rule regarding disclosure of closely-related party transactions therefore remains in Icelandic supplement.

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