

Listing Requirements of NASDAQ OMX Helsinki

1. Introduction

1.1 The listing process as well as the listing requirements and some other issues pertaining to listing are set out below. For the purposes of this Chapter, the term *Listing Requirement* shall mean the requirements set out under Section 3 (General Listing Requirements), Section 4 (Administration of the company), Section 5 (Corporate Governance) and Section 10 (Specific Listing Requirements for SPAC).

The Listing Requirements are supplemented by explanatory text. The explanatory text is intended to serve as guidelines on how NASDAQ OMX Helsinki Ltd (the “Exchange”) interprets the requirements. The explanatory text is not a legally binding text.

The purpose of the explanatory text is to give examples based on the practice developed by the Exchange. This also means that the text is not always exclusive, since there may or may not be situations that are not covered by guiding text.

1.2 The Listing Requirements are harmonized between NASDAQ OMX Helsinki, NASDAQ OMX Stockholm, NASDAQ OMX Copenhagen and NASDAQ OMX Iceland.

Companies whose shares are admitted to trading at NASDAQ OMX Helsinki will be presented on the Nordic List together with companies whose shares are admitted to trading on NASDAQ OMX Copenhagen, NASDAQ OMX Stockholm and NASDAQ OMX Iceland. The Nordic List is divided into three segments based on the market cap of the company concerned (Large Cap, Mid Cap and Small Cap). In addition, all companies are presented according to the GICS standard. Information about, inter alia, the exchange at which the relevant shares are admitted to trading and the legal status of the listing (official listing or admission to trading without being officially listed (possible at NASDAQ OMX Stockholm) is also presented in the Nordic List.

The vast majority of the Listing Requirements are harmonized. However, because of special requirements regarding, inter alia, national legislation or other differences in the regulatory framework in a specific jurisdiction, some minor differences may still exist in the Listing Requirements between NASDAQ OMX Helsinki, Stockholm, Copenhagen and Iceland.

1.3 The Listing Requirements shall apply at the time when the shares of the company are admitted to listing and trading, as well as continuously after listing has been granted. Notwithstanding this general presumption, the following parts of the Listing Requirements shall only apply at the time of the listing:

- ❑ **Clause 3.5 Annual Financial Reports and Operating History,**
- ❑ **Clause 3.6 Profitability and Working Capital, and**
- ❑ **Clause 3.8 Market Value of Shares.**

2. The Listing Process

Filing of Listing Application

2.1 Companies must without undue delay disclose the filing of any listing applications with the Exchange.

Application for Listing

2.2 Applications for listing must be in writing and include:

- 1) A statement by the company's Board of Directors regarding expected performance in the current and immediately following financial reporting year.**
- 2) A list indicating the fifty largest shareholders of the company in terms of share capital and voting power, as well as their relative holdings and votes.**
- 3) A statement establishing the satisfaction of the listing requirements (Chapters 3, 4 and 5 as well as 10 as regards SPAC).**
- 4) The company's Trade Register extract or corresponding document and disclosure of any decisions that have not yet been recorded therein.**
- 5) The company's Articles of Association as recorded in the Trade Register, and any amendments thereto decided at a general meeting of shareholders that have not yet been recorded in the Trade Register, together with any amendments proposed thereto by the company's Board of Directors.**
- 6) An extract from the minutes of the company's Board of Directors regarding the board's decision to submit a listing application.**
- 7) An opinion issued by an advisor in charge of the company's listing process, or by another party approved by the Exchange, regarding the satisfaction of the prescribed requirements for the listing of the company and its operation as a listed company, and the information required to be given about the company on the listing application.**
- 8) A statement by the company's executive officers that they are familiar with the obligations imposed on a publicly traded company under applicable law and the Rules of the Exchange, and that the company is capable of satisfying these obligations.**
- 9) Written consent for the Exchange, should it deem it necessary, to commission an analysis of the company at the expense of the company, together with any consolidated group of companies to which the company may belong.**
- 10) A firm commitment to enter into an agreement (Rule 2.5) with the Exchange and, if the company is the subsidiary of a parent company, a firm commitment by the parent company to follow all current Rules and guidelines of the Exchange applicable to listed companies, as amended from time to time. In the event that the parent company of the listed company is part of a consolidated group of companies, the parent company of this group of companies must also issue a corresponding firm commitment. The Exchange will specify in detail the manner in which such commitments are to be provided.**
- 11) Agreement by the parent company of the listed company and by the listed company that the listed company will not make any payments to its parent company that are treated as group contributions.**
- 12) Evidence of the payment of the required registration fee (Rule 2.8).**
- 13) A description of any facts needed in arranging the clearing and settlement of trades.**
- 14) A prospectus, within the meaning of Chapter 2 of the Securities Markets Act, which has been approved by the Financial Supervisory Authority, or a prospectus approved in another member state of the European Economic Area**

and duly notified to the Financial Supervisory Authority, and a document certifying such approval or notification.

2.3 The Exchange may, for cause, decide not to require a particular piece of information listed in paragraphs 1 through 14 of Rule 2.2 on an application.

2.4 The Exchange may, for cause, grant an exemption from a particular listing requirement, as stipulated in Chapter 6, except for clause 3.3 or section 4. An additional condition with respect to Rules 3.7.3-3.7.4 is that the Financial Supervisory Authority has granted an exemption from the requirement. With regard to the requirements of Rule 3.5.1, it is a further condition that the Financial Supervisory Authority has, in accordance with the Ministry of Finance Decree regarding the requirements for the listing of securities, granted an exemption.

Agreement

2.5 Companies are required to enter into a written agreement with the Exchange regarding the trading in their shares on the official list and must agree to abide by all Rules and guidelines of the Exchange, as amended from time to time, together with all commitments made to the Exchange.

2.6 If the shares of a foreign company have been listed in another member state of the European Economic Area (home exchange), such company will primarily follow the rules of its home exchange also in Finland. Such companies must disclose any differences between the rules of their home exchange and the Rules of the Exchange. However, no deviations from the Rules of the Exchange will be permitted that will result in material harm to the Finnish securities markets or to the position of investors.

2.7 In cases where a foreign company that is not covered by Rule 2.6 and whose shares have been listed on the Exchange would be required to violate the rules of its home exchange, the Exchange may, for cause and on a case by case basis, grant an exemption from the Rules of the Exchange. However, such an exemption may not result in material harm to the Finnish securities markets or to the position of investors. The subject company must disclose the exemption and agree to comply with the rules of its home exchange also in Finland.

Registration Fee and Annual Fee

2.8 Companies will be required to pay a registration fee to the Exchange prior to submitting their application for listing. This registration fee is non-refundable.

2.9 All companies whose shares are listed on the Exchange are required to pay an annual fee to the Exchange.

Rejection of a Listing Application and Appeals

2.10 The Exchange may, in accordance with clause 3.9 reject any application for the listing of a share in order to protect investors. The Exchange must act on all applications for the listing of shares within six months of receipt. If the Exchange requests additional information from the applicant during this period, this processing period will be calculated

from the date the Exchange receives such additional information. If the Exchange fails to render a decision within the indicated time, the application will be considered rejected.

2.11 The issuers have the right to appeal the decision of the Exchange to the Financial Supervisory Authority within 30 days after it has been rendered or the time given in Rule 2.10 has lapsed.

3. General Listing Requirements

3.1 Incorporation

The company must be duly incorporated or otherwise validly established according to the relevant laws of its place of incorporation or establishment.

3.2 Validity

The shares of the issuer must:

- (i) conform with the laws of the company's place of incorporation, and**
- (ii) have the necessary statutory or other consents.**

3.3 Negotiability

The shares must be freely negotiable.

Free negotiability of the shares is a general prerequisite for becoming publicly traded and listed on the Exchange. When the company's Articles of Association include limitations on transferability of the shares, such limitations may be typically considered to restrict free transferability in the meaning of this clause, while other arrangements with similar effect may lead to similar interpretation.

3.4 Whole Class to be Listed

The application for listing must cover all issued shares of the same class.

The application for listing must cover all shares of the same class that have been issued and that are issued in an IPO preceding the first day of listing.

Subsequent issues of new shares and listings of such new shares shall be listed in accordance with the practices applied by the Exchange and legal requirements.

3.5 Annual Financial Reports and Operating History

3.5.1 The company and its consolidated group of companies shall have prepared and disclosed annual financial reports for at least three years in accordance with accounting laws applicable to the company and its consolidated group of companies.

3.5.2 In addition, the line(s) of business and the field of operation of the company and its consolidated group of companies shall have a sufficient operating history.

The general rule is that the company shall have complete annual accounts for at least three years. When the operating history of the company is evaluated, a company that has conducted its current business, in essential respects, for three years and is able to present financial accounts for these years is normally deemed to fulfill the requirement. Evaluation of accounts and operating history shall cover the company including its subsidiaries. The basis for the assessment shall be the situation for the company as it develops over time. Since a company may acquire or divest one or more subsidiaries, this, of course, must be reflected in the annual accounts. The company must be able to demonstrate its operations in order for the Exchange and the investors to assess the development of the business. Pro forma accounts (or other financial information that is presented for comparative purposes to explain changes to official accounts or a lack thereof) are presented as required in the prospectus, and typically such accounts are presented for one fiscal year. However, the Exchange may require additional comparable information for evaluating fulfillment of clause 3.5.2. Material changes in the company's line(s) of business or field of operation prior to listing, or for example a reverse takeover, may lead to the requirement stipulated in Clause 3.5.2 not being fulfilled, or require extensive additional information about the business of the company before making an informed judgment of the company.

In order for an exemption to be granted from the requirement to have annual accounts for three years, there should be sufficient information for the Exchange and the investors to evaluate the development of the business and to form an informed judgment of the company and its shares as an investment. This information may be evidence of an otherwise stable and high-quality environment, as may be the case, for example, in the event of spin-offs from listed companies or where a company has been formed through an acquisition or merger between two or more companies that would be suitable for listing, or other corresponding cases. For evaluating companies with less than three years of operational history, even more attention will be paid to the information presented about the business and operation of the company.

3.6 Profitability and Working Capital**3.6.1 The company shall demonstrate that it possesses documented earnings capacity on a business group level.****3.6.2 A company that does not possess documented earnings capacity shall demonstrate that it has sufficient working capital available for its planned business for at least twelve months after the first day of listing.**

As a principle, this clause means that the company shall be able to document that its business is profitable. Accordingly, the company's financial statements shall show that the company has generated profits or has the capacity to generate profits of a reasonable size in comparison with the industry in general. The general rule is that a profit must have been reported during the most recent fiscal year.

For companies that lack financial history, stringent requirements are imposed regarding the quality and scope of the non-financial information set forth in the prospectus and the listing

application in order for investors and the Exchange to be able to make a well-founded assessment of the company and its business. At the very least, it should be made clear when the company expects to be profitable and how the company intends to finance its operations until such time.

When demonstrating to the Exchange and investors the existence of sufficient working capital, various means may be used. Means to present sufficient working capital for the next twelve months may include estimates on cash-flow statements, planned and available measures for financing, descriptions of the planned business and investments, and well-founded assessments of the future prospects of the company. It is important that the basis for the company's well-founded assessment be made clear.

Despite such financing, the requirement is not considered to be fulfilled in a case where, for some other reason, the company's financial status is extraordinary or threatened, as may be the case, for example, if a company restructuring or a similar voluntary process has taken place.

3.7 Liquidity

3.7.1 Conditions for sufficient demand and supply shall exist in order to facilitate a reliable price formation process.

3.7.2 A sufficient number of shares shall be distributed to the public. In addition, the company shall have a sufficient number of shareholders.

3.7.3 For the purposes of Clause 3.7.2, a sufficient number of shares shall be considered as being distributed to the public when 25 percent of the shares within the same class are in public hands.

3.7.4 The Exchange may accept a percentage lower than 25 percent of the shares if it is satisfied that the market will operate properly with a lower percentage in view of the large number of shares that are distributed to the public.

A prerequisite for stock exchange trading is that there is sufficient demand and supply for the listed securities. Such sufficient demand and supply must support reliable price formation in trading. There are various components in the evaluation of these requirements before listing on the Nordic List. Factors that may be considered in the evaluation may include previous trading history.

As a general requirement, there shall be a sufficient number of shares in public hands, and there shall be a sufficient number of shareholders. The number of shareholders may be considered as one way to estimate sufficient demand and supply. In this context, a small number of shares or shareholders may lead to deterioration in reliable price formation. Under normal circumstances, companies having at least 500 shareholders holding shares with a value of around EUR 1000 will be considered to fulfill the requirement regarding the number of shareholders.

In this context, the term "Public hands" means a person who directly or indirectly owns less than 10 percent of the company's shares or voting rights. In addition, all holdings by natural

or legal persons that are closely affiliated or are otherwise expected to employ concerted practices in respect of the company shall be aggregated for the purposes of the calculation.

Also the holdings of members of the board and the executive management of the company, as well as any closely affiliated legal entities such as pension funds operated by the company itself, are not considered to be publicly owned.

When calculating shares that are not publicly owned, shareholders who have pledged not to divest their shares during a protracted period of time (so-called lock-up) are included.

There may be situations in which more than 25 percent of the shares are in public hands at the time of the admission to trading and listing, but where the distribution falls under such percentage thereafter. It should be noted that the 25 percent rule is to be seen as a proxy, supporting the main principle that there should be a sufficient share distribution.

Consequently, once a company is admitted to trading and listing, the Exchange will continuously assess whether share distribution and liquidity are sufficient from an overall viewpoint, and the 25 percent rule will thus become only one of many components in such an assessment. This also means that a company that is not complying with the 25 percent rule will not automatically be considered to violate the rule.

In the event that the conditions regarding liquidity materially deviate from the listing requirements while the company is listed, such companies will be encouraged to remedy the situation. It may be suggested that a company commission the services of a liquidity provider. If trading in the company's shares remains sporadic, a listing in the observation segment may be considered. Such a decision by the Exchange is preceded by a discussion with the company.

If the company considers listing a second class of shares, the Exchange's assessment will be based on whether there will be sufficient liquidity in the shares in such a class. In practice, this means that the Exchange will make an overall assessment of expected trading interest.

There may be situations in which the shares are not fully distributed at the time of the introduction, but where it is ascertained that such distribution will be achieved shortly thereafter. In such circumstances, the Exchange may find it appropriate to approve the application with reference to Section 6.

3.8 Market Value of Shares

The expected aggregate market value of the shares shall be at least 1 million euro.

The expected aggregate market value of the shares is typically evaluated based on the offering price in the Initial Public Offering, but other means of evaluation can be used as well. This requirement applies only prior to an initial listing on the Exchange.

3.9 Suitability

The Exchange may also, in cases where all Listing requirements are fulfilled, refuse an application for listing if it considers that the listing would be or is detrimental for the securities market or investors' interests.

In exceptional cases, a company applying for listing may be deemed to be unsuitable for listing, despite the fact that the company fulfils all of the listing requirements. This may be the case where, for example, it is believed that the listing of the company's shares might damage confidence in the securities market in general. If an already listed company, despite fulfilling all continuous listing requirements, is considered to damage confidence in the securities market in general because of its operations or organization, the Exchange may consider to evaluate grounds for moving the shares to the observation list or delisting.

In order to maintain and preserve the public's confidence in the market, it is imperative that persons discharging managerial responsibilities in the company, including members of the board, do not have a history that may jeopardize the reputation of the company and thus confidence in the securities market. It is also important that the history of such persons be sufficiently disclosed by the company prior to the listing, as part of the information presented in the prospectus. For example, the company should carefully consider whether information relating to the criminal record of such persons should be disclosed or not, and the same goes for information pertaining to involvement in bankruptcies and suchlike. In extreme circumstances, if a relevant person has a history of felonies, in particular white-collar crimes, or has been involved in a number of bankruptcies in the past, such circumstances may disqualify the company from being listed, unless such a person is relieved from his/her position in the company.

4. Administration of the Company

4.1 The Management and the Board of Directors

4.1.1 The board of directors of the company shall be composed so that it reflects sufficient competence and experience required to govern a listed company and to comply with the obligations of such company.

4.1.2 The management of the company shall have sufficient competence and experience required to manage a listed company and to comply with the obligations of such company.

4.1.3 The Board of Directors of SPAC defined in Clause 10.1 must fulfill the independence requirements for the directors in accordance with the corporate governance code issued by the Board of Directors of the Exchange by virtue of Clause 5.4.1.

A prerequisite for being a listed company is that the members of the board and persons with managerial responsibilities in the company have a sufficient degree of experience and knowledge in respect of the special requirements for such companies. It is equally important that such persons also understand the demands and expectations placed on listed companies. It is neither mandated nor warranted that all members of the board possess such experience and competence, but the board needs to be sufficiently qualified based on an overall assessment. As regards the management, at least the CEO and CFO must be sufficiently qualified in this respect.

When assessing the merits of relevant persons in the company or its board, the Exchange will take into consideration any previous experience gained from a position in a company listed on the Exchange, another regulated market or a marketplace with equivalent legal status. Other relevant experience shall qualify as well.

It is also important that the members of the board and the management know the company and its business, and are familiar with the way the company has structured, for example, its internal reporting lines, the management pertaining to financial reporting, its investor relation management and its procedures for disclosing ad hoc and regular information to the stock market. The Exchange will normally consider the members of the board and the management as being sufficiently familiar with such circumstances if they have been active in their respective current positions in the company for a period of at least three months and if they have participated in the production of at least one annual or interim report issued by the company prior to the listing.

It is also important that all members of the board and persons in management have a general understanding of stock market rules, in particular such rules that are directly attributable to the company and its listing. Such understanding may be acquired by participating in one of the regular seminars that are offered by the Exchange. Persons that are sufficiently qualified shall demonstrate this to the Exchange, for example by providing a CV, a certification by an acceptable third party or other means that may satisfy the Exchange.

The Exchange requires the CEO to be employed by the company. This requirement may be waived for a shorter period, if duly justified.

The Board of Directors of SPAC must comply with the independence requirements for the directors in accordance with the Finnish Corporate Governance Code, and the company may not deviate from the above-mentioned requirements and explain the deviation in accordance with the comply or explain principle applicable to the Code.

4.2 Capacity for Providing Information to the Market

The company must well in advance of the listing establish and maintain adequate procedures, controls and systems, including systems and procedures for financial reporting, to enable compliance with its obligation to provide the market with timely, reliable, accurate and up-to-date information as required by the Exchange.

The company shall have an organization that ensures timely dissemination of information to the stock market. The organization and the routines should be in place prior to the listing, meaning that the company should have prepared at least one interim report for publication in accordance with the Exchange rules, although this information need not have been disseminated to the market. The Exchange encourages applicants to go even further, in the sense that it is recommended that the organization for dissemination of information to the stock market will have been in operation for at least two quarters and involved in the production of at least two interim reports or a report of annual earnings figures and one interim report prior to the listing.

The financial system shall be structured in such a manner that management and the board of directors receive the necessary information for decision-making. This should facilitate speedy and frequent reporting to management and the board of directors, commonly in the form of monthly reports. The financial system must allow for the speedy production of reliable interim reports and reports of annual earnings figures. The company shall also have the human resources required to analyze the material so that, for example, profit trends in the external reporting can be commented upon in a manner relevant to the stock market. It may be acceptable that retained external personnel handle parts of the financial function,

provided that there is a long-term contractual relationship and reasonable continuity of personnel. However, the responsibility for the fulfillment of the financial functions always rests with the company and having essential aspects of financial expertise based on external personnel is not acceptable.

In order to avoid a situation in which the president becomes overly burdened, there shall be at least one additional person who can communicate externally on behalf of the company. Consultants may function as a support in the distribution of information, especially with respect to the drafting of stock market information. However, basing material parts of the information expertise on consultants or hired external personnel is not acceptable.

To ensure that the company provides the market with timely, reliable, accurate and up-to-date information, the exchange encourages the company to adopt an information policy. A company's information policy is a document that helps the company to continuously provide high-quality internal and external information. It should be formulated in such a manner that compliance with it is not dependent on a single person, and it should also be designed to fit the circumstances pertaining to the specific company. The information provided to the stock market shall be correct, relevant, and reliable and shall be provided in accordance with the rules of the Exchange. A company's information policy normally deals with a number of areas, such as who is to act as the company's spokesperson, which type of information is to be made public, how and when publication shall take place and the handling of information in crises. With respect to a listed company, it is also of particular importance that the policy contains a section dealing with the stock market's demands for information.

5. Corporate Governance

The company shall notify its compliance with the corporate governance code in the jurisdiction where it is incorporated according to local practice. If the company is not subject to a corporate governance code in its home country, the company shall apply the corporate governance code that is applied at the Exchange.

A company domiciled in Finland shall comply with the Finnish Corporate Governance Code. A company domiciled outside Finland shall comply with the corporate governance code applicable to the company in its home country. If the company is not subject to a corporate governance code in its home country, the company shall comply with the Finnish Corporate Governance Code, unless the Exchange has, for cause, granted an exemption from this.

6. Waivers

The Exchange may approve an application for listing, even if the company does not fulfill all the requirements for listing, if it is satisfied

- (i) that the objectives behind the relevant Listing Requirements or any statutory requirements are not compromised, or**
- (ii) that the objectives behind certain Listing Requirements can be achieved by other means.**

The objectives behind the Listing Requirements are to facilitate sufficient liquidity and to promote confidence in the company, the Exchange and the stock market at large. These objectives are normally deemed to have been met if all the Listing Requirements are satisfied. However, each particular case has to be assessed on its own merits. Where the

circumstances considered together give a sufficient assurance that the situation of the company and its shares is in compliance with the said objectives, the Exchange may approve an application for listing even if all the Listing Requirements have not been fulfilled. For example, it may be that the share distribution is less than 25 percent, but the number of shares distributed to the public and the number of shareholders is sufficient to provide orderly trading and sufficient liquidity. In such circumstances, the requirements need to provide a sufficient degree of flexibility, in order not to hinder admission to trading if such trading would be in the best interest of the company and the investors.

In some situations, the granting of a waiver may require approval from the Financial Supervisory Authority. In such circumstances, the decision from the Exchange will be subject to such approval, and the Exchange will seek for an approval from the Financial Supervisory Authority.

Waivers may only be relevant at the time of admission to trading and listing. Consequently, a company that has been approved for trading and listing does not need to seek a waiver if the situation changes so that one or more of the listing requirements are no longer fulfilled. In such circumstances, the Exchange normally initiates a discussion with the company in order to find a solution, if needed. In situations whereby there are substantial deviations from the Listing Requirements, the issue of delisting may be brought up as one ultimate alternative.

7. Secondary Listings

7.1 Companies incorporated in Finland shall be considered as having their primary listing on the Exchange. However, if the company can demonstrate that the majority of the trading interest in its securities relates to a foreign exchange, the Exchange may accept such foreign exchange to be the place of the primary listing.

7.2 Companies incorporated in another country than Finland may be considered as having their primary listing in the state where they are incorporated, if such company is listed at an exchange in that state and the majority of the trading interest in the shares can be referred to such exchange. In the absence of listing at an exchange in the state of incorporation, a foreign company may be deemed to be primary listed at such established and recognized foreign exchange to which it is considered to have the closest connection, taking into account the trading interest for the shares at such an exchange compared with any other relevant exchange.

7.3 Subject to approval by the Exchange according to Clause 7.1 or 7.2, a company with a primary listing at a foreign exchange may apply for secondary listing, and the Exchange may under such circumstances waive one or more of the General Listing Requirements in Section 3 and the requirements regarding Administration of the Company in Sections 4 and 5.

Companies with a primary listing on a regulated market, or equivalent, which market is run by Nasdaq, Deutsche Börse, London Stock Exchange, NYSE Euronext, Oslo Börs or Toronto Stock Exchange may be granted exceptions from the Rules in Sections 1-11. Decisions on secondary listings of such companies shall be made by the President of the Exchange.

7.4 When seeking a secondary listing on the Exchange, the company must satisfy the Exchange that there will be sufficient liquidity in order to facilitate orderly trading and an efficient price formation process.

The Exchange will normally recognize the listing requirements of another – in the Exchange’s opinion – well recognized exchange or equivalent regulated market, if the company is subject to primary listing on such an exchange. The Exchange may accept a secondary listing of a company having its primary listing on such a market in accordance with the requirements set out in the above Clauses.

However, also in case of secondary listings, it is imperative that the liquidity is sufficient to provide for orderly trading and an efficient price formation process. The Exchange will consider the forecast of sufficient liquidity based on an overall assessment of the share distribution of the company, not only on the domestic market but also in a Nordic, European or even global perspective. In its assessment, the Exchange will consider factors such as (i) the share distribution in the national market, and (ii) the efficiency of relevant cross-border clearing and settlement facilities. If deemed appropriate under the circumstances, the Exchange may require that the company use a designated liquidity provider in order to safeguard a sufficient liquidity.

The Exchange may at any time decide that the listing at the NASDAQ OMX Helsinki shall be considered as a primary listing in case of changed circumstances. For example, the Exchange may initiate such a change if it becomes evident that the prerequisites for secondary listing set out in the Clauses above are no longer fulfilled.

8. Observation Segment

The Exchange may decide to put the company’s shares or other securities on the observation segment if

- (i) the company fails to satisfy the Listing Requirements and the failure is deemed to be significant,**
- (ii) a serious breach of other exchange rules pertaining to listed companies is at hand,**
- (iii) the company has applied for delisting,**
- (iv) the company is subject to a public offer or a bidder has disclosed its intention to raise such a bid in respect of the company,**
- (v) the company has been subject to a reverse take-over or otherwise plans to make or has been subject to an extensive change in its business or organization so that the company upon an overall assessment appears to be an entirely new company,**
- (vi) there is a material adverse uncertainty in respect of the company’s financial position, or**
- (vii) any other circumstance exists that results in substantial uncertainty regarding the company or the pricing of the listed securities.**

As a signal to the stock market, a company’s shares or other securities may temporarily be placed in the observation segment. The objective behind the observation segment is to give a signal to the market that there are special circumstances connected to the company or its shares to which the investors should pay attention. Reasons for placing the security in the observation segment may vary significantly in various situations, as can be seen from the various different reasons for observation. An observation listing should take place during a

limited period of time, normally not more than six months. As regards SPACs, the provision in (v) above shall be construed in light of the fact that the objective of a SPAC is to complete one or more acquisitions.

9. Delisting of Shares

9.1 Requirements and Procedure

9.1.1 The Exchange may, based on the application of a listed company, decide that trading in the listed security in question 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.

9.1.2 The Exchange may, at its own initiative, decide that trading in the listed security in question will be terminated. This decision may be made if the security or its issuer no longer fulfills 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.

9.2 Hearing

Listed companies must be provided with the opportunity to be heard before a delisting decision is made.

9.3 Appeals

If the Exchange has rejected a delisting application or has made a delisting decision based on the application of a listed company or its own initiative, the listed company and a registered association representing the interests of investors, and investors holding the securities to be delisted or securities exercisable into such, will have the right to appeal the delisting decision to the Financial Supervisory Authority within 30 days of the decision.

10. Specific Listing Requirements for SPAC (Special Purpose Acquisition Company)

10.1 A SPAC is a company whose business plan is to complete one or more acquisitions within a certain time period. The rules regarding Annual Financial Reports, Operating History and Profitability in Clauses 3.5.1, 3.5.2 and 3.6.1 shall not be applicable to SPAC provided that the Financial Supervisory Authority has granted an exemption, when necessary.

10.2 At least 90 per cent of the gross proceeds from the initial public offering and any other sale by the company of equity securities must be deposited in a blocked bank account (a “deposit account”).

10.3 Within 36 months of the effectiveness of its prospectus, or such shorter period that the company specifies in its prospectus, the company must complete one or more business combinations having an aggregate fair market value of at least 80 per cent of the value of the deposit account (excluding any deferred underwriters fees and taxes payable on the income earned on the deposit account) at the time of the agreement to enter into the initial combination.

10.4 Until the company has satisfied the condition in Clause 10.3 above, each business combination must be approved by a majority of the directors who are independent of the company (cf. Clause 4.1.3).

10.5 Until the company has satisfied the condition in Clause 10.3 above, each business combination must be approved by at least a majority of the shares voting at the shareholders' meeting at which the combination is being considered.

10.6 Until the company completes a business combination where all conditions in Clause 10.3 above are met, the company must notify the Exchange without undue delay about each proposed business combination prior to disclosing it to the public.

10.7 Until the company has satisfied the condition in paragraph 10.3 above, shareholders voting against a business combination at a shareholders meeting and making a claim for redemption at that meeting, must have the right, determined in the company's articles of association, to convert their shares into a pro rata share of the aggregate amount then in the deposit account (net of taxes payable and amounts distributed to management for working capital purposes) if the business combination is approved and consummated. A company may establish a limit (set no lower than 10 %) as to the maximum number of shares with respect to which any shareholder, may exercise such conversion rights. This right of conversion excludes

- a) Members of the board of directors of the company,
- b) Officers of the company,
- c) Founding shareholders of the company,
- d) A spouse or co-habitee of any person referred to in subsections a-c,
- e) A person who is under custody of any person referred to in subsections a-c, or
- f) A legal person over which any person referred to in subsections a-e, alone or together with any other person referred to therein, exercises a controlling influence.

The notice of the general meeting shall mention the shareholders' right to demand redemption.

10.8 When the company has satisfied the condition in Clause 10.3 and no longer is to be regarded as a SPAC, the company shall without undue delay initiate a new listing process in all relevant parts. In connection therewith, the company shall fulfill all listing requirements for listed companies. If the company doesn't fulfill the listing requirements, the Exchange may decide that trading in the listed security in question will be terminated in accordance with Clause 9.1.2.

11. Transitional Provisions

The Listing Requirements shall apply to all companies having shares admitted to trading and listing at the Exchange. However, if the shares were admitted to trading prior 2 October 2006, then the previous listing requirements shall apply for a transitional period of three (3) years, which will expire on 2 October 2009.